

Quality Control

BY KEVIN PETERS

3

Qualified Charitable Distributions

BY MAURA POWELL

4

CLIENT FEATURE Bed & Biscuit

6



GREATEST OF ALL TIMES (GOATS)

BY ANDY HATFIELD

There's a lot of debate these days on who the Greatest of All Times (GOATS) are. Some say Lebron, I will always say Jordan, some say Brady, I would prefer to say someone else but really don't know how to without sounding foolish. One thing I believe everyone can agree on for sure is that baby goats (kids) are very cute, and you can't

>> **KEEP READING ON PAGE 2**

>> CONTINUED FROM COVER STORY

help but smile when holding one.

Our Johnson City and Kingsport office locations received a fun surprise on February 28. Two baby goats named Peppermint and Patty from The Funny Farm made their way around the offices to be greeted with warm, smiling faces. You may have seen the smiling faces posted to our social media sites. According to their owners, it's a way to help the goats get accustomed to human interaction to prepare them for goat yoga. For BCS employees stuck in the doldrums of busy season, it was a fun short break to cuddle and play with these adorable animals.

Part of our culture at BCS is to not only provide giving back opportunities throughout the year but to also

have fun breaks or small fun events in the office that break the monotony of the day, especially during the busiest times of the year. Smiling and laughter are good medicine for stress relief! Our marketing team, Kristen Bare and Brittany Peters, do an incredible job of brainstorming and coordinating these efforts. I like to tell them that they bring the creativity and “right side brain thoughts” to our team.

So, fair warning, you never know what you will see when you come through the front doors at BCS to meet with your trusted advisor! As we close in on making it through another busy season, I would like to express my gratitude and say thank you for choosing BCS to provide Accounting, Assurance and Tax services to you and or your organization. ♦

BCS Wealth Management's 25th Anniversary

BY NICK CLAY



February will mark our 25th year in business! We couldn't be more excited to celebrate throughout the upcoming year!

Many of you will remember your first introduction to BCS Wealth Management (BCS Financial at that time) when we were located inside the CPA firm of our partner company, Blackburn Childers & Steagall, PLC (BCS). We were “headquartered” in what is now the kitchen of Building B for 13 years! In the last 12 years, we've outgrown that office and two others. However, we remain only a few yards away from where it all started.

Tommy Greer was the Managing Partner of BCS in 1998. When asked about the “why” of starting BCS Wealth Management, here is what he had to say:

“Prior to launching in 1998, the BCS partners and Jim Wilson discussed for many years the benefits and risks of starting a wealth management company. We knew being a ‘fee-based’ firm was unique at the time. Our initial strategy that we believed was



in our clients' best interest was to manage a portfolio of no-load mutual funds – and nothing else – with a long-term perspective. This allowed us to sit on the same side of the table as our clients. We wanted to make sure the clients knew there were no conflicts of interest, commissions, or incentives to manage one way over another. In addition, wealth management went hand in hand with the other services we offered, including tax and financial strategies, and more times than not our clients were asking us if we could provide this service for them.”

Many things have evolved over the years. Regulations,

rules, and laws have changed. Markets have been up, down, and everywhere in between. Yet we have remained consistent in our independence and laser-focused on taking care of our clients at the highest level. We've been blessed to grow substantially since our humble beginnings in 1998 and to be recognized by industry publications. More importantly, we've been fortunate to play a key role in making a positive difference in our clients' lives along the way.

This year we plan to celebrate and give back in many ways, including client events, giveaways, and community outreach. To kick off our year of celebration, we have established an annual scholarship fund at two local universities, Milligan University and East Tennessee State University. We call it the "25 for 25."

We will provide a \$2,500 scholarship to a deserving finance student at each university. For more details on this annual scholarship, please reach out to the respective university or our office.

We recognize that our team is a steward of what God has created and provided. We are blessed to be in business with so many clients, friends, and colleagues. We work hard every day to continuously earn your trust. On behalf of our partners and staff, I thank you, our clients and friends in the communities that we serve, for your trust and partnership. Our growth and ability to serve would not be possible without you.

Stay tuned for more celebratory happenings from around the firm. We hope to see you soon! ♦

Quality Control

BY KEVIN PETERS



At BCS, premier service is one of our Core Values. Inherent in the concept of premier service is quality control. Specifically in our audit and assurance practice areas, BCS is a voluntary member of two AICPA Quality Centers; Governmental Audit Quality Center (GAQC) and Employee Benefit Plan Audit Quality Center (EBPAQC).

The GAQC was created in part for audit organizations interested in performing governmental audits which includes single audits and audits under Government Auditing Standards. Membership in the EBPAQC is for firms performing ERISA employee benefit plan audits. Both centers have a mission to promote the quality of the related specialties. BCS, as a member of both, is further subject to the membership requirements established by the AICPA. These membership requirements include (1) the designation of an audit partner with firm-wide responsibility for the quality of the governmental audit practice (GAQC) and employee benefit plan practice (EBPAQC), (2) establish policies and procedures specific to these practice areas to further comply with professional standards, (3) monitoring and annual internal inspection to include audits from these practice areas, (4) make public the most recently accepted peer review and (5) annual required training by the partner

designated with firm-wide responsibility for the quality center. At BCS, those partners are Chad Kisner and Melissa Steagall-Jones.

In addition to the membership in the two quality centers, several staff in the assurance department have certifications and designations related to governmental and EBP audits. These include the Advanced Single Audit, Intermediate Employee Benefit Plan Audits, and Advanced Defined Contribution Plans Audit certifications. These certification programs, from the AICPA are based in part of the AICPA Competency Framework.

BCS is also required to have a peer review of its audit and assurance practice, every three years. That review is performed by an independent third party and is overseen and approved by the AICPA.

