



# Planning for the Unexpected: Practice Continuation Agreements

*Preparing a practice continuation agreement requires time and effort, but it is well worth the investment.*

Sawyer is an individual practitioner with one part-time employee who works only during tax season performing data entry. On March 1, Sawyer was in a car accident and could not work for two months. Sawyer did not have a practice continuation agreement (PCA) for the firm.

Last week, Taylor, who owns a small CPA firm that employs two CPAs and one accountant, had a heart attack and died a week later. Taylor did not have a PCA or succession plan for the firm.

In a firm such as Sawyer’s with a single CPA providing professional services, a PCA would have defined a CPA or CPA firm responsible for providing client services while Sawyer could not work.

A succession plan with practice continuity guidance would have eliminated the issues Taylor’s employees faced during her illness, as well as the difficulties the executor of Taylor’s estate (a local bank trust department) experienced settling the estate, including the CPA firm’s assets.

Although Sawyer’s and Taylor’s situations are fiction, they are examples of events that negatively impact a CPA, the CPA’s family, and the firm’s clients and employees far too often.

The 2020 AICPA Public Company Practice Section (PCPS) Succession Planning Survey shows that just 6% of solo or sole practitioners have a written practice continuation plan

agreement with another firm. The survey also shows that 26% of solo or sole practitioners plan to retire within the next five years.

*Continued on Page 2*

## PCA or Succession Plan?

The terms “practice continuation agreement” (PCA) and “succession plan” are often used interchangeably, but are they the same? For a sole practitioner, a PCA could be a contract between you and another CPA or CPA firm (the successor firm) wherein the successor firm agrees to take over your practice in the event of specific triggering events.

A triggering event could be a short or long-term disability, a service disruption (natural disaster or cyberattack), or death.

The triggering event could be your retirement – an event that another firm would address in its succession plan. For multi-owner firms, a succession plan could stipulate how and when an owner would leave the firm.

Will owners transition from fulltime employment to part-time employment before retiring at a certain age? A multi-owner firm may include guidance for service disruptions in its succession plan, separate PCA, or “best practices” guide.

All CPA firms should have a written plan that adequately addresses the future; the name of the document is up to you.

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### In This Issue

Practice Continuation Agreements	1
PCA or Succession Plan .....	1
Records. Records. Records.....	2
NASBA Reserach Grant Awarded .....	2
Thank You, Julian Deal! .....	3
License Renewal .....	4



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## Records...Records...Records

One of the most common complaint into GSBA is from a client saying the CPA refuses to return their records. The client would usually give the original documents or simply need a copy of records and the CPA may not see this as an urgent request.

It is best to have a records policy with your clients that is clear and open. This should cover how originals are treated and how clients can request and receive copies. Also include how former clients can still access the work completed in the past.

For more information on the GA Records law go to Board Rule 20-12-.12

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## Practice Continuation Agreements *Continued from Page 1*

If your firm does not have a PCA, the AICPA's *Practice Continuation Agreements: A Practice Survival Kit* is a stepby-step guide to creating an agreement that meets your firm's needs.

Succession planning resources are available to AICPA PCPS members on the AICPA website, [aicpa.org](http://aicpa.org).

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## NASBA Research Grant Awarded

The National Association of State Boards of Accountancy (NASBA) awards its Accounting Education Research Grants Program to the team of Marlissa J. Phillips and Tonya Smalls, both from Clark Atlanta University (Atlanta, GA), for their research entitled, "Do the program curriculum, faculty characteristics, and support association at Minority Serving Institutions contribute to achieving CPA certification?"

The program seeks to advance research on educational issues impacting the certified public accountants (CPA), the public accounting profession and state boards' charge to protect the public. The 2022 Call for Proposals is open now through 11:59 p.m. CT on Friday, March 11, 2022. Post-doctoral researchers and professors seeking funding are encouraged to submit grant proposals for consideration prior to the deadline. Grant recipients will be announced in summer 2022.

