K2's Getting Started With AI



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Learning Objectives

- Identify the steps for querying data using tools such as Gemini and ChatGPT
- List three differentiating capabilities of Microsoft Copilot
- Differentiate between the capabilities of various AI tools
- Name some of the risks associated with AI

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What is Artificial Intelligence? What are the major capabilities?

GETTING STARTED WITH AI

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What Is Artificial Intelligence?

- Stated simply, **artificial intelligence (AI) uses computers to perform tasks that humans would perform otherwise**
- Some examples of AI applications include **machine learning** (ML), **speech recognition**, and **analyzing data for trends**
- Notably, most who study the topic consider **ML to be a subset of AI…**further, almost every business professional uses ML, although many may not recognize that they use it
  - Adding rules to Outlook could be considered an example of ML

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