



2025 WICPA NOT-FOR-PROFIT ACCOUNTING CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



ACCOUNTING, AUDITING & TAX UPDATE

Get the latest accounting, auditing and tax updates impacting not-for-profit organizations



ECONOMIC & FINANCIAL MARKET OUTLOOK: GUIDEPOSTS BENEATH CHAOS

Examine what the most reliable indicators point to and what it all means for you in 2025 and beyond



GENERATIVE AI FOR CPAS

Learn how generative AI can save you time and spark creativity at work

TUESDAY, SEPT. 16 | WICPA CPE LIVESTREAM

2025 WICPA NOT-FOR-PROFIT ACCOUNTING CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the afternoon sessions of the 2025 WICPA Not-For-Profit Accounting Conference held on Tuesday, Sept. 16, including:

- Generative AI for CPAs
- The Federal Budget Process
- Essential Knowledge for Nonprofit Boards & Executives
- Current Issues in Business Ethics

**VIEW THOUSANDS OF ADDITIONAL IN-PERSON AND
ONLINE CPE OPPORTUNITIES AT [WICPA.ORG/CPECATALOG](https://www.wicpa.org/cpecatalog)**



A Technology Performance Company

Your technology performance deserves laser-focused attention.

CTaccess is an extension of our company. They keep our company on track, prepared for the future and up & running.



The Full Spectrum of IT Services. NO MORE hassles and NO MORE hidden costs. We'll be the most transparent, proactive, and responsive IT partner you'll ever have in your corner.

What is IT? When we talk about IT, we're referring to your entire infrastructure: computers, servers, internet, cyber security, email, the cloud, phones, and all the things that keep your company and your people running day to day. Our job is to make sure all of those essential functions are working at their peak and continuously improving so that you can focus on your mission.

When your technology is running at its peak, you can focus on what you do best. We make that possible.

Our IT Services

- **Managed Service Provider**
- **Co-Managed Service Provider**
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- **IT Consulting & Project Support**
- **Cloud UCaaS (Phone Systems)**
- **Mac Support**

**WE'RE WITH
YOU FOR LIFE**

**PAYROLL
COMPLETE**

Bridging the Gap Between Everyday and Payday
A Division of Waukesha State Bank



**FROM YOUR
CLIENT'S
FIRST HIRE TO
GROWING
THEIR TEAM**

The people part of your client's business is so much more than payroll. Time. HR. Benefits. Compliance. Training. Hiring. And great reporting. At Payroll Complete, we connect the soft side of human resources to the data your clients need to make decisions. We pair real customer service with robust technology. And we bridge the gap between everyday and payday human resources needs. It's a complete solution from a caring team.

Set up your clients for success at PayrollCompleteWaukesha.com



CELEBRATE

**ACCOUNTING
CAREERS
MONTH**
NOVEMBER 2025



Inspire the future talent.

To help raise awareness of the accounting profession, we're looking for volunteers to go into high schools to talk about accounting as a career.

We've made it extremely easy for you to participate!

- Reach out to one or more high schools you're interested in speaking at
- Schedule a day and time with the school
- Let us know by completing the Accounting Careers Month Volunteer Form
- We'll provide you with everything you need including a presentation, talking points, tips, resources and fun gifts for students!

Get involved at wicpa.org/CareersMonth



2026
WICPA

Excellence

★ ★ ★

★ ★ A W A R D S



NOMINATE SOMEONE YOU KNOW FOR AN EXCELLENCE AWARD!

- ★ Accounting Educator
- ★ Accounting Student
- ★ Business & Management
- ★ CPA in Public Practice
- ★ Community Service
- ★ Distinguished Career
- ★ Diversity & Inclusion
- ★ Woman to Watch
- ★ Young Professional

Submit your nomination at wicpa.org/awards by Nov. 14, 2025.

Recipients will be announced in January and honored at the Member Recognition Banquet & Annual Business Meeting on May 8, 2026.

The individual nominated must be a WICPA member.



WICPA Educational
FOUNDATION



YOU have the opportunity to impact thousands of students and educators in Wisconsin.

Through your contribution to the WICPA Educational Foundation, you can help us reach students and educators in high school and college to create awareness about the accounting profession.

As the end of 2023 draws near and you are thinking about tax planning, consider donating to the WICPA Educational Foundation.

Questions? Contact Tammy J. Hofstede, WICPA President and CEO at tammy@wicpa.org.

To contribute, visit wicpa.org/EF.



WICPA Educational
FOUNDATION

Join the WICPA Educational Foundation Board!

The WICPA Educational Foundation is seeking members to serve on its board of directors.



Some of the opportunities include:

- Assisting in efforts to attract students to the profession.
- Providing strategic governance in accordance with the WICPA Educational Foundation mission.
- Acquiring new leadership skills.

The WICPA Educational Foundation plays a pivotal role in supporting programs to improve awareness and perceptions by educating students and educators about the exciting opportunities available to accounting professionals.

To apply, visit wicpa.org/EFBoardApplication through Feb. 28, 2024. ► **Questions?** Contact tammy@wicpa.org.

JOIN A CONFERENCE PLANNING COMMITTEE

Participate in planning a WICPA conference and enjoy:

- ⦿ FREE registration*
(a \$300-\$400 value!)
- ⦿ Exclusive networking
- ⦿ Leadership skill development
- ⦿ Recognition for your WICPA involvement
- ⦿ Informal CPE credit

* To receive free conference registration:

- attend one planning meeting ~ 2 hours
- select topics
- contact speakers
- introduce speakers at conferences

2025 CONFERENCES Accepting Volunteers

MARCH
20

BUSINESS & INDUSTRY
SPRING CONFERENCE

MAY
13

FINANCIAL INSTITUTIONS
CONFERENCE

MAY
21

SCHOOL DISTRICT AUDIT
CONFERENCE

SEPT.
9

BUSINESS & INDUSTRY
FALL CONFERENCE

SEPT.
16

NOT-FOR-PROFIT
ACCOUNTING CONFERENCE

NOV.
10-11

TAX
CONFERENCE

NOV.
20

ACCOUNTING & AUDITING
CONFERENCE

For more information or to join, email tammy@wicpa.org.



Generative AI for CPAs

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September 16, 2025

Learning objectives / Agenda

- Identify the basics of generative AI
- Identify capabilities of Gen AI
- Discuss practical ways to integrate Gen AI into your work: to save time
- Discuss practical ways to integrate Gen AI into your work: to spark creativity
- Identify how to best incorporate AI into your written communication
- Identify how to spice up presentations with Graphics
- Identify how to spice up presentations with Videos

Identify the basics of generative AI

Artificial Intelligence (AI)

- Computer-based systems performing tasks that normally require human intelligence:
 - Recognizing speech (like Siri)
 - Identifying images (like facial recognition)
 - Making decisions (like a recommendation engine)
 - Driving a car

Generative Artificial Intelligence (Gen AI)

- Subfield of AI that focuses on creating new content
 - Text, Images, Audio, Code
 - Not simply analyzing/interpreting existing data
 - ChatGPT (generates human-like text)
 - DALL-E (creates images from text prompts)
 - MusicLM (generates original music)
 - GitHub Copilot (writes code)
-
- AI: Mimic human intelligence
 - Gen AI: Create new data

Popular Chatbots (Gen AI assistants)

- ChatGPT: Owned by Open AI
- Claude: Anthropic
- Gemini (formerly Bard): Google
- Perplexity AI
 - Uses cited sources more
- Microsoft Copilot, embedded in MS products
- Many others

Gen AI Usage

- How often do you use Gen AI?
 - All the time
 - Daily
 - 1-2 times per week
 - Rarely
 - Never
- Which platform(s) do you use?

Cost

- Each of these has a free version and pay version
- Pay versions are usually about \$20 per month
- Per ChatGPT, the Plus version unlocks GPT-4, faster response, priority access to new features and tools.
- Plus version is a bit slower
- But has stronger memory, reasoning ability, accuracy, coding skills, and creativity.
- Also offers file uploads and better images

Identify capabilities of Gen AI

Start with fun: Recipes

- “Give me a dinner recipe. I want to use up some chicken I have thawed. I have a bunch of spices and assorted pastas on hand. I like medium heat.”

Start with fun: Pop Culture

- “What are the ten best Johnny Cash songs?”
- “What are the best 5 Disney movies of the past 30 years?”

Start with fun: More detailed planning

- “My wife and I are going to Seattle for the first time on July 31st. We will be there for 4 nights. We like walking around and exploring, authentic and local vibes, restaurants that are tasty and fun and not super pricy and pretentious, and more acoustic and local live music (not big concerts). We don't need to see all the big touristy attractions but aren't opposed to all of them if they are easy. My wife will have that Sunday afternoon to herself while I am giving a talk at a conference, and she likes museums/art. Give us a sample itinerary.”

Basic professional use

- “What is the bonus depreciation % for 2025?”
- “What would be some key ways I could audit the bad debt reserve for a new client?”
- “Create a ten question multiple choice quiz for an intro college financial accounting course on Inventory and COGS?”
- “What should I expect to pay for an audit? I lead a non profit with \$2 million of gross receipts.”
- “What are ten overlooked Excel shortcuts?”

**Discuss practical ways to
integrate Gen AI into your work:
to save time**

Draft written correspondence

- Job applications
 - Upload your resume and the job description
- Client letters
- Reply to requests
- “a client asked for the status of the current federal tax bills in the house and senate. has anything passed? i can't keep it straight. Her name is Barb.”

Review reports

- “Summarize the key points of this article / report”

Research

- “We are entering into a joint venture. We will own 50% on the dot. Do we use equity method accounting or consolidation with a minority interest? Provide supporting links to accounting standards and rules.”

**Discuss practical ways to
integrate Gen AI into your work
to: spark creativity**

Use effective prompts

- “what are some potential 2 hour cpe session i could lead next year?”
- “What are some underused tax deductions for small business clients?”
- “Give me interview questions to ask client staff when assessing internal controls”
- “Help me explain the difference between EBITDA and cash flow to a client.”
- “What are key month-end close tasks for a mid-size company?”

Identify how to best incorporate AI into your written communication

Ways to incorporate AI into your written communication

- Have AI draft your writing
- Have AI rewrite your draft
- Have AI list potential changes to make
- Use AI to draft your writing and blindly send it out without review

Boz's optimal process

- Boz drafts
 - Boz uses MS Word for spellcheck
- AI reviews
 - Usually: “list” potential changes but don't rewrite
 - Occasionally: “do a light rewrite but don't change my voice”
 - Recent example of Medallion Hunt
- Boz makes edits or reviews AI's rewrite
- AI reviews one final time: “list potential changes but don't rewrite. Focus on clear errors.”
- Boz reviews AI recommendations

Boz Draft

- quick cleanup for LI: Today's the big day. My 5th annual Boz-A-Palooza. Going straight from 6am to midnight. If you still need ethics or oether CPE before the June 30th deadline, come join in the fun. You can simply attend a session or two, or join at least 11 crazies who are registered for full 18 hours, which is nine two-hour webinars. Signups are welcome until the start of each webinar. Go to wellspringcpe.com for full details. I put on a new ACCOUTNING shirt every session. I've got a few extra, depending on how the mood strikes me. Right now my mood is good. Ask me in 18 hours. Let's go!!!

AI Light Rewrite

Today's the big day—my 5th annual Boz-A-Palooza!

I'll be live from **6am to midnight** with nine back-to-back two-hour webinars. If you still need ethics or other CPE before the June 30th deadline, come join the fun.

You're welcome to jump in for a session or two, or join the **11 legends** who signed up for the full 18-hour marathon.

Registration is open until the start of each webinar. Full details at wellspringcpe.com.

Yes, I'm wearing a different *ACCOUNTING* shirt for every session. I might even break out a bonus one, depending on how the mood strikes me.

Right now? Mood's good.

Ask me again in 18 hours.

Let's go!!!



Boz Rewrite of AI Rewrite

- any final edits needed to this? list don't make: Today's the big day: my 5th annual Boz-A-Palooza! I'll be live from 6am to midnight with nine back-to-back two-hour webinars. If you still need ethics or other CPE before the June 30th deadline, come join the fun. You can sign-up for a session or two, or join the 11 crazies who signed up for the full 18-hour marathon. Registration is open until the start of each webinar (they start every two hours). Full details at wellspringcpe.com. I'll put on a fresh ACCOUNTING shirt for every session. I've even got a few extras, depending on how the mood strikes me. Right now? Mood's good. Ask me again in 18 hours. Let's go!!!

Final AI Review

Here are the final edits needed:

Only change made



- "sign-up" → **"sign up"** (no hyphen when used as a verb)
- "ACCOUNTING" → consider **sentence case ("Accounting")** unless you're intentionally yelling it for humor/branding—your call
- "Full details at wellspringcpe.com." → consider **adding "are available"** for flow: **"Full details are available at wellspringcpe.com."**

Optional style tweak:

- "Join the 11 crazies..." → for tone, you might consider **"Join the 11 legends"** or **"hardcores"** depending on audience, but "crazies" is fine if it's your vibe.

Identify how to spice up presentations with Graphics

Attention Spans are shortening...

- February 2023 interview of Dr. Gloria Mark, a psychologist and the chancellor's professor of informatics at the University of California Irvine.
- 2004: Average attention span was 2 ½ minutes
- 2012: 75 seconds
- “in the last five, six years”: Average of 47 seconds
- A “Microsoft Canada” report indicates humans have attention spans of 8 seconds, which is shorter than a goldfish
 - May not be real

...but Graphics can hold attention

Why be ethical?