### 2021 Board Meeting Dates

- Sep 22, 2021
- Nov 17, 2021



# THANK YOU, JULIAN DEAL, CPA!

## *Words for Julian and his years of service ...*

"It is hard for me to imagine a Georgia State Board of Accountancy meeting without Julian Deal at the table. He has been a great mentor and friend throughout my time with the Board. The profession owes so much to him and he will always be 'Mr. Chairman' to me." - *Paul Ziga (Executive Director)*

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Julian – Thank you for nearly ten years of servant leadership on the Georgia State Board of Accountancy. Your leadership has had a profound impact on the GSBA during your years of service. From leading the transition from the Secretary of State's office, to hiring Paul and our staff members, and leading our board in the chairman position for four years. Personally, I'm grateful for your friendship and the mentoring you've provided me during the six years we've served. The GSBA is better today than it has ever been, largely due to the time and energy you have poured into our organization. Thank you! - *Clay Huffman (Board Chair)*

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To state what Julian has done for the state of Georgia and the Board in just a few sentences is nearly impossible. His leadership and influence in standing up this Board as an independent body is among his most notable accolades and one that has allowed us to become more efficient and effective. He has served for decades and knows just about everyone, so again, his value and influence is priceless. He is a man of honor and discipline, and I am proud to have served with him on this board since 2014, when I was appointed. As he steps off the board, he will be missed and brought up in conversation time and time again as we think, "what would Julian do?" Thank you, Julian, for all you have done and will continue to do. Go Eagles! - *Ashley Addison (Vice Chair)*

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Dear 1724,  
Greetings my friend and colleague! Thank you so much for your years of service and leadership. You have represented



our profession in so many ways over the years. Your guidance and direction have been instrumental in improving our profession through your efforts in the AICPA, GSCPAs as well the transformation of our Georgia Board. Anyone that has been in your company has enjoyed your calming personality, gently laugh as well as your trusted compadre, 2046. Hail Southern and all the best! - *Mike Mixon, 16540 (current board member)*

*\*\*Julian Deal holds certificate number 1724, issued in 1966\*\**

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Julian Deal is a true professional, and it was my privilege to work with him on the State Board. Soon after he and I joined the Board, Julian assumed a leadership role, and he has remained a clear leader for our profession ever since. Julian led the effort to reorganize and strengthen the Board through countless hours and negotiations, and today we are recognized as one of the strongest State Boards of Accountancy in the Nation. Throughout his years of service, he has remained optimistic and approachable by our entire membership, and in every decision he has made, it has been with the overriding public good in mind. Thank you, Julian, for your diligence and long standing service. Thank you as well for your continuing friendship; it has been a privilege to know and serve with you. - *Ron Bobo (former board member)*

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It was an honor to serve with Julian on the Georgia Board of Accountancy. He, Sam Johnson and the late Farrell Nichols were tenacious and tireless in the effort to gain semi-independence for the Board. Julian is a servant leader and true "people person" – he seems to know everybody. For the Board of Accountancy, Julian was the right man, at the right time for a long time. I wish the best for Julian as he seeks to fill his time with other pursuits. - *Elizabeth Hardin (former Board member)*



# LICENSE RENEWAL

## Reminders to Keep Your License on Track



**Renewal period October 1 – December 31, 2021**

*Individual CPA license renewal opens October 1, 2021. Visit our website or check your email.*

### When renewing your license have you:

- CPA license number
- Firm license number (if applicable)



### Renew vs. Reinstatement

Renew your license means you have an active license that you apply for renewal during the open renewal period.

Reinstatement your license means your license is lapsed and you need to apply to bring it to an active status.

### CPE Rules at a Glance

**80**

Total of 80 hours of CPE completed during 2 year period (2020-2021)

**20**

Minimum of 20 hours for each year

**16**

16 hours of Accounting and Auditing

Exempt from CPE for 2 reasons

1. License issue year
2. Over the age of 70



For more about GSBA's CPE rules and requirements visit <https://gsba.georgia.gov/cpe-requirements>

### Open Renewal Quick Reminder

Individual license renewal from October to December of every odd number year.

CPA firm renewal from April to June of every even number year.

### Has your name changed?

Notify the office of a name change before renewing your license to have the updated name on your card.

If you change your name after receiving the new card during renewal, you need to purchase a new card on [nasbastore.org](http://nasbastore.org).