

RISCPA'S BUSINESS VALUATION AS A CAREER PATHWAY

*WEDNESDAY, DECEMBER 9, 2020
FROM 12:00 P.M. – 1:00 P.M.*

Moderator:

*John E. Barrett, Jr., CPA, ABV, CVA
Barrett Valuation Services, Inc.*

Panelists:

*Kevin A Papa, CPA, ABV, CVA
Piccerelli, Gilstein & Company, LLP
&
Karen S. Rice, CPA, CVA
KLR*

OBJECTIVES

In this webcast, participants will become familiar with:

- The Business Valuation specialty
- The ABV Credential of the AICPA
- The CVA Credential, of the National Association of Certified Valuators and Analysts
- Starting or joining a Business Valuation practice

AGENDA

- Business Valuation Landscape
- General Discussion Panel
- Resources and Educational Options

WHAT IS BUSINESS VALUATION?

- “The act or process of determining the value of a business enterprise or ownership interest therein.”
 - Statement of Standards for Valuation Services No.1
- “A Prophecy as to the future and must be based on facts available at the required date of the appraisal.”
 - Revenue Ruling 59-60

WHAT DOES A VALUATION ANALYST DO?

- Business valuations are performed for a variety of purposes:
 - Gift and Estate Tax
 - Employee Stock Ownership Plans
 - Mergers and Acquisitions
 - Fair Value for Financial Reporting
 - Shareholder Disputes
 - Marital Dissolution/Family Law
 - Damages and Lost Profits
 - Bankruptcy

WHY CHOOSE BUSINESS VALUATION?

- **Grow your practice with additional revenue streams**
 - Valuation is consistently one of the fastest growing service areas
- **Differentiate your practice from traditional tax and audit firms; Retain clients by providing a full range of services**
 - The aging baby-boomer population presents an opportunity for succession planning and M&A Activity
- **Provide a deeper and more meaningful risk analysis of your clients' businesses**
- **Perform better Fair Value audit procedures**
 - Fair value for financial reporting is constantly evolving
- **Increase your desirability to potential employers**
 - Specialized knowledge and credentials can set you apart

GENERAL DISCUSSION PANEL

- How did you get started in this field?
- What initially drew you to the field?
- What characteristics of yours make you well-suited to doing valuation work?
- What experiences in your past turned out to be good preparation for doing valuation work?
- What type of engagements do you work on? Do you travel?
- What keeps you in this field? What is the one thing that you think separates this field from the traditional tax and attest work?
- What resources do you utilize? Do you need to have a robust library of databases, software, etc.?

- What are the downsides of operating in this field from a general standpoint? What issues do you face that are unique to your size of firm by offering these services?
- Are there additional educational requirements for practicing in this area as opposed to tax and attest?
- What character trait does a CPA need to be successful in this field?
- What can I do to get relevant experience?
- Is it better for me to start a BV practice in my exiting firm, join a firm that already has a BV practice, or strike out on my own?
- What advice would you give aspiring CPAs about this field?

RESOURCES AND EDUCATIONAL MATERIALS

Educational Materials:

Understanding Business Valuation, Fifth Edition
Gary R. Trugman, CPA, ABV, MCBA, ASA

Financial Valuation, Third Edition
James R. Hitchner, CPA, ABV, CFF, ASA

Cost of Capital, Fourth Edition (first few chapters)
Shannon P. Pratt

PPC's Guide to Business Valuations
Jay E. Fishman, FASA
(This is a real How To book)

AICPA BUSINESS VALUATION EDUCATION

- AICPA National Business Valuation School
 - Week-long, live course, 45 CPE credits
- Introduction to Business Valuation
 - Self-study, 32 CPE credits
- Understanding Business Valuation
 - Self-study, 31 CPA credits
- ABV Exam Review
 - Self-study format, 15 CPE credits
 - Live format offered June & November each year

AICPA – ABV CERTIFICATION REQUIREMENTS

For CPAs

1. Maintain Regular AICPA Membership in good standing.
2. Hold a valid and unrevoked CPA license or certificate issued by a legally constituted state authority.
3. Pass the ABV Examination (requirement waived for candidates who have passed the ASA credential exam of the American Society of Appraisers, CFA exam level III of the CFA Institute or CBV credential exam of the Canadian Institute of Chartered Business Valuators).
4. Upon successfully passing the ABV Exam, complete the ABV Credential Application online. Applicants must attest to meeting the minimum Business Experience and Education requirements pay the appropriate credential fee.
5. **Business Experience:** CPA candidates must have obtained a minimum of 1,500 hours of valuation experience within the 5-year period preceding the date of the credential application. Refer to the ABV Credential FAQs for examples of business experience.
6. **Education Requirement:** All candidates must complete 75 hours of valuation-related continuing professional development (CPD) within the 5-year period preceding the date of the credential application. Refer to the ABV Credential FAQs for further details.
7. Sign a Declaration of Intent to comply with the requirements of ABV Recertification.

For Valuation Professionals

1. Maintain an Associate, Non-CPA Associate or CPA Exam Candidate Affiliate AICPA Membership in good standing.
2. Hold a bachelor's degree or equivalent from an accredited college or university and complete the AICPA Professional Conduct and Standards Education for Finance Professionals course within 30 days after submitting your application.
3. Pass the ABV Examination (requirement waived for candidates who have passed the ASA credential exam of the American Society of Appraisers, CFA exam level III of the CFA Institute or CBV credential exam of the Canadian Institute of Chartered Business Valuators).
4. Upon successfully passing the ABV Exam, complete the ABV Credential Application online. Applicants must attest to meeting the minimum Business Experience and Education requirements pay the appropriate credential fee.
5. **Business Experience:** Finance professional candidates must have obtained a minimum of 4,500 hours of valuation experience within the 5-year period preceding the date of the credential application. Refer to the ABV Credential FAQs for examples of business experience.
6. **Education Requirement:** All candidates must complete 75 hours of valuation-related continuing professional development (CPD) within the 5-year period preceding the date of the credential application. Refer to the ABV Credential FAQs for further details.
7. Sign a Declaration of Intent to comply with the requirements of ABV Recertification.

NACVA – CVA CERTIFICATION REQUIREMENTS

For CPA's

1. Hold a valid CPA license
2. Attend an “optional 5-day training program” (highly recommended)
3. Pass a comprehensive 5-hour exam
4. Successfully demonstrate experience threshold by completing a sample case study business valuation report