- Compliance with rules, regulations, codes
- Stakeholder/peer confidence, trust and loyalty
- Personal pride



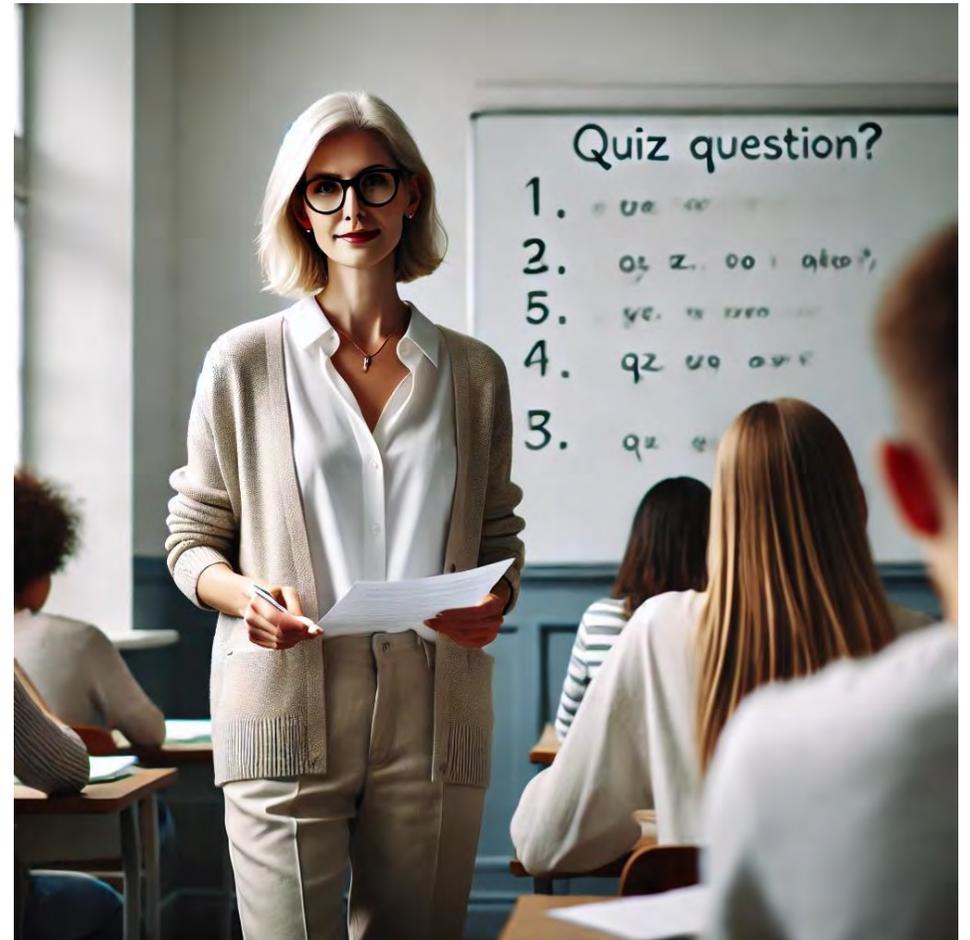
What is the obvious question?

WHERE
WAS THE
OVERSIGHT??



What do you think: Insider trading is trading on the basis of:

- a. Any non-public information
- b. Any public information
- c. Material and non-public information
- d. Material and public information



Servant leadership

- Serve first, lead second
- Most effective leaders are good human beings who care about people
- Listen more than talk



Tips to success

- Self assess at the end of each day –
Praise and redirect yourself
- Focus on significance instead of
success
 - Significance is tied to generosity, success
is tied to money
- Enter your day slowly, and with intent
 - Be intentional. Don't get caught in the rat
race



Discussion

- Why do people commit fraud?



Case Study

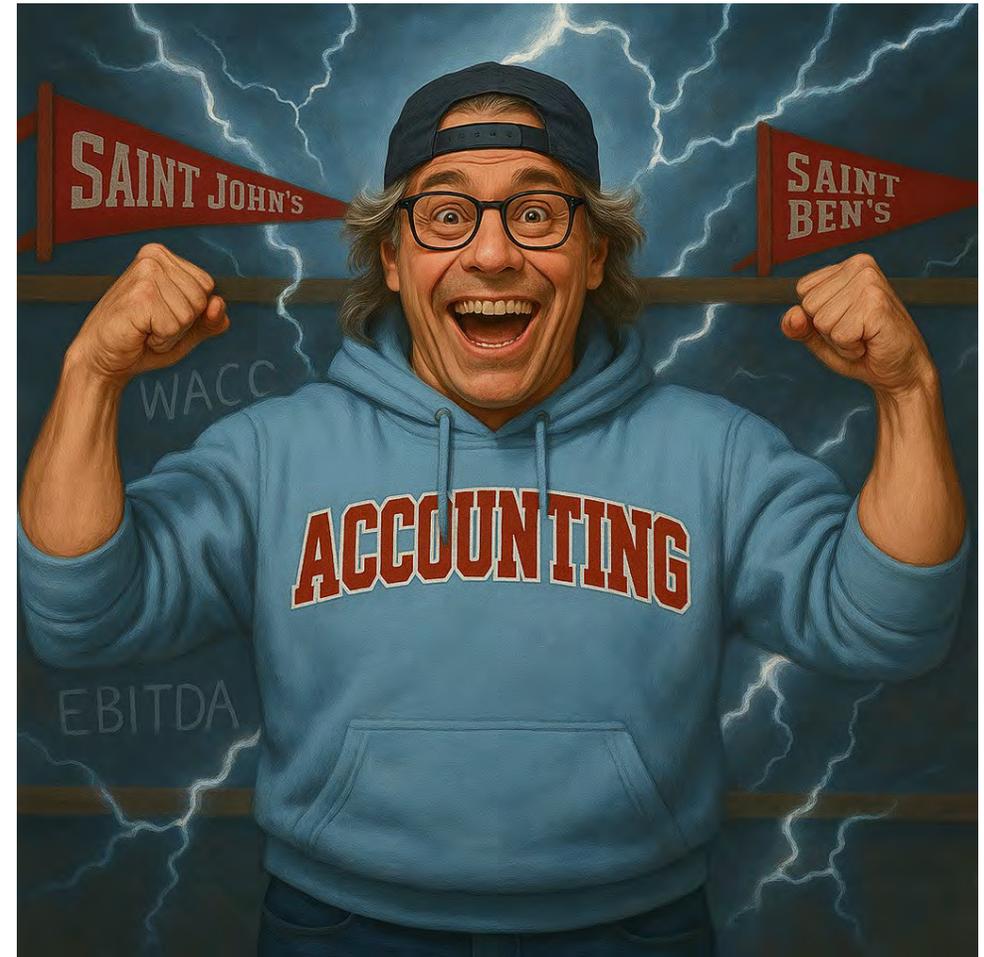
- Your spouse serves as the President for a small non-profit organization in your local community
- The Treasurer abruptly resigned and community members have encouraged you to take on that role given your financial savvy
- The non-profit does not have an active board of directors
- You indicated you would not be comfortable taking on the role and they asked you what would need to change so that you could do so?



this is a picture of me. can you have it looking exhausted after leading 18 hours of webinars?



Let's use a previous picture of me you created. Have me looking elated



Identify how to spice up presentations with Videos

Start with a simple platform

- I use <https://www.d-id.com/>
- I started with a free trial
- I used to pay about \$6 per month
- I recently made a \$56 payment for the year

Trial

\$0

14-day trial

START FREE TRIAL ↘

AI GENERATION

- ✓ 3 minutes for Videos, Agents, Video Translate & API

FEATURES INCLUDED

- ✓ 100+ Stock AI Avatars
- ✓ Premium & Standard Avatars
- ✓ 1 Personal Avatar
- ✓ Standard voices
- ✓ Full-screen watermark
- ✓ API access
- ✓ Personal use license
- ✓ Standard video processing

Lite

\$4.7 /month

\$56 billed annually (20% discount)

40 credits 52 64

GET STARTED ↘

AI GENERATION

- ✓ Unlimited videos¹ for your first month!
- ✓ 10 min. / month for Videos, Agents, Video Translate & API

FEATURES INCLUDED

- ✓ Everything in Trial
- ✓ Standard Avatars only
- ✓ D-ID watermark
- ✓ 1 Embedded Agent
- ✓ Fast video processing

Pro

\$16 /month

\$191 billed annually (45% discount)

60 credits 100 240

GET STARTED ↘

AI GENERATION

- ✓ Unlimited videos¹ for your first month!
- ✓ 15 min. / month for Videos, Agents, Video Translate & API

FEATURES INCLUDED

- ✓ Everything in Lite
- ✓ Premium & Standard Avatars
- ✓ 3 Personal Avatars
- ✓ Premium voices
- ✓ 1 Voice clone
- ✓ AI watermark
- ✓ 1 Embedded Agent
- ✓ Commercial use license
- ✓ Faster video processing

Process

- Home
- Avatar Video
- Start from Blank
- Standard (kind of hidden in my view to the right of Premium), then pick an Avatar
- Script

Script Tips

- Clicking the clock will add a 0.5 delay (can do this as many times as you want)
- When you are typing in the script, you will see a name. Click on it to see Voice options
 - Make sure Tier is set to Standard
 - Don't anything else, except click on the flag to get different voices
 - Likely select English (United States)
 - Click on the Play button next to voices to hear them
 - When you find the one you want, click on Apply Voice
 - Click Reset to start over

Sample script

- Hey everybody. I want to welcome you to the best student team on campus: The Accounting and Finance TAs. Here are some quick policies:
- 1. When you arrive for your shift, sit at the big table in the middle of the floor. Try to greet everyone who walks in the space, especially students who look a bit lost or uneasy.
- 2. Try not to give away answers. Help them learn. Give hints.
- 3. If you are grading homework, quizzes, or especially exams, confidentiality is key. Don't leave stuff sitting out where others can see it.
- 4. When grading, if you know someone in the class, let your prof know. They may choose to grade that student on their own.
- 5. Please leave your email open so profs can reach you immediately if they email you with questions.
- That's it. We picked you because we think you are one of our very best. Help students. Help profs. Create energy. Keep our reputation as the premier department on campus.

Thank you!

- Questions, comments, or to stay in touch with Boz:
- bbostrom@csbsju.edu (612) 414-9629
- <https://www.linkedin.com/in/bozbostrom/>



The Federal Budget Process

Dr. Tracy Foster, CPA, CGMA, CDFM-A
Lieutenant Colonel, U.S. Army (Ret.)



Purpose / Agenda

Purpose / Goals

- Understand of the complex fiscal environment and challenges for federal (U.S.) funds, specifically for the Department of Defense (DoD) and Army.
- Appreciate some key financial challenges facing the Congress and Executive Branch.
- Apply best practices to other governmental and non-governmental entities.

Agenda

- Survey the Federal fiscal landscape.
- Review the federal budget process.
- Examine a department-level budget process.
- Review and take-aways.

Authority



- *“All Bills for raising Revenue shall originate in the House Representatives...”* (U.S. Constitution, Article 1, Section 7)
- *“The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; ...to borrow Money on the credit of the United States...”*
 - *To “...lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States”* (U.S. Constitution, 16th Amendment)
- *To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years; To provide and maintain a Navy; To provide for organizing, arming, [training] and disciplining, the Militia...”* (Article 1, Section 8)
- *“No Money shall be withdrawn from the Treasury, but in consequence of appropriations made by law.”* (Article 1, Section 9)
- *“A regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”* (Article 1, Section 9)



Fiscal State of the Nation: The Big Picture

- Just how much is a Trillion?
 - One thousand is \$1,000.
 - One million is \$1,000,000 (one thousand thousand).
 - A million seconds is 11-½ days.
 - One billion is \$1,000,000,000 (one thousand million).
 - A billion seconds is 32 years.
 - One trillion is \$1,000,000,000,000 (one thousand billion).
 - A trillion seconds is 32 thousand years.

Fiscal State of the Nation: The Big Picture – How Much Is Enough?

