

# Top Ten Issues Facing CFO's Today

Monday, August 5, 2013  
8:45 – 10:00 AM

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National Association of Secondary School Principals

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What Do You Seek?  
August 3-6, 2013



# Agenda – There is no Agenda!

- Getting to know one another
- “Conversations that matter” – rules of the road and Top Ten Sampling
- PPACA
- Other Horizon Issues
- Cash management, investments and reserves
- Anything you think is important!

# Getting to Know One Another

- Nat Bartholomew, CPA



ASAE Volunteer and Partner  
CliftonLarsonAllen

- John Dripps, CAE, CPA



ASAE Volunteer and CFO

National Association of Secondary School  
Principals

challenge

innovate

network

connect

imagine

succeed

asae annual meeting and **you**

# Conversations That Matter

# Health Reform law seeks to expand access to health coverage by:

- Expanding Medicaid eligibility
- **Developing a new marketplace for purchasing insurance (“Exchange”)**
- Mandating individuals enroll in health insurance
- **Imposing penalties on large employers who do not offer coverage, or offer coverage that is unaffordable**
- Subsidizing low and middle-income individuals in the Exchange





# Employer Mandate Delay

July 2, 2013 – Department of the Treasury announced a delay for the employer shared responsibility penalty (a.k.a. “pay or play” penalty) until *January 1, 2015*. *Pay or play required large employers (50 or more full-time employees plus full-time equivalents) to either offer minimum essential and affordable coverage or pay a penalty. Originally, this aspect of the law was scheduled to take effect January 1, 2014.*



# So What's Not On

Large employers will not need to offer their full-time workers and their dependent children minimum essential and affordable coverage in 2014. They will not have to file an info. return with the IRS indicating who their full-time employees are, what coverage they offer, which employees are enrolled, etc. in 2014. The IRS anticipates further guidance will be issued shortly regarding what employers will have to report in information returns in 2015.



# So What's Still On

- Federal and state exchanges are still scheduled to open 10/1/13 and all individuals will need to obtain minimum essential coverage in 2014 or pay a penalty when they file their 2014 taxes.
- Employers still need to explain available coverage options to all employees (FT and PT), regardless of the employee's enrollment status in employer plan prior to 10/1/13. They also must provide:
  - Descriptions of the new state and federal health insurance exchanges (also called marketplaces), services offered, and contact information
  - Details on eligibility for assistance to purchase insurance through the exchanges
  - Info. regarding employee's loss of eligibility for employer contribution to health benefits if insurance is purchased through an exchange
- DOL has model notice language on website for employers offering a health plan, as well as employers who don't offer a health plan.



# What else do I need to know?

- Under ACA, employers must pay various fees, including the Patient Center Outcomes Research Institute (PCORI) fee by July 31, 2013, if self insured (\$1/enrollee for 2014, based on the number of employees reported on IRS Form 720). Similarly, a transitional reinsurance fee of approximately \$63 per enrollee must be submitted at the end of 2014 by employers for self-insured plans and by insurers for fully insured plans.
- Employer responsibilities that have not been delayed include:
  - Ensuring the employee waiting period for enrolling in employer-sponsored insurance coverage does not exceed 90 calendar days (beginning in 2014)
  - Providing a summary of benefits and coverage when plans are changed
  - Ensuring that out-of-pocket maximum limits don't exceed \$6,350 for individuals and \$12,700 for families (\$2,000/\$4,000 for small employers) beginning in 2014
  - Reporting the value of the health care coverage on their employees' W-2 forms. Employers issuing fewer than 250 W-2s are not required to comply until ???.



# What does this mean for individuals and employees?

Federal and state exchanges are still scheduled to open for enrollment 10/1/13. All individuals will still need to obtain minimum essential coverage in '14 or pay a penalty when they file their '14 taxes. (This is the "individual mandate.") People who earn between 100-400% of the federal poverty level and do not have access to affordable coverage through an employer will still be eligible for exchange subsidies-premium tax credits, and/or cost sharing assistance. And finally, insurers cannot deny coverage to an individual for a pre-existing condition.



# Horizon Issues

- Management Discussion & Analysis
- Intermediate Measures
- New Lease Standard
- International Financial Reporting Standards



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# Cash Management, Investments and Reserves

## Cash Management

- Concentration issues and FDIC coverage
- Comparability to other associations
- Monitoring and reporting
- Short-term reserves

## Investments/Reserves

- Risk tolerance
- Diversification
- Time horizons
- Valuation
- Monitoring performance
- Long-term reserves

# Additional Topics?

- Governance training / governance vs. management / fiduciary duties / financial acumen
- Risk management / ERM / COSO
- Analytics, Benchmarking & Trend Analyses (... using dashboards)
- Non-dues revenue / UBI / lobbying
- Other?

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