

HAWAII KUKALA

March 2019



Vision

AGA is the premier association for advancing government accountability.

Mission Statement

AGA fosters learning, certification, leadership, and collaboration for professionals and stakeholders committed to advancing government accountability.

AGA Hawaii Chapter

P.O. Box 4474, Honolulu, HI 96812

<https://www.agacgfm.org/Chapters/Hawaii/Home.aspx>



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the President's Message



Dear fellow AGA Hawaii members,

We hope everyone has had a great start to the New Year and it's amazing that we're already a quarter of the way into 2019.

In January, Stanford C.T. Lum spoke to the chapter on the latest tax updates and how the Tax Cuts and Jobs Act would impact an individual's 2018 tax return. A special thanks to Stan for speaking to us and be sure to check out the article in this newsletter.



AGA Hawaii is currently piloting a CGFM program whereby members receive discounted rates on study materials and are provided the opportunity to form exam study groups. Please contact Pamela Young for details if you are interested. The CGFM is the premier governmental accounting certification and we want to support our members who wish to obtain the CGFM designation.

Membership renewal – Please remember that the renewal deadline is March 31st, 2019. We hope that you find your membership to be a valuable asset to your continued professional development and look forward to having you renew your membership for the 2019-2020 fiscal year.

Save the date – March 6, 2019: Unyong Nakata, Executive Director of Development for the UH Foundation. Unyong brings a wealth of knowledge and experience from her time leading the development and fundraising efforts of the UH Foundation. She will be speaking on how to build your personal brand in order to deliver lasting strategic results.

Save the date – July 21 – 24, 2019 for the annual AGA National PDT in New Orleans. If you are interested in applying for the annual AGA PDT Hawaii scholarship or have questions on how to qualify, please contact us.

We wish everyone continued success as we head to the middle of 2019 and hope to see everyone at the next AGA luncheon!

Sean Nakamura, CPA, CGMA

Income Tax Update

Debra Mott

Returning speaker, Stanford C.T. Lum, CPA and Tax Partner at KKDLY LLC, spoke at the January 2019 AGA luncheon on the topic of “Tax Bill Updates in 2018.”

Stanford started off by going over the background of the Tax Cuts and Jobs Act of 2017 that brought about sweeping changes and emphasized that the law is still subject to corrections and that many of the individual provisions will expire in 2025. He explained that many taxpayers will have lower taxes due to the lower rates but may owe more when filing due to withholding rules not being able to keep up with the complexity of the tax law changes.

Changes include the Child Tax Credit which was doubled from the old credit and applies to much higher incomes now, but the personal exemption has been eliminated. Higher education credits were on the chopping block, but remain in place along with the student loan interest deduction.

He recommended that parents look into opening 529 education plans which can now be used to pay for K-12 education expenses and have protections similar to IRAs. Unfortunately, Hawaii did not adopt the K-12 change and taxes and penalties would apply on the state return to withdrawals not used for college and university expenses.

For deductions, Stanford pointed out that the mortgage debt limit was lowered to \$750,000 but existing loans are grandfathered in under the previous rules. The home equity interest deduction has been eliminated.

Donations such as those made to Ahahui Koa Anuenue for the right to purchase athletic tickets no longer qualify for the charitable deduction.

The total amount of income, sales and property tax that can be deducted has been capped at \$10,000, which affects Hawaii taxpayers in particular who can easily reach that limit between their W-2 withholdings and real property taxes paid.

Various deductions have disappeared, including the 2% miscellaneous deductions such as unreimbursed employee expenses, tax preparation fees and brokerage fees. Casualty and theft losses can no longer be deducted unless attributable to a federally declared disaster.

Stanford also spoke briefly on the increase to the estate tax exemption which rose to \$11.18 million per individual and \$22.4 million for married couples.

As the last topic, Stanford discussed the complexities of the new Section 199A deduction that applies to taxpayers other than corporations engaged in a qualified trade or business. The potential 20% deduction would not apply to certain service businesses but could apply to rentals that qualify as a business. The state of Hawaii did not adopt this deduction, which involves complicated limitation calculations.

Stanford concluded his presentation with several takeaways. The doubling of the standard deduction means many taxpayers will no longer itemize. Everyone should double-check their withholding amounts and also consider bunching itemized deductions. With the increase in the estate tax exemption, wealthier taxpayers may no longer need as many trusts, but there is the potential for the law to change in the future and Hawaii still has a lower limit. The Chapter extends their thanks to Stanford Lum for providing this concise overview of the changes arising from the Tax Cuts and Jobs Act.

Don't Forget to Renew Your AGA Membership by March 31, 2019!