Government Spending and the U.S. Economy (GDP), FY 2015 – 2024
Inflation Adjusted - 2024 Dollars

Total Spending Percentage of GDP

2024

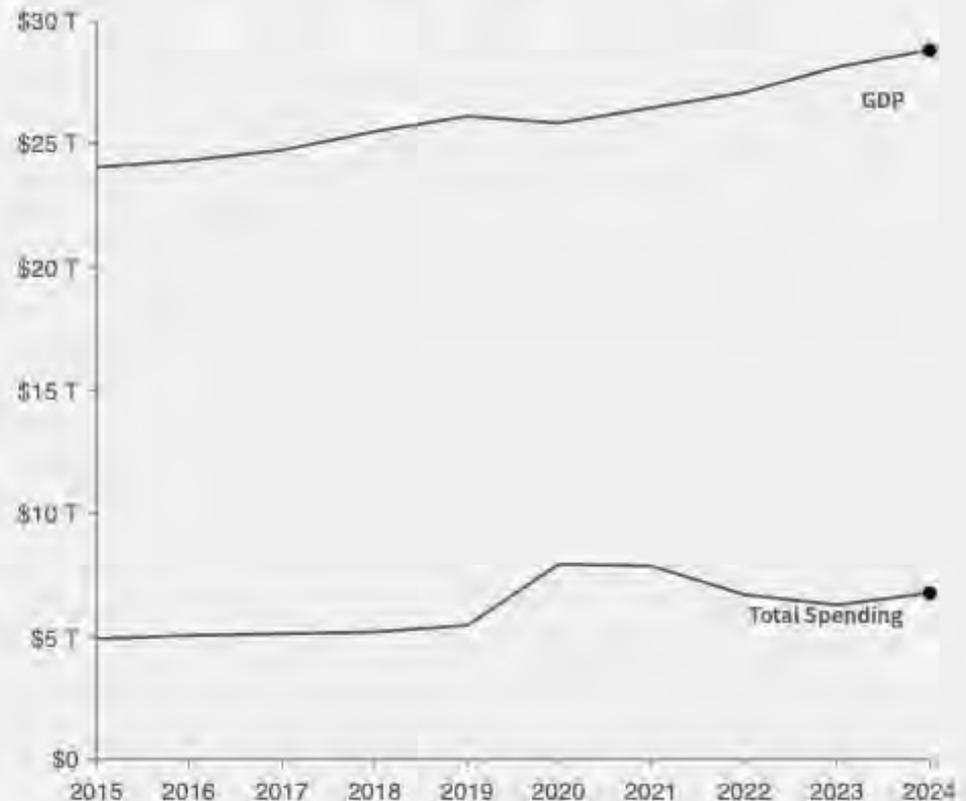
Fiscal Year

\$6.75 T

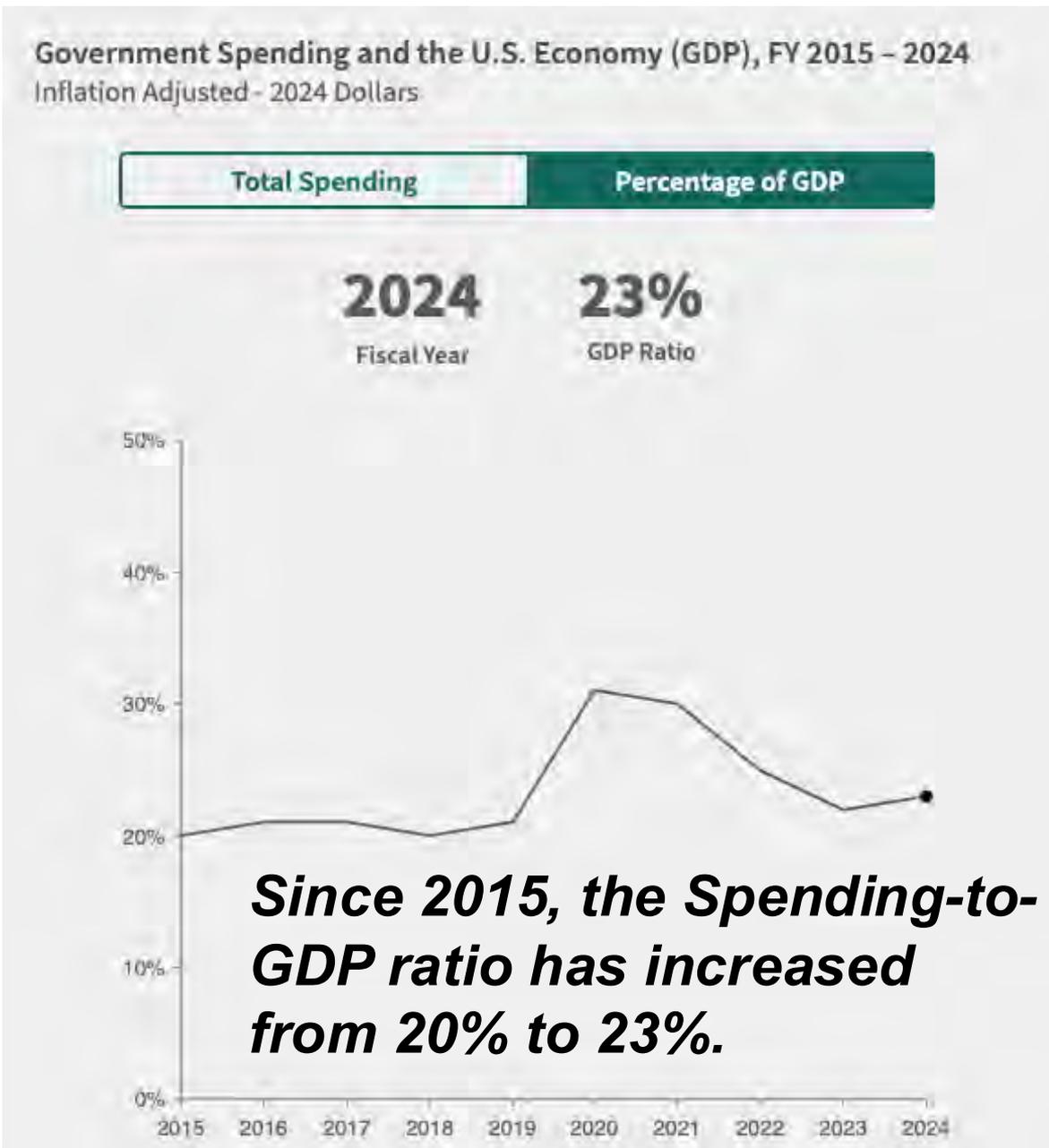
Total Spending

\$28.83 T

GDP

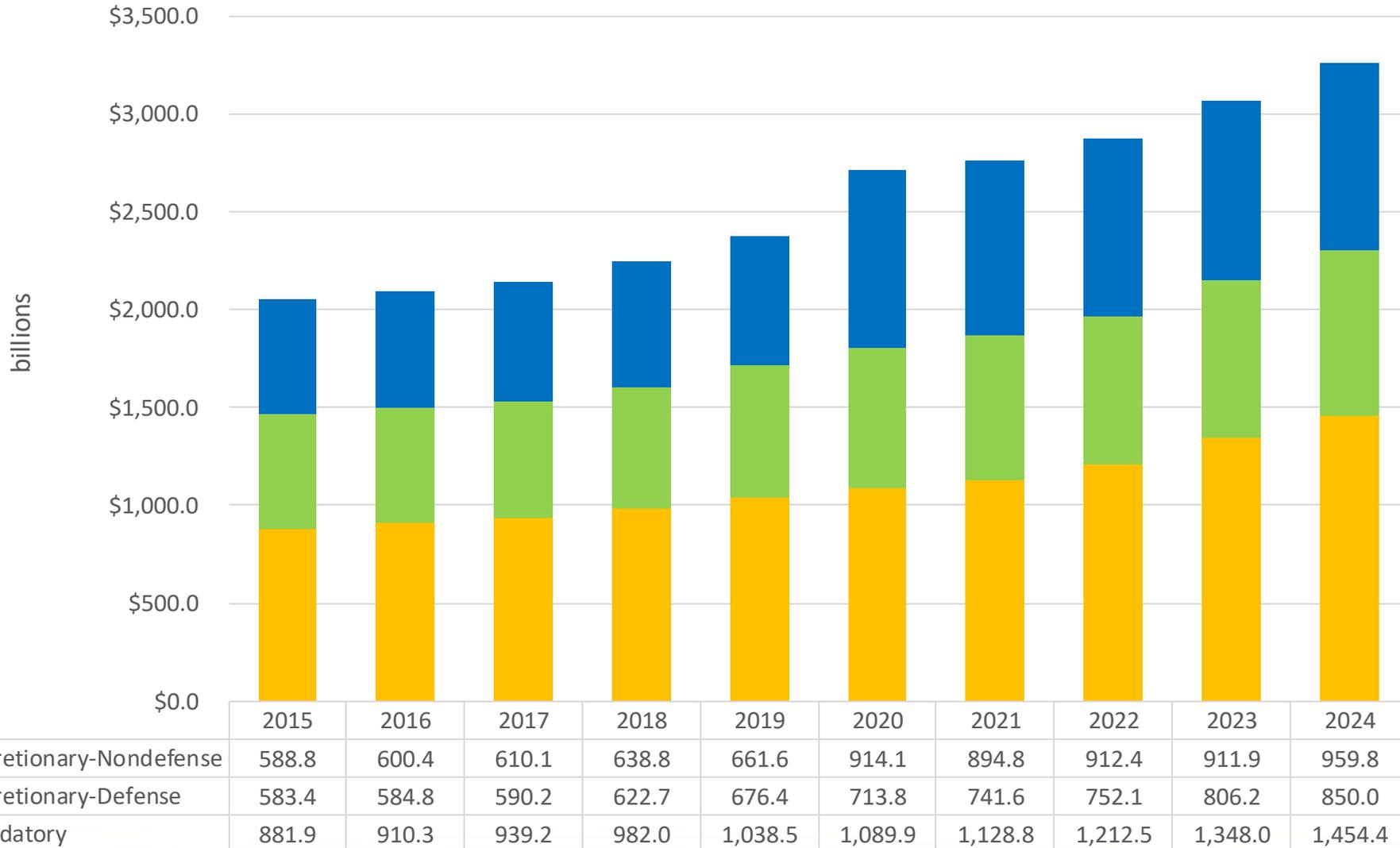


Fiscal State of the Nation: The Big Picture – How Much Is Enough?



Fiscal State of the Nation: The Big Picture

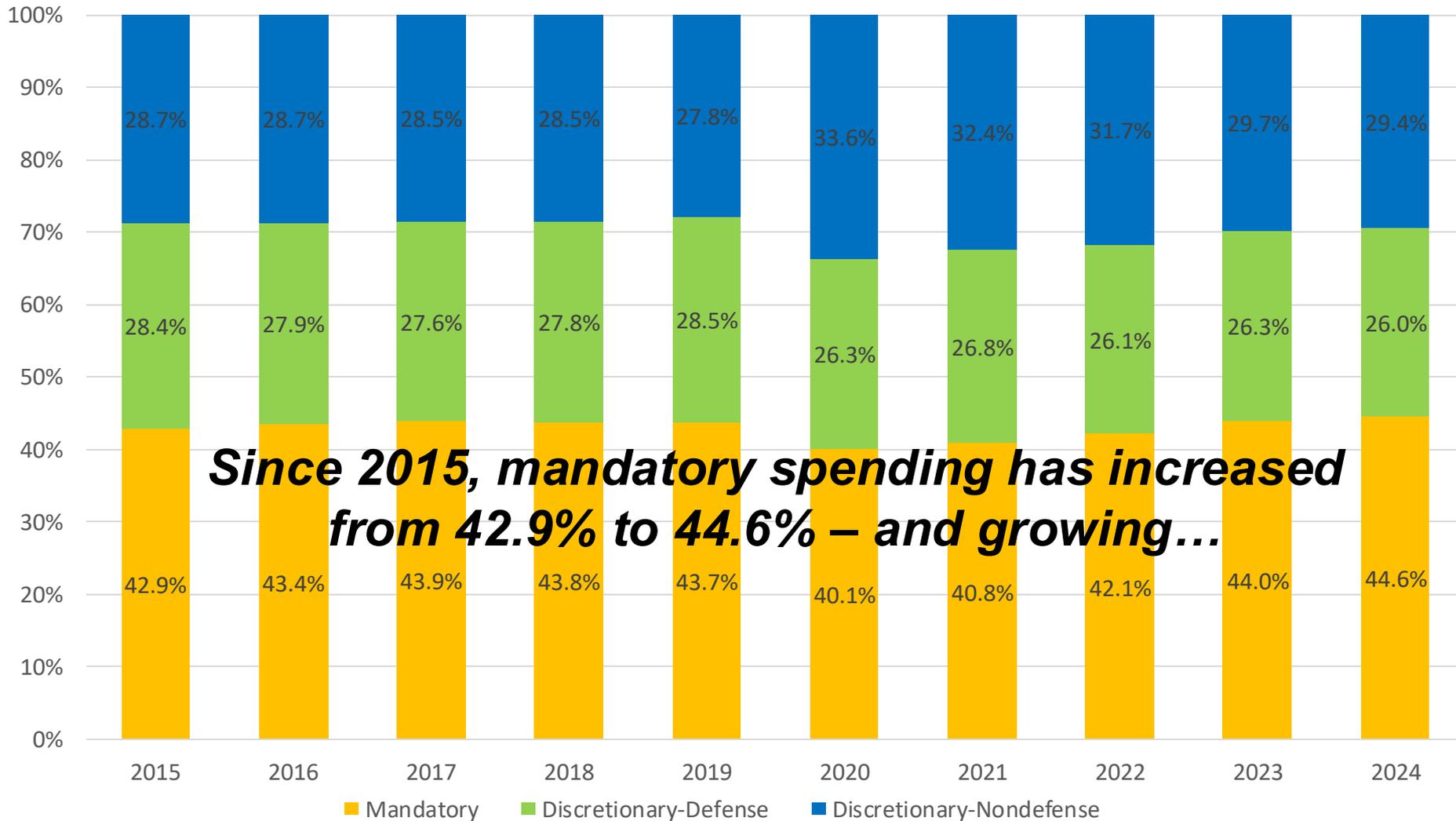
Mandatory vs. Discretionary Outlays (budget data)



Source: Congressional Budget Office (www.cbo.gov/publication/60870)

Fiscal State of the Nation: The Big Picture

Mandatory vs. Discretionary Outlays (budget data)



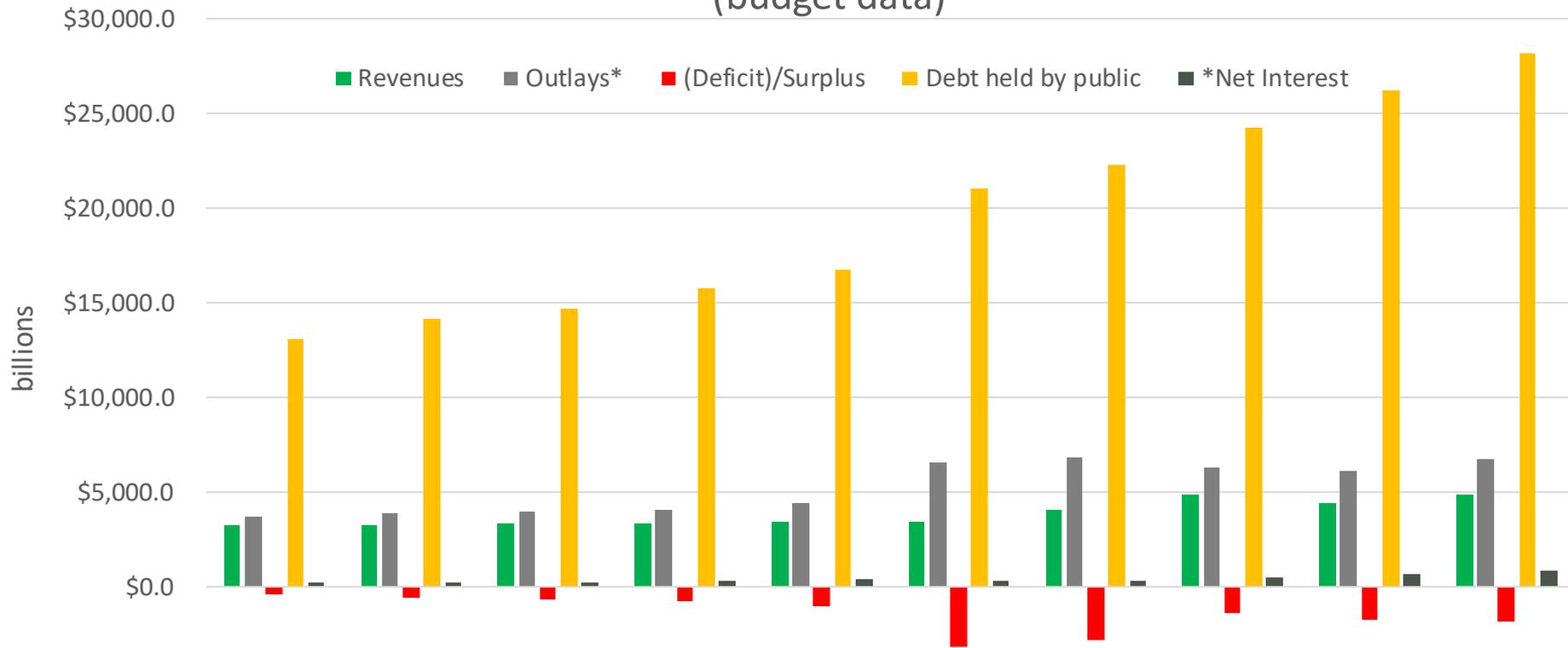
Defense Spending: How Much Is Enough?

Defense Discretionary Spending (% of GDP)



Fiscal State of the Nation: The Big Picture

Revenues, Outlays, Deficits/Surpluses, and Debt Held by the Public
(budget data)



(\$5,000.0)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues	3,249.9	3,268.0	3,316.2	3,329.9	3,463.4	3,421.2	4,047.1	4,897.4	4,440.9	4,918.1
Outlays*	3,691.9	3,852.6	3,981.6	4,109.0	4,447.0	6,553.6	6,822.5	6,273.3	6,134.7	6,750.5
(Deficit)/Surplus	-442.0	-584.7	-665.5	-779.1	-983.6	-3,132.5	-2,775.4	-1,375.9	-1,693.7	-1,832.4
Debt held by public	13,116.7	14,167.6	14,665.4	15,749.6	16,800.7	21,016.7	22,284.0	24,253.4	26,235.6	28,199.3
*Net Interest	223.2	240.0	262.6	325.0	375.2	345.5	352.3	475.9	658.3	881.1

Source: Congressional Budget Office (www.cbo.gov/publication/60870)

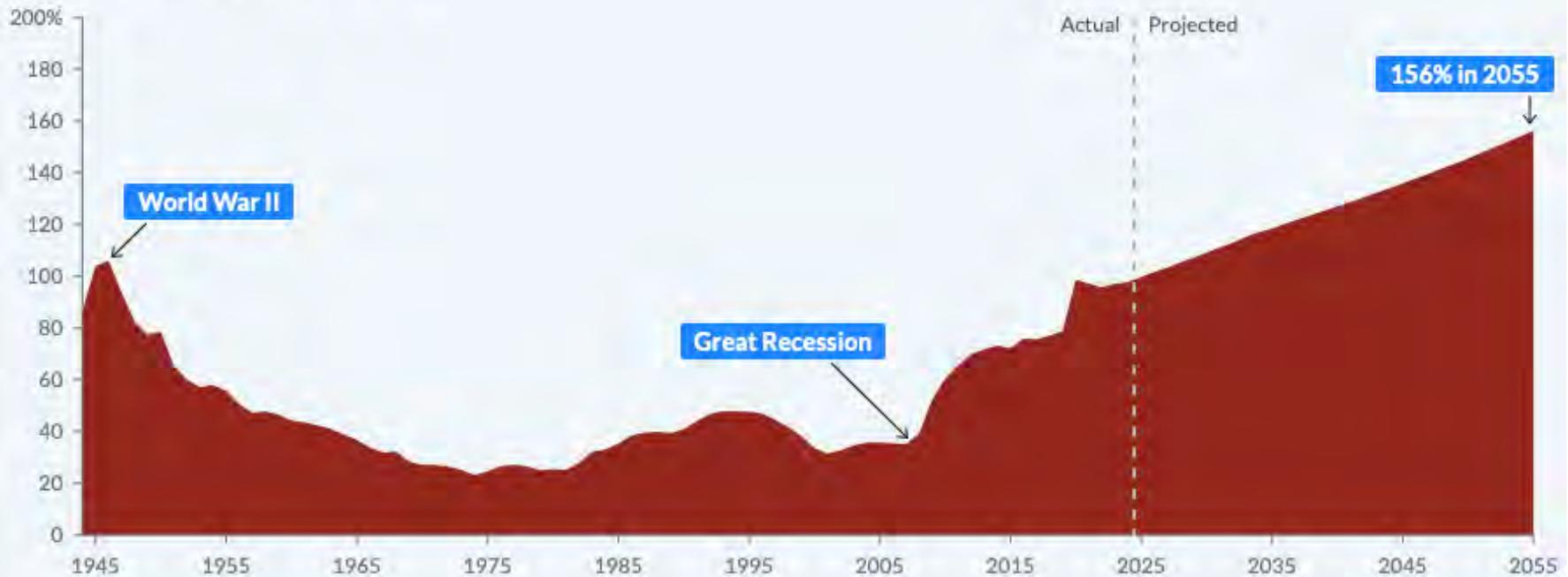
National Debt: How Much Is Enough?

WHAT IS THE NATIONAL DEBT TODAY? (“Today” = 8/30/2025)

\$37,297,376,021,505

THAT'S **\$109,319** FOR EVERY SINGLE PERSON IN AMERICA

Debt Held by the Public (% of GDP)



Source: Congressional Budget Office and Office of Management and Budget • Embed • Download image
Note: Congressional Budget Office data is from their 10-year and long-term outlooks.

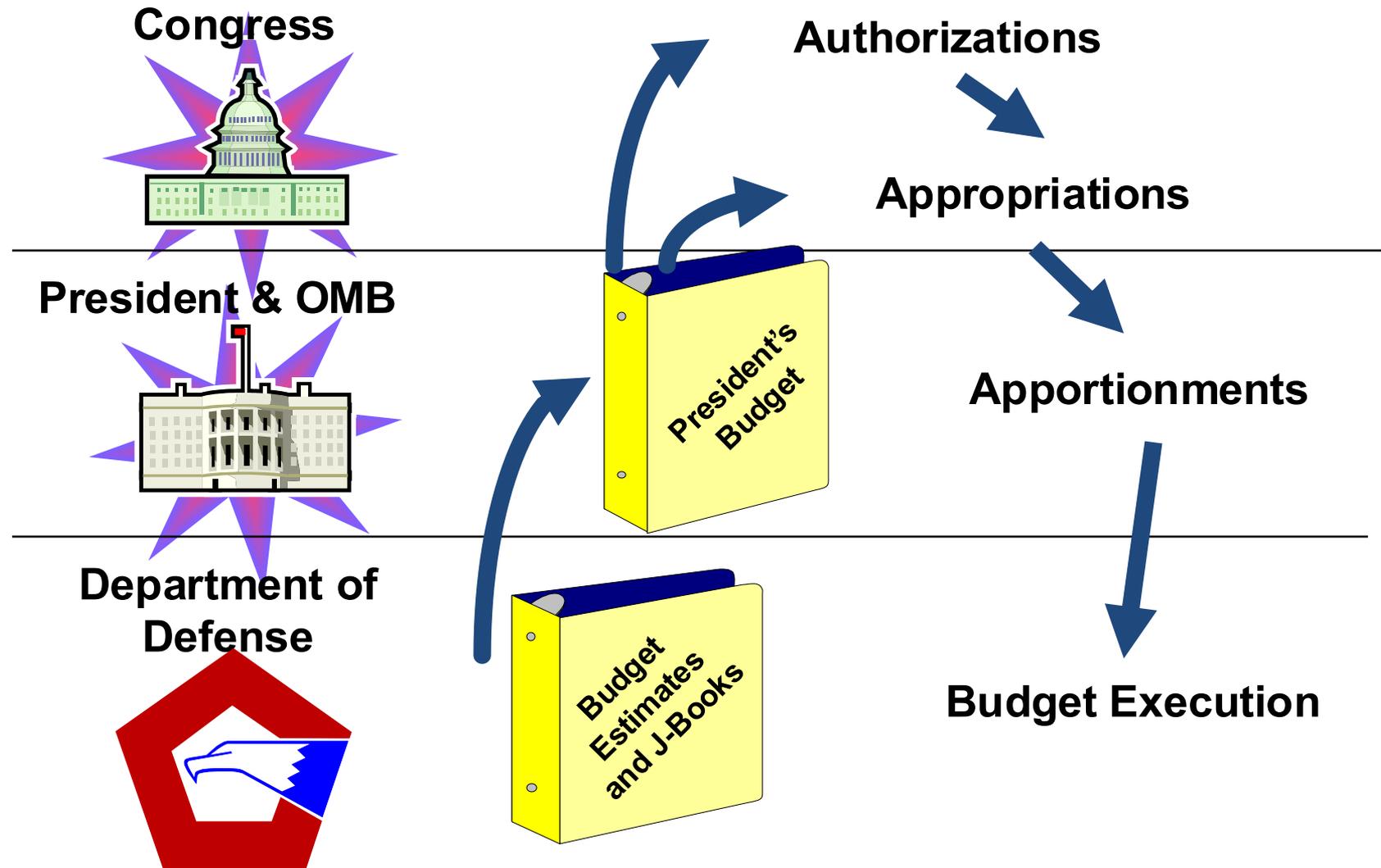
Fiscal State of the Nation Act

- Issue: Congress often focuses on the short-term view provided by the annual federal budget.
- The AICPA supports bipartisan legislation to address this issue.
- Fiscal State of the Nation Act:
 - S. Con. Res. 10/ H. Con. Res. 46, Fiscal State of the Nation Resolution; H.R. 6952, Fiscal State of the Nation Act
 - Requires the Comptroller General of the United States to give a presentation to a joint meeting of the House and Senate Budget Committees on the Government Accountability Office's (GAO) auditor's report on the U.S. government's financial statements, together with an analysis of its financial position and condition.
 - Enacting this resolution will ensure Congress is made aware of the information contained in the federal financial statements and better understands how current and/or future policy may affect the nation's long-term fiscal health.

Federal Budget Process

- Federal agencies create budget requests and submit them to the White House Office of Management and Budget (OMB).
 - OMB refers to the agencies' requests as it develops the budget proposal for the president.
 - The president submits the budget proposal to Congress early the next year.
- Proposed funding is divided among 12 subcommittees, which hold hearings.
 - Each is responsible for funding for different government functions such as defense spending or energy and water.
- The House and Senate create their own budget resolutions, which must be negotiated and merged.
 - Both houses must pass a single version of each funding bill.
- Congress sends the approved funding bills to the president to sign or veto.

Department of Defense Budget Process



Authorization & Appropriation Defined

- Authorization bill:
 - Authorizes “programs.”
 - Specifies a program’s general aim and conduct.
 - Places a ceiling on funds that can be used to finance it (unless “open-ended”).
 - Usually enacted before appropriation bill is passed.
- Appropriation bill:
 - A law passed by Congress that allocates a specific **amount** of money to a federal agency for a specific **purpose** and **time period**.
 - This “budget authority” allows federal agencies to incur obligations and make payments, but only after the funding is approved by Congress and signed into law by the President.

Appropriation Defined

Defense Appropriation categories (“pots” of money):

- Research, Development, Test and Evaluation (RDTE) (2-year current period*)
- Procurement (3-year current period [in most cases])
- Military Construction (MILCON) (5-year current period)
- O&M (Operation and Maintenance) (1-year current period)
- Military Personnel (MILPERS) (1-year current period)
- Any many more!

*Current period (period of availability) is the initial period for appropriated funds that occurs once funds have been appropriated by Congress for execution.

During this period, funds are available for new obligations, obligation adjustments, expenditures, and outlays.

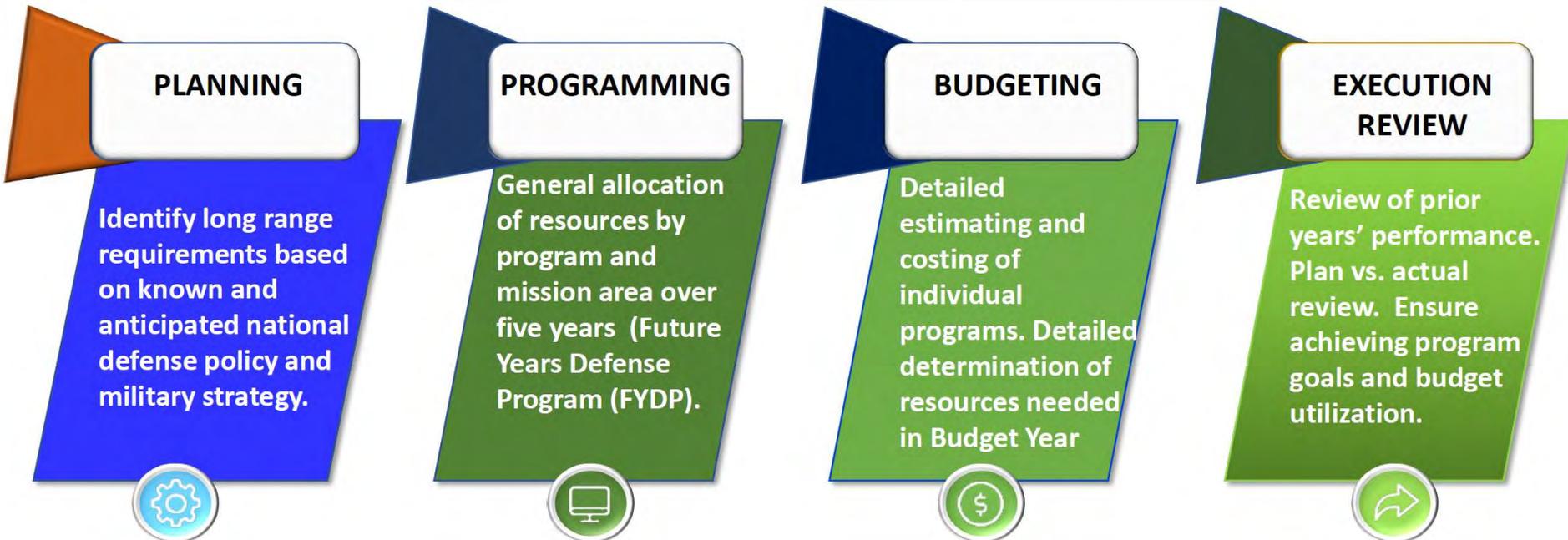
Typically, appropriations are available for an additional five years to make adjustments and outlays of existing obligations.

Department of Army Appropriations

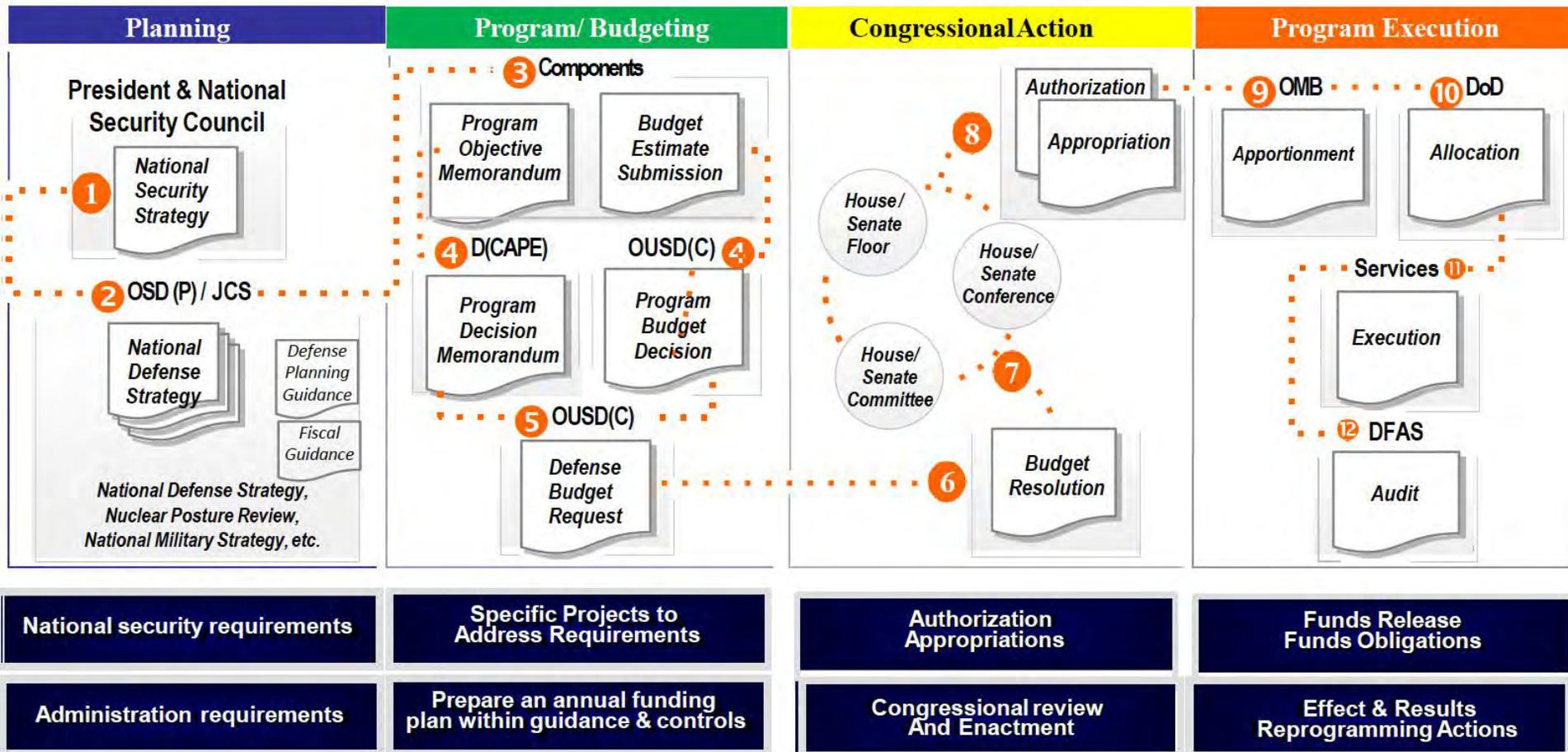
- **Military Personnel:**
 - Military Personnel Army (1-year)
 - Reserve Personnel Army (1-year)
 - National Guard Personnel Army (1-year)
- **Operation and Maintenance (O&M):**
 - Regular Army O&M (1-year)
 - Reserve Army O&M (1-year)
 - National Guard Army O&M (1-year)
- **Procurement:**
 - Aircraft Procurement Army
 - Missile Procurement Army
 - Other Procurement - Tactical & Support Vehicles
 - Other Procurement - Communications & Electronics
 - Other Procurement - Other Support Equipment, Initial Spares and Agile Portfolio Management
 - Procurement of Ammunition
 - Procurement of Weapons and Tracked Combat Vehicles
- **Army Working Capital Fund (revolving – unlimited FY)**
- **Research, Development, Test and Evaluation (RDTE)**
 - RDTE - Budget Activity 1
 - RDTE - Budget Activity 2
 - RDTE - Budget Activity 3
 - RDTE - Budget Activity 4A-B
 - RDTE - Budget Activity 5A-D
 - RDTE - Budget Activity 6
 - RDTE - Budget Activity 7
 - RDTE - Budget Activity 8
 - RDTE - Budget Activity 9
- **Military Construction:**
 - Regular Army Military Construction
 - Army Family Housing & Homeowners Assistance
 - Reserve Army Military Construction
 - National Guard Army Military Construction
 - Base Realignment and Closure (BRAC) Account
- **Chemical Agents and Munitions Destruction, Defense**
- **U.S. Army Cemeterial Expenses and Construction (and many others)**

Army Budget Development – Phases

- Planning, Programming, Budgeting, and Execution (PPBE) Process.
- Designed to integrate various phases of budget among all subordinate commands and DoD
- Provides a unified, prioritized, and justified budget request to the President and Congress.



Army Budget Development – Key Documents

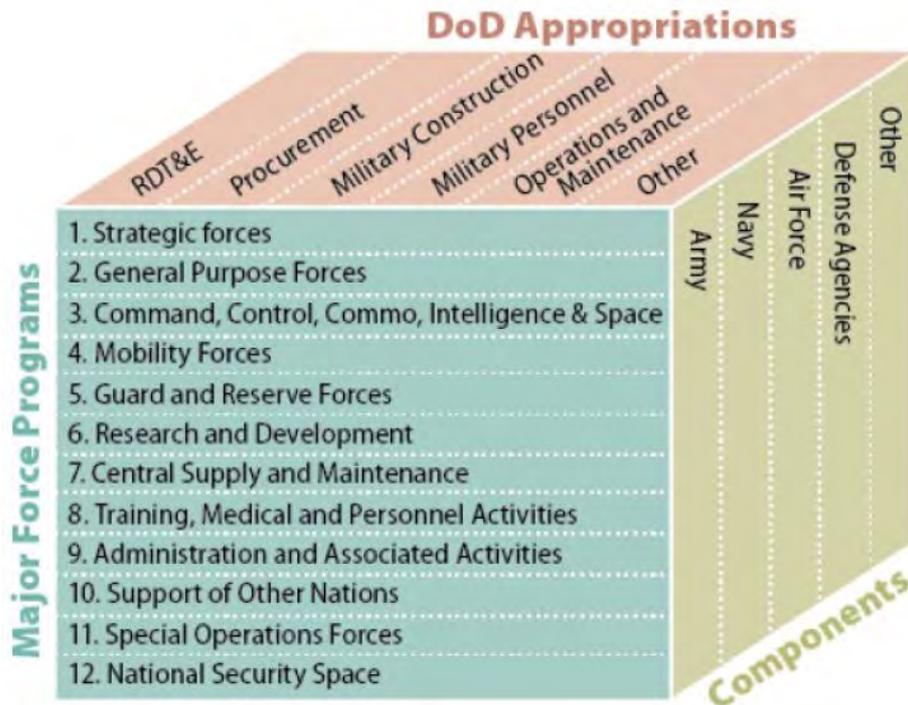


- Other planning documents include intelligence threat assessments (DNI) and National Military Strategy (CJCS)
- And Integrated Priority List (CJCS/COCOMS)

Key Program/Budget Tools

DoD: Future Years Defense Program (FYDP)

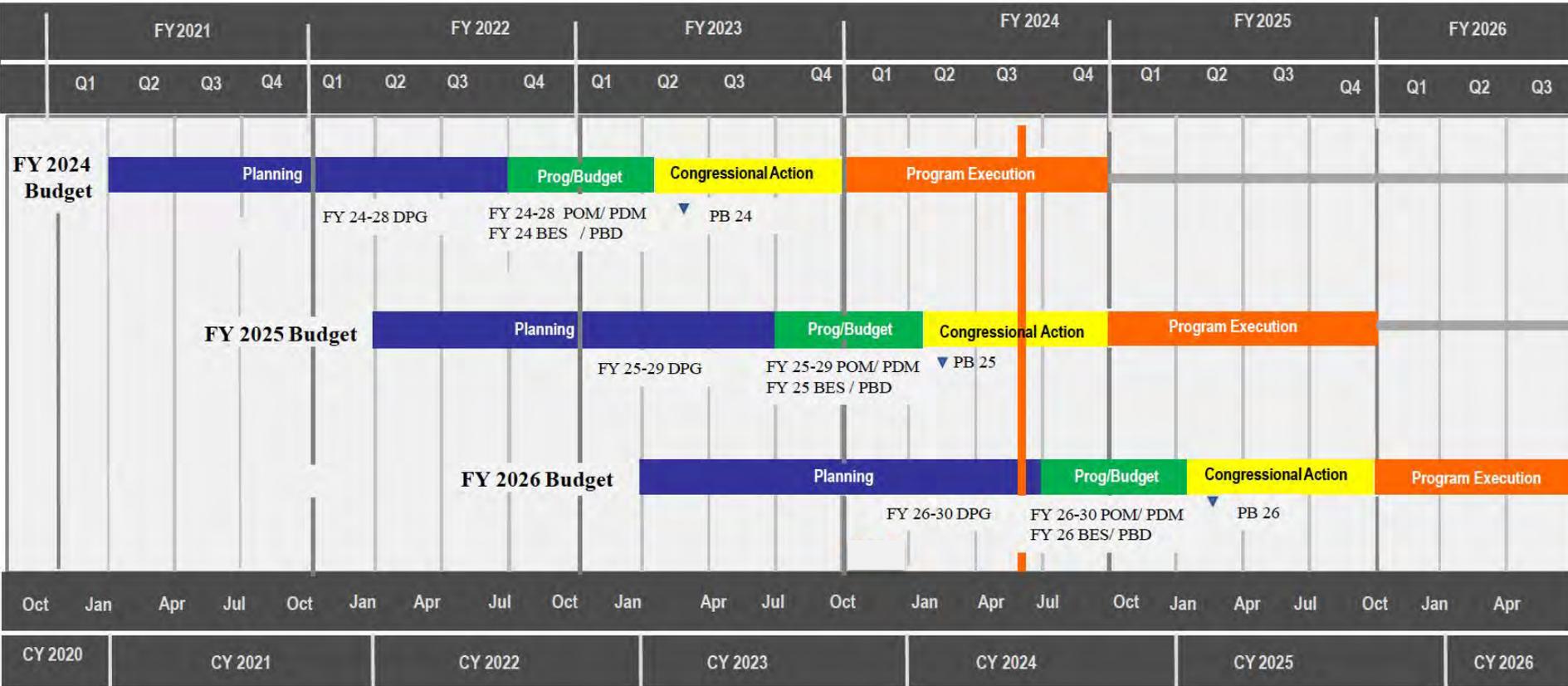
- Reflects the DoD's "planned" allocation of resources across individual programs, over a multiyear period.
- Arrays cost data, manpower and force structure in three dimensions:



Army: Management Decision Packages (MDEPs)

- Building block for programming.
- 9-year package of resources for a unique function, program or organization.
 - Includes execution, budget and program data (prior, current, budget, 6 program).
- Can include multiple appropriations.
- May affect multiple subordinate commands.
- Collectively account for all Army resources.
- Program years' resources prioritized in rigorous senior-level process.