Continuing professional education (CPE) is also a requirement for our professional staff. Courses in employee benefit plans, governmental accounting, single audits, accounting and auditing and ethics are regular parts of the curriculum. CPE sources include those of the AICPA. BCS has also participated in teaching sessions for CPE with East Tennessee State University and Appalachian State University.

For over 60 years, premier service has been a foundational principle of BCS. It is something we take seriously and strive to achieve on a daily basis for all our clients. ♦

Qualified Charitable Distributions

BY MAURA POWELL



Many individual taxpayers itemized in the past but now take the standard deduction. With the passage of the Tax Cuts and Jobs Act in late 2017, the standard deduction increased significantly, which means that most taxpayers with charitable intent no longer receive a tax benefit for their giving. Fortunately, individuals who are taking required minimum distributions (RMD) from their traditional individual retirement arrangements (IRA) can take advantage of qualified charitable distributions (QCD).

QCDs are an incredible tax-savings tool for individuals who are at least 70 ½ years old and are taking distributions from a traditional individual retirement arrangement (IRA). When a taxpayer directs their IRA custodian to send a portion of their RMD directly to a charity, that portion is excluded from taxable income. Because taxable income drives the cost of Medicare premiums, the taxation of Social Security, and your tax bracket, using a QCD is a smart strategy. Ask us how QCDs could affect you!

WHO BENEFITS THE MOST?

QCDs have the greatest impact on retirees who are required to take an RMD, do not need all the income from that RMD, and have charitable intent but do not have enough deductions to itemize.

HOW DO THEY WORK?

Your IRA custodian must directly send the distribution to the charitable organization by December 31 of the tax year. Your QCD can be spread among as many charities as you like.

ARE THERE LIMITS?

Yes, the annual QCD limit is \$100,000 per individual.



This \$100,000 can be from one IRA contribution or from several IRA contributions. This means that couples filing a joint return can report up to \$200,000 of QCDs each year.

WHAT IS THE TAX EFFECT?

The QCD portion of the IRA distribution is tax-free on your 1040. The gross distribution received will be presented on line 4a of your tax return, but the taxable portion reported on line 4b will reflect the reduction in taxable distributions due to the QCD. The letters "QCD" will show up next to line 4b as well.

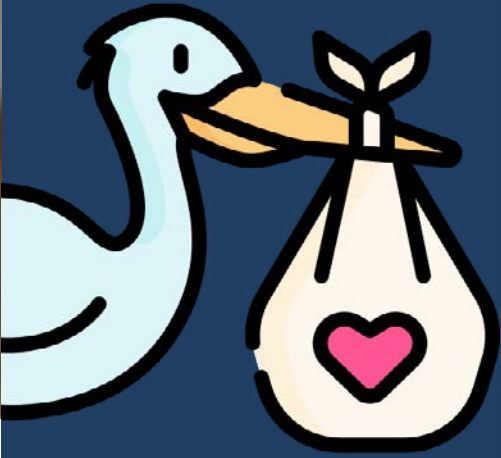
For example, you are a single taxpayer, and you do not typically itemize. Instead of writing weekly checks to a church or charity of your choice, you direct \$5,000 of your RMD to your church or charity. You just automatically lowered your taxable income by \$5,000. If you had not chosen to use your RMD for a QCD, you would have taken the standard deduction and lost all the tax benefit of your charitable giving.

HOW DO I MAKE A QCD?

Speak to your IRA custodian to see what the next steps are for making a QCD and to fill out the required paperwork. ♦

PERSONAL LINES

NEWS FROM AROUND THE FIRM



WYATT

Congratulations to Wade and Allie Miller on the birth of their son, Wyatt. He was born on February 3rd weighing 8lbs and 1 oz.

LEWIS

Congratulations to Virginia Groover and her husband, Kyle! Their son, Lewis James Murphy, was born on February 16th weighing 7lbs and 3 oz.

ADELINE

Congratulations to MeLissa Crockett! She just welcomed her third granddaughter, Adeline Ruth Hale.





CLIENT FEATURE

Bed & Biscuit

JOHNSON CITY, TN



Q+A with **TIM DALPIAZ**

DOCTOR OF VETERINARY MEDICINE

Q. WHAT IS YOUR STORY? HOW DID YOU GET YOUR START?

A. Bed and Biscuit was an idea of bringing luxury boarding to our area but with the added benefit of overnight care and veterinary supervision. Many pet owners do not like leaving their pets overnight without someone to keep watch over them. Most facilities close at 6 or 7 and the dogs and cats are not walked until 6 or 7 the following morning. We also wanted to not just board dogs but the idea of having groups of dogs playing outside in stress free, safe environments. Our five fenced in areas (one is 3600 square feet) all have K9 grass to prevent muddy feet and grass stained feet. No mulch or rocks that can be ingested by our canine friends.

Q. HOW HAS BCS HELPED YOU?

A. BCS has helped with all things financial from bookkeeping, taxes, and working with new tax strategies in depreciation. I personally truly enjoy having access to Margaret and Jeremy with any questions that arise whether it be taxes, payroll, or new equipment purchases.

Q. WHAT ARE YOUR GOALS FOR THE FUTURE?

A. Goals for the future are as follows, continue to offer wonderful customer service to our dogs and cats and their parents. ♦



“ WE ARE SO HAPPY TO HAVE FOUND BED & BISCUIT. WE LOVE KNOWING OUR DOG IS IN GOOD HANDS AND THAT HE IS GOING TO HAVE A GREAT TIME WITH HIS FRIENDS! ”

BLACKBURN, CHILDERS & STEAGALL, PLC

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JUST KIDDIN' AROUND

The BCS staff was all smiles when our two new furry friends came to visit!