As an AGA member, you gain access to a host of benefits designed to support your career growth and your success. Renew at National AGA website at: <https://www.agacgfm.org/Membership/Learn-About-AGA/Join-orRenew.aspx>

MEMBERSHIP BENEFITS

- Networking opportunities through luncheon meetings and social events
- Local chapter seminars offering low-cost continuing professional education (CPE)
- Numerous CPE opportunities via AGA national conferences, audio conferences, online self-study and classroom courses
- Leadership opportunities through serving on the executive committee at the chapter, regional or national levels

New Members Biography

Sarah Allen

Sarah Allen is the State Procurement Administrator for Hawaii. Ms. Allen's leadership covers the procurement guidance and compliance, State Inventory and the State Surplus Program. Ms. Allen's experience is in government acquisition, forensic auditing and financial management. She has performed as Executive Advisor to the Acquisition Director of the NGA, a Senior Acquisition Analyst for CACI at the Pentagon, and served in the U.S. Air Force. Prior to this, Ms. Allen held positions of CFO and CEO in IT and Financial companies abroad. Ms. Allen earned a Global Executive Master of Business Administration from George Mason University, a Master of Acquisition Management from American Graduate University, and a Bachelor of Commerce in Accounting and Auditing from the University of South Africa.

Trudy Sakaguchi

Trudy Sakaguchi was born and raised on Oahu. She attended the University of Hawaii Maui College and took her first accounting class, while she was earning her associate degree in liberal arts. She found accounting class enjoyable and wanted to learn more. She is now working towards a Bachelor's Degree in Business Administration with a focus in accounting at the University of Hawaii - West Oahu and working as a sales representative at an orthopedic store. Trudy Sakaguchi is excited to learn about the AGA Hawaii Chapter because it offers her a lot and she hopes she can meet everyone.



Upcoming Luncheon

Topic: Building and Maximizing your Personal Brand to Deliver Strategic Results

Speaker: Unyong Nakata, Executive Director of Development, University of Hawaii Foundation - Shidler College of Business at UH Manoa

Date: Wednesday, March 6, 2019 at 11:30 AM - 1:00 PM

RSVP by: Tuesday, February 26, 2019

CPE Credit Hour(s): 1 CPE

Price: \$30 for members; \$40 for non-members, Accept Cash or Check only on day of event

Location: The Plaza Club

Lunch: A buffet style lunch will be provided.

"Food for attendees, will be pre-ordered and the Chapter is obligated to pay for the cost of people responding. Therefore, if you cannot attend, please find a replacement or notify us by the RSVP deadline."

Parking: \$6.50 for 2 hours at Plaza Club. AGA Hawaii will subsidize \$3 parking for members. Please register yourself using the Evite system. If you have any questions or know of others who would like to register, please contact Shena at sdbocalbos@gmail.com.

AGA's Premier Training and Networking Event



Registration & Fees

AGA Member	Online	Email/Mail
(by June 21)	\$875	\$900
Non-member	Online	Email/Mail
(by June 21)	\$1,075	\$1,100

Reasons Why You Should Attend:

1. **Earn up to 24 CPEs:** Enhance your lifelong learning and gain the knowledge and understanding to better improve your job effectiveness. The presentations are facilitated by both industry experts and colleagues who have faced similar challenges. You can earn up to 24 CPEs.
2. **Stay on the cutting edge:** Includes top-notch speakers from federal, state, local, academia and the private sector bringing you key findings and educational experiences to augment your job knowledge and skills.
3. **Network and connect:** Connect with a variety of government financial experts and industry colleagues from around the nation facing the same or similar issues, and exchange ideas to bring back to your organization.

For more information, please visit: <https://www.agacgfm.org/PDT/PDT-Home.aspx>



No matter where you are in your career, distinguish yourself – earn the Certified Government Financial Manager® (CGFM®) certification.



What is CGFM?

Certified Government Financial Manager® (CGFM®) is a professional certification recognizing the unique skills and special knowledge required of today's government financial managers. It covers governmental accounting, auditing, financial reporting, internal controls and budgeting at the federal, state and local levels. To earn the CGFM, individuals must apply for the CGFM program and meet the following requirements:

Ethics — Read and agree to abide by AGA's Code of Ethics

Education — Have a bachelor's degree from an accredited college or university

Examinations — Pass three comprehensive CGFM examinations

Experience — Have at least two years of professional-level experience in government financial management

To learn more about becoming a CGFM, please visit <https://www.agacgfm.org/CGFM-Certification/About-CGFM.aspx>

Supporting Hawaii's Government Financial Management Professionals

FY 2018 – FY 2019 CHAPTER LEADERSHIP

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