Army Budget Development – Timeline



- Key points:
 - Ongoing process.
 - Process overlap – multiple cycles in play at the same time.

Steps to a Bill Becoming Law (Simplified)

HOUSE

- Subcommittee
 - Defense
- Committee
 - HAC, HASC
- House Vote

SENATE

- Subcommittee
 - Defense
- Committee
 - SAC, SASC
- Senate Vote

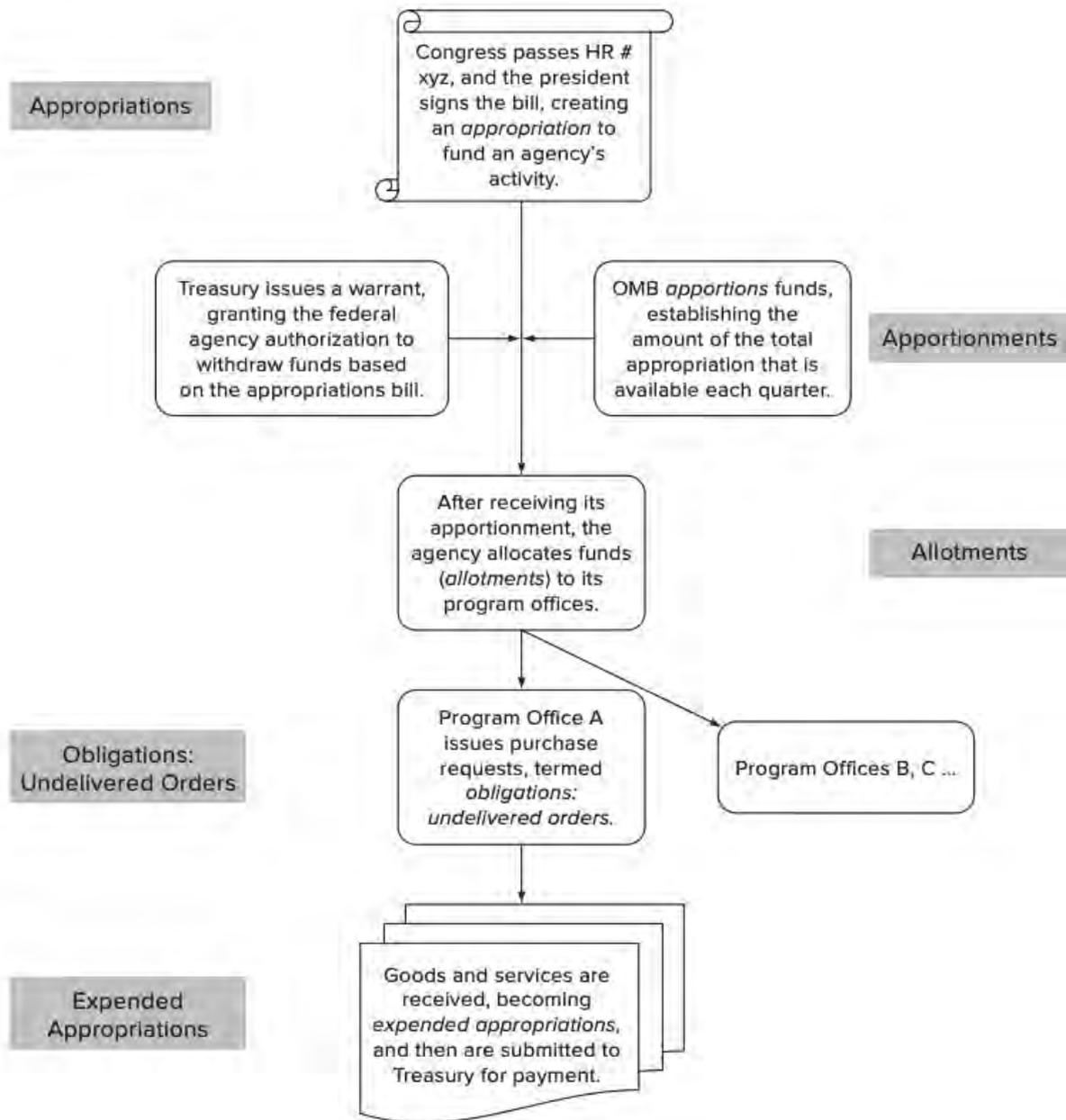
Budget
Justification
(SecArmy,
CSA, OCLL,
BLU, etc.)

- Mark Up
 - House Vote
 - Senate Vote
- ↓
- President signs



Federal Budget Process – Execution Phase

- Typically, appropriations have five years after current FY to adjust and disburse current obligations (but no new obligations).
- Important phase to manage and monitor (execution data).



Summary / Key Take-aways

- The Federal budget process is complicated.
- Exacerbated by a myriad of factors, to include:
 - Multiple players (POTUS, Congress)
 - Political pressures
 - Constraints on funds (time, purpose, amount) and funding process (annual appropriation/authorization bill process)
- Balance of priorities (spending too little and consequences of getting it “wrong”) and fiscal discipline (consequences of spending too much).

Questions?





Essential Knowledge for Nonprofit Boards and Executives

Presented by:

Melodi Bunting, CPA, CMA, CGMA

Senior Manager, Advisory Services

Welcome



Please introduce yourself in the chat and include your current nonprofit role and years of experience



- Mission impact
- Reputation
- Transparency
- Accountability



Poll #1

Who prepares the board meeting agenda for your organization?

- Board president
- Executive director
- Collaboration of board president and executive director
- Another board member

Care	Loyalty	Obedience
<p>Same level of care as an “ordinary prudent” person would exercise in a like position under similar circumstances.</p>	<p>Board members must give undivided allegiance to their organization when making decisions which affect the organization.</p>	<p>Duty to ensure organization remains true to central purpose and ensure compliance with governing documents.</p>
<h3>Examples</h3>		
<p>Meeting attendance Oversight of resources Voting Informed Delegate and review</p>	<p>Decision making that puts the NFP interests first No conflict of interest Independence</p>	<p>Articles of Incorporation Bylaws Mission statement Laws and regulations</p>



Advancing Mission

- Enhance the organization's public standing
- Be an ambassador and talk regularly about the organization and their mission
- Participate in development events and fundraising
- Recruit and orient new board members and address board performance

Governance and Guidance

- Engage in comprehensive strategic planning
- Ensure effective organizational planning - timely budget, strategic plan
- Select chief executive
- Support the chief executive and assess his/her performance
- Evaluate, monitor and strengthen the organization's programs and services
- Ensure legal and ethical integrity and maintain accountability

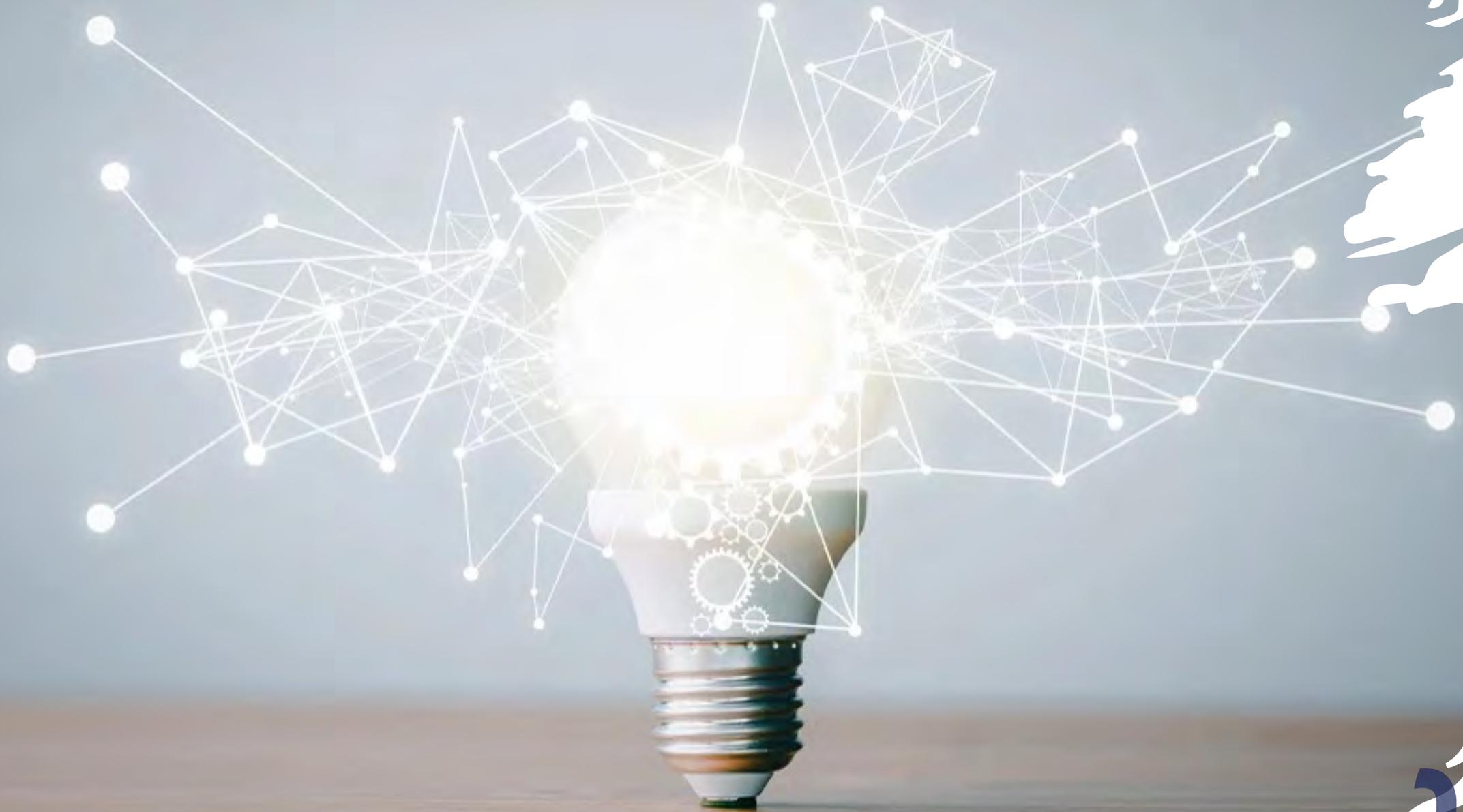
Poll #2

Performance reviews and salary adjustments for staff other than the executive director are conducted by

- A board member
- The executive director
- Managers
- Other

Governance and Guidance

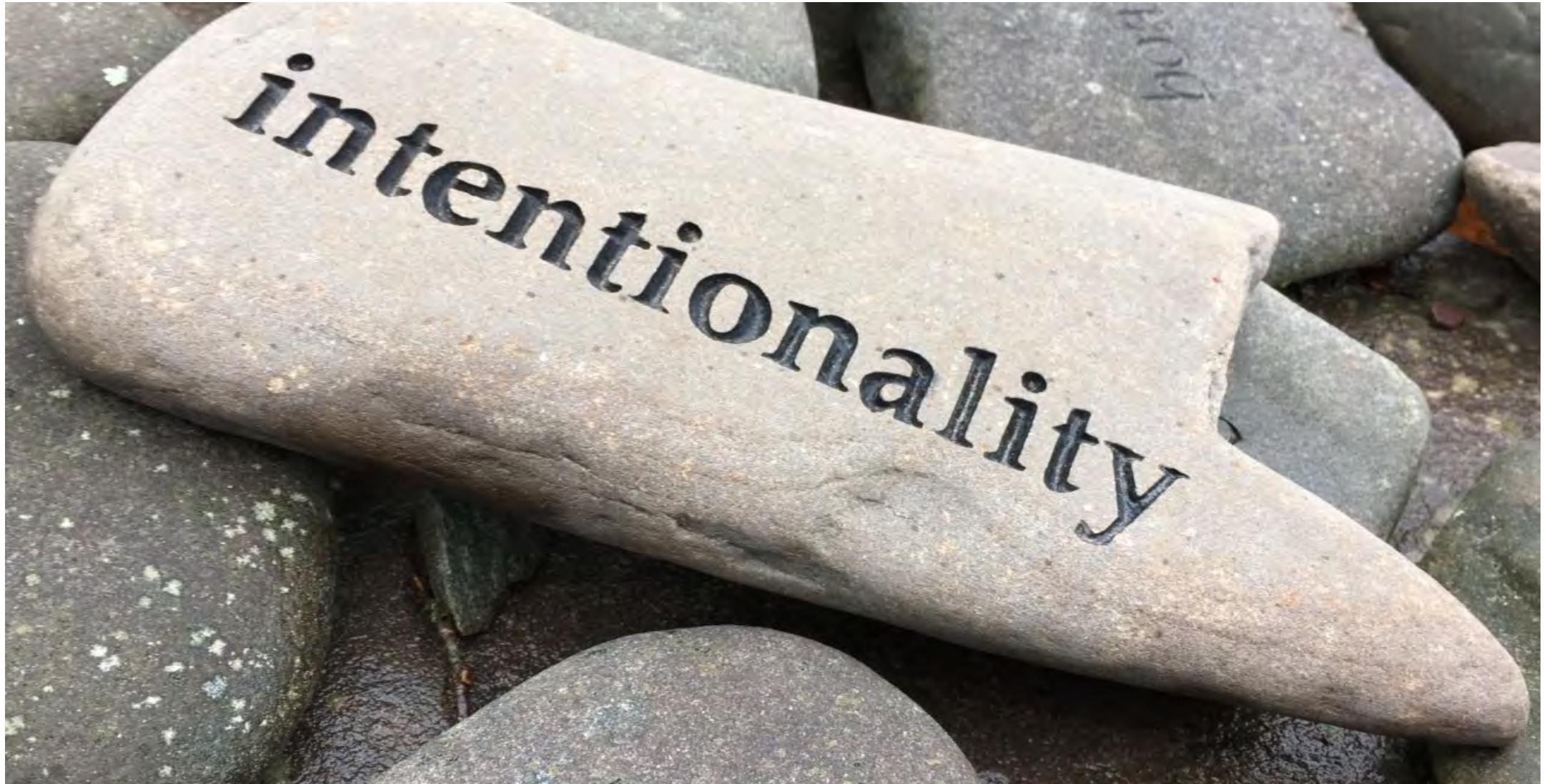
- Review financial statements and IRS 990 and ask questions
- Ensure adequate resources - build reserves
- Manage resources effectively - may mean making tough decisions, like cutting a program
- Evaluate internal controls and minimize fraud risk
- Ensure compliance with applicable regulations and donor restrictions
- Risk management



Poll #3

Our organization's board

- Is actively involved in staff issues
- Regularly communicates directly with staff
- Receives staff information and reports via reports provided as needed



Best Practices

- Clear expectations
- Effective policies
- Communication and resources
- Sustainability
- Adaptability

Financial agility allows for informed decision-making, ensuring that funds are used strategically to maximize impact and achieve the organization's mission.



Poll #4

Board recruiting and onboarding is the primarily the responsibility of

- The executive director
- The board
- Other



Build resilience and responsiveness into the culture and financial accountability to ensure long-term sustainability and the effective pursuit of its mission.





Unexpected Results or Mistakes

- View as opportunity to learn
- Feedback
- Wording
- Ongoing process



Poll #5

The board regularly conducts self-assessments

- Yes
- No



Questions

Ideas to share

What will you
implement?

W



Melodi Bunting

SENIOR MANAGER, ADVISORY SERVICES



Melodi returned to public accounting when she joined Wegner CPAs' in 2014 after teaching in higher education, consulting with not-for-profits, and preparing consolidations and international reporting for a retailer. While at Wegner she has been developing and teaching a variety of internal and external training opportunities as well as working with the audit team performing audits, reviews and advisory services.



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Current Issues in Business Ethics - 2025

Boz Bostrom, CPA

Professor of Accounting and Finance

College of Saint Benedict and Saint John's University

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<https://www.linkedin.com/in/bozbostrom/>

September 16, 2025

Learning Objectives / Agenda

- Identify laws and rules which apply to finance and business professionals and the consequences for violating those laws and rules
- Identify and learn from current ethical violations
- Articulate examples and benefits of ethical leadership

An Introduction to Ethics

What do you think: When you hear the term ethics, do you think more of:

- a. Moral principles
- b. A clear set of rules
- c. Some of each
- d. Something else?



CHEMISTRY

THE ROMAN
EMPIRE

20TH CENTURY
POETRY

CALCULUS

SHAKESPEARE

I MARRIED



Merriam-Webster's definition of ethics

- A set of moral principles: a theory or system of moral values
 - The principles of conduct governing an individual or a group
 - A consciousness of moral importance
 - A guiding philosophy
-
- “Business ethics are the rules and moral principles that guide and govern an organization's behavior.”
 - Boz Bostrom

Conflicts of Interest







What do you think: According to the AICPA, the goal with threats due to conflicts of interest is to:

- a. Eliminate them completely
- b. Maximize them for gain
- c. Reduce them to an acceptable level

Conflicts of Interest - Three steps as prescribed by the AICPA's Code of Conduct:

- Identify a conflict of interest
- Evaluate a conflict of interest. Significance of threat/safeguards. If not at acceptable level, must apply more safeguards
 - Restructuring or segregating certain responsibilities and duties
 - Obtaining appropriate oversight
 - Withdrawing from the decision making process related to the matter giving rise to the conflict of interest
 - Consulting with third parties, such as a professional body, legal counsel, or another professional accountant
- If can't get to acceptable level, decline services or withdraw from the relationship
- Disclose a conflict of interest (if at acceptable level)
 - To relevant parties – threat and safeguards

KOHL'S®

CODE OF ETHICS

- Kohl's expects you to make business decisions in the best interest of the Company. Our actions must be based on sound business judgment, not motivated by personal interest or gain. We have to avoid any situation that creates a conflict of interest or that could even appear to create a conflict of interest
- You must avoid activities or relationships that would interfere with your job or make it difficult for you to fulfill your responsibilities at Kohl's. You must disclose any potential conflict of interest immediately to your manager, pyramid head, Chief People Officer, Chief Risk & Compliance Officer or the Chief Legal Officer. If you have any questions or concerns, please report it immediately.

KOHL'S®

CODE OF ETHICS

- While we can't list every circumstance, it's important to know and avoid the common situations that could create a conflict or the perception of a conflict:
- Personal, family or financial relationships with suppliers, potential suppliers, or potential acquisition candidates

Timeline

- 2015: Ashley Buchanan and Chandra Holt meet at Walmart; both rise through executive ranks
- 2017–2019: Buchanan becomes Holt’s boss at Sam’s Club
 - Their personal relationship reportedly begins during this period.
- 2020: Buchanan becomes CEO of Michaels
 - Files for divorce shortly after moving to Texas
 - Holt separates from her husband; later finalizes divorce in 2024



Timeline

- 2022: Holt launches coffee startup Incredibrew
 - Incredibrew begins selling products in Michaels stores—Buchanan does not disclose relationship
- January 2025: Buchanan officially becomes CEO of Kohl's



Timeline

- Early 2025: Kohl's prepares to stock Incredibrew products.
 - Buchanan allegedly dictates terms (which were “unusual” and favorable to the vendor) of the deal without disclosing ties to Holt.
- Buchanan also facilitates a multi-million dollar consulting contract between Kohl's and Boston Consulting Group.
Issue?
 - Holt is an advisor at BCG



The unraveling

- April 30, 2025: Kohl's board and legal counsel confront Buchanan; he admits to the relationship.
- May 1, 2025:
 - Buchanan is fired for cause.
 - Repays portion of \$2.5M signing bonus and forfeits equity awards
 - Chairman Michael Bender steps in as interim CEO.
 - BCG terminates Holt's consulting contract.
- How did it unravel?
- As part of the normal process of vetting a new vendor, a Kohl's employee raised concerns

High-risk programs

Refocus / Kyros Scandal

- Refocus Recovery –a nonprofit
- Worked with those in recovery (peers) to provide services to others
- Minnesota law change to make these services payable through Medicaid
 - Only if billed by a non-profit
- Contracted with for-profit company Kyros to provide the services. In theory, this is okay
- What issues would you be on the lookout for?

Form 990: 2022

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	0	4,711,454
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	4,711,454
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	370,633
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) <u>▶36,404</u>		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0	4,934,804
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	0	5,305,437
19 Revenue less expenses. Subtract line 18 from line 12	0	-593,983
	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	11,614	1,010,920
21 Total liabilities (Part X, line 26)	0	1,957,037
22 Net assets or fund balances. Subtract line 21 from line 20	11,614	-946,117

Form 990: 2022

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
KYROS STAFFING LLC 401 2ND AVE N STE 500 MINNEAPOLIS, MN 55401	PEER SERVICES	2,397,155
KYROS SERVICES LLC 401 2ND AVE N STE 500 MINNEAPOLIS, MN 55401	ADMIN MANAGEMENT	2,137,982

Form 990: 2022

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB NO. 1545-0047

2022

Open to Public
Inspection

Name of the organization
REFOCUS RECOVERY

Employer identification number

87-0955028

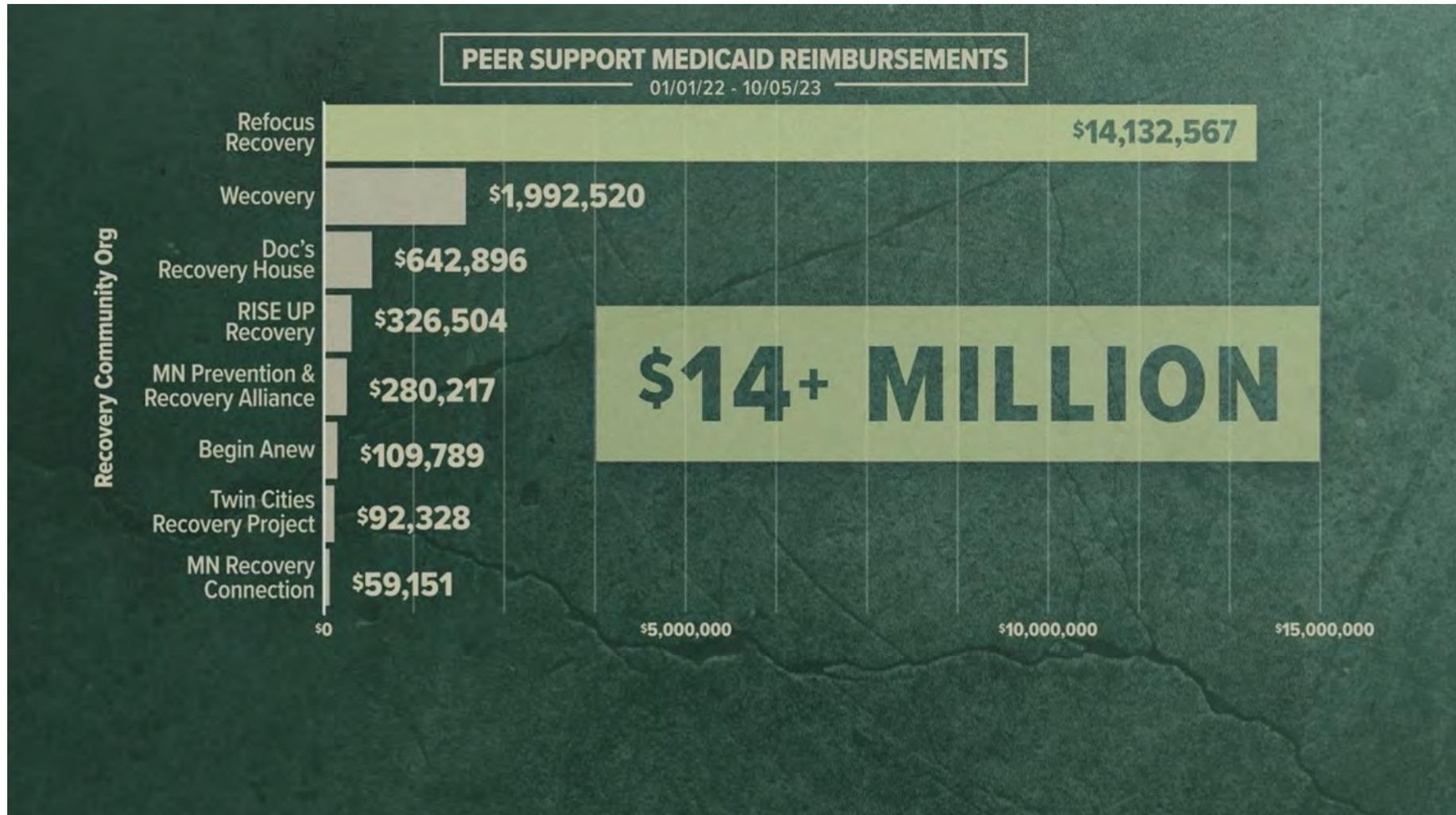
Return
Reference

Explanation

FORM 990,
PART VI,
SECTION A,
LINE 2

DANIEL LARSON IS A DIRECTOR OF REFOCUS RECOVERY AND CEO AND DIRECTOR OF KYROS CARE PBC. DANIEL OWNS GREATER THAN 35% OF KYROS CARE PBC. DUE TO THE CONFLICT OF INTEREST DANIEL LARSON IS REMOVED FROM ANY DECISION MAKING OF THE REFOCUS RECOVERY BOARD OF DIRECTORS THAT DIRECTLY INVOLVES THE BUSINESS RELATIONSHIP WITH KYROS.

Kyros and Refocus dominated the peer support market



Refocus / Kyros Issues

- Services were excessive or did not occur
- Refocus appeared to be not much more than an intermediary for Kyros
 - In 2022, Refocus took in \$4.7M and paid \$4.5M to Kyros
- Kyros kept nearly 60% of government payments for itself

What do you think: Which of the following are permitted peer recovery support services under Minnesota's Medicaid program?

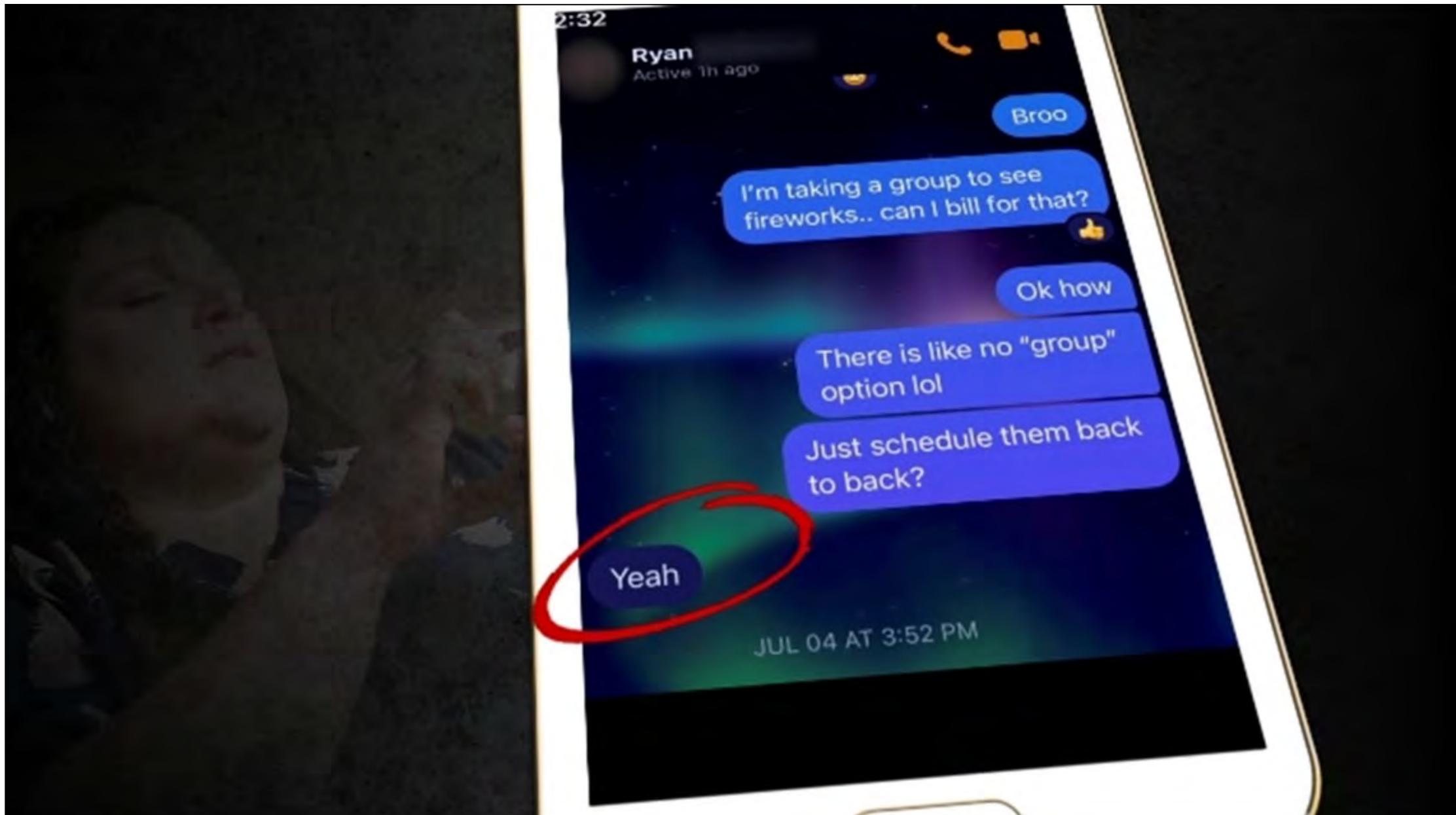
- a. Group meetings
- b. Individual meetings
- c. Movie nights
- d. Phone calls

Issue: Movie Nights!

- Kyros would host movie nights and encourage peers to bring multiple clients, but...
- Movie nights don't count
- Can't group bill

Issue: Group billing

- Not allowed
- Must meet with clients one-on-one
- How would Refocus get around this?



2:32

Ryan

Active 1h ago

Broo

I'm taking a group to see fireworks.. can I bill for that?



Ok how

There is like no "group" option lol

Just schedule them back to back?

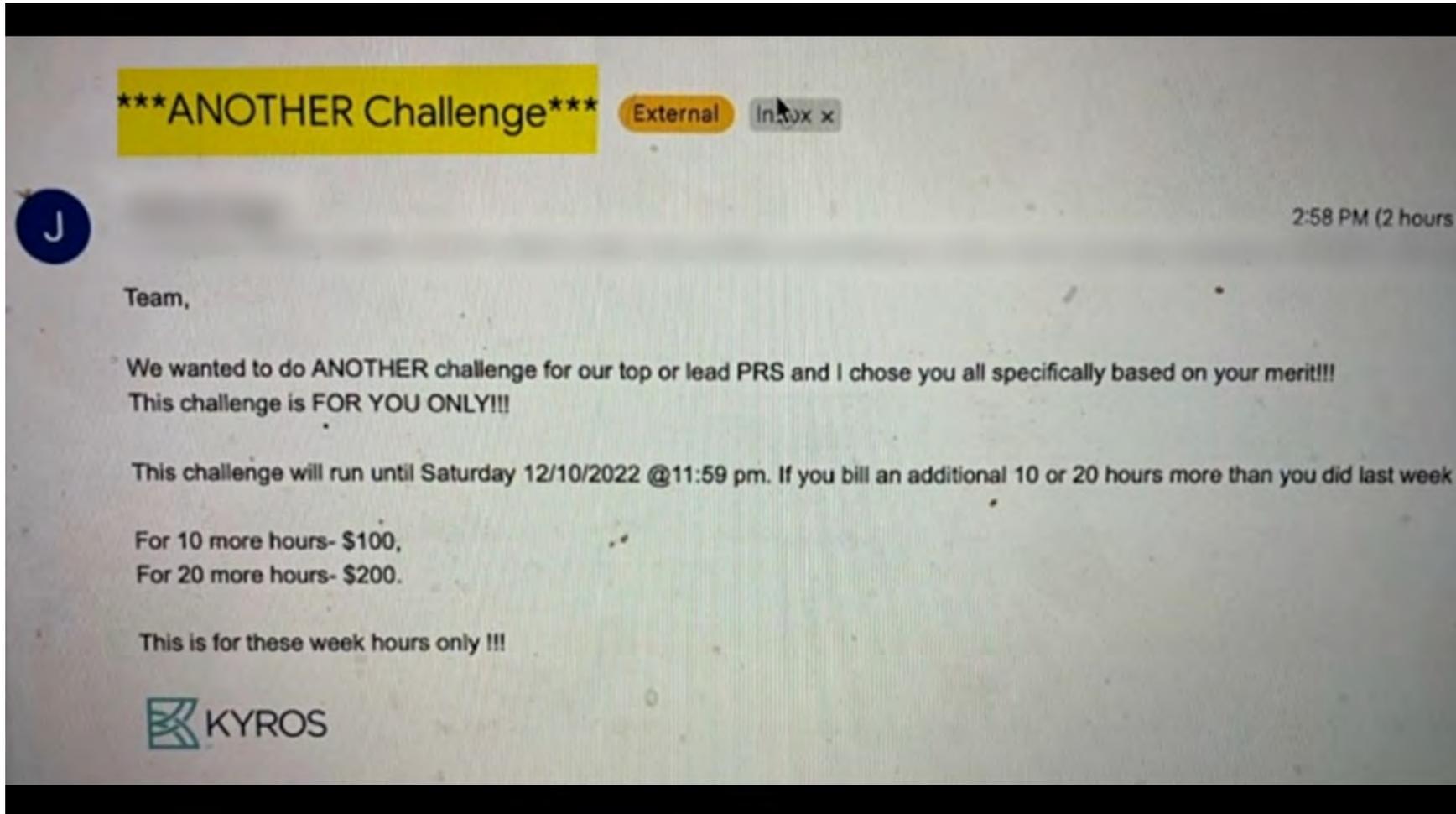
Yeah

JUL 04 AT 3:52 PM

Issue: Overbilling

- One client was asked if he was really provided with 47 hours of service in a month
- He said it was “at best, 10 hours”

In accounting, billable hours are good! They are also good at Kyros!



Issue: Phone Calls

- Kyros: “Did you know that having phone calls with a client qualifies for service hours?”
- “Keep your clients hours up and incorporate some client calls this week!”
- Under state regulations, peer provider phone calls can be billed to Medicaid only when an appointment is made ahead of time, or the client calls the provider in an emergency
 - Not explained to the Peers

Yesterday 8:55 PM

What's your understanding of Kyros instructions on what phone calls can be billed for?

Anything

They've said any phone call should be billed

Didn't need to be pre scheduled?

No

Hmm. Law says only calls made by client in emergency or prescheduled

Well they definitely don't tell you that

Regulation

- Accreditation standards needed to be met
- Granted in 2021, but not in 2022
 - Due to partnership between Refocus and Kyros and suspected fraud
 - Reinstated by DHS (Department of Human Services) after legislative reforms which would supposedly address gaps in oversight
- In September of 2024, Kyros shut down
- FBI and OIG investigations ongoing



Relief Fraud

Feeding our Future: Background

- US Dept of Agriculture established the Federal Child Nutrition Program
- USDA distributes funds to state governments
 - In MN, the MN Dept of Education (MDE) administers/oversees the program
- Sponsoring organizations submit applications for a site, and the site will provide the meals
 - Sponsoring organizations in charge of monitoring and seeking reimbursement
- USDA provides funds to MDE on a per meal basis
- MDE gives funds to sponsoring organization which keeps 10-15% as an administrative fee and then reimburses the sites

Aimee Bock

- Founder and executive director of Feeding our Future, a nonprofit sponsoring organization
- Feeding our Future employees recruited individuals/entities to open sites (about 250 sites)
- To this point, everything is fine. Where could this go wrong?



Initial Allegations

- Sites fraudulently claimed to be serving meals
- Dozens of shell companies formed to serve as sites or to launder money
- False documentation created/submitted
- 125 million false meal claims
- Alleged fraud was about \$250M
 - Went from \$3M of federal funds in 2019 to nearly \$200M in 2021

Poll #5: Why were 2 jurors removed in the first Feeding our Future trials?

- a. They fell asleep during the trial
- b. They had participated in the scheme
- c. They lied during *voir dire* (juror examination)
- d. They were offered bribes



Google Reviews

Feeding Our Future MN

2.9 ★★☆☆☆ 45 Google reviews

Food and beverage consultant in Saint Anthony,
Minnesota

Permanently closed

- “Defrauded taxpayers out of \$250 million. Money that was supposed to be used to feed children. Gross”
- “Jail isn’t good enough for creeps who steal \$ meant for children. Hope it’s a LONG TIME.”
- “Thieves who steal from the needy. The worst scum.”
- “The people involved in this organization should go into politics. They have what it takes to go far!”

What questions would you like to ask?

WHERE WAS THE
OVERSIGHT?????

Role of the auditors

- Feeding our Future's 2019 and 2020 financial statements, and the 2021 financial statements of several related entities, were audited by CPA Global Portfolio Consulting
 - Sole CPA was Charles Amevo
- Opined that financials complied with GAAP, whereas they did not
- An audit requires “obtaining audit evidence through inquiry, physical inspection, observation, third party confirmations, examination, analytical procedures, and other procedures.”
 - “Respondents did not undertake these processes.”
- Firm permit and CPA certificate were revoked. \$20,000 of civil penalties

MN's Office of the Legislative Auditor was asked to conduct a Special Review of MDE's Oversight of Feeding our Future

Report: Minnesota Department of Education's 'inadequate oversight' of Feeding Our Future opened door to fraud

A much-anticipated special review of the Minnesota Department of Education's oversight of Feeding Our Future found that the state agency "failed to act on warning signs."

By **Kelly Smith** Star Tribune | JUNE 13, 2024 — 6:50PM

OLA Findings

- Federal regulations required MDE to monitor and enforce Feeding Our Future's compliance with program requirements. MDE's responsibilities under federal law ranged from:
 - Providing guidance and training to Feeding Our Future staff
 - Terminating the organization's participation in the programs if warranted.
- “However, we found MDE's oversight of Feeding Our Future to be inadequate. In fact, we believe MDE's actions and inactions created opportunities for fraud.”

Other Findings

- MDE had identified concerns, which went unaddressed, but still approved program applications
- MDE should verify statements made by high-risk applicants
- MDE identified serious concerns during a 2018 review, but never did another review
- MDE received at least 30 complaints and by law must investigate
 - Often did not or the investigation was “inadequate”
- MDE twice found Feeding our Future “seriously deficient,” which is grounds for terminating the sponsor’s participation
 - MDE deferred all serious deficiencies

Commissioner of Education Rebuttal

- “MDE disputes the OLA’s characterization regarding the adequacy of MDE’s oversight”
- “MDE’s oversight of these programs met applicable standards and MDE made effective referrals to law enforcement.”
- “What happened with Feeding Our Future was a travesty – a coordinated, brazen abuse of nutrition programs that exist to ensure access to healthy meals for low-income children. The responsibility for this flagrant fraud lies with the indicted and convicted fraudsters.”

Updates

- Now up to a total of 73 defendants compared to an initial 47
- At least 50 have pled (or been found) guilty thus far
 - One at the very top recently sentenced to 28 years in prison
- Bock's testimony began on February 10, 2025
- In March, Aimee Bock was convicted on all accounts / Awaiting sentencing

Whistleblower

- Noticed members of the community flaunting cash and luxury items on social media.
- Noticed a bride receiving a tray of gold during a wedding in the Twin Cities.
- “All of a sudden, there was like a boom and people were buying very expensive homes and posting about those homes. Then people started showing off expensive cars, money, equipment and other things on Facebook and Snapchat.”

Thank you!

- Questions, comments, or to stay in touch with Boz:
- bbostrom@csbsju.edu (612) 414-9629
- <https://www.linkedin.com/in/bozbostrom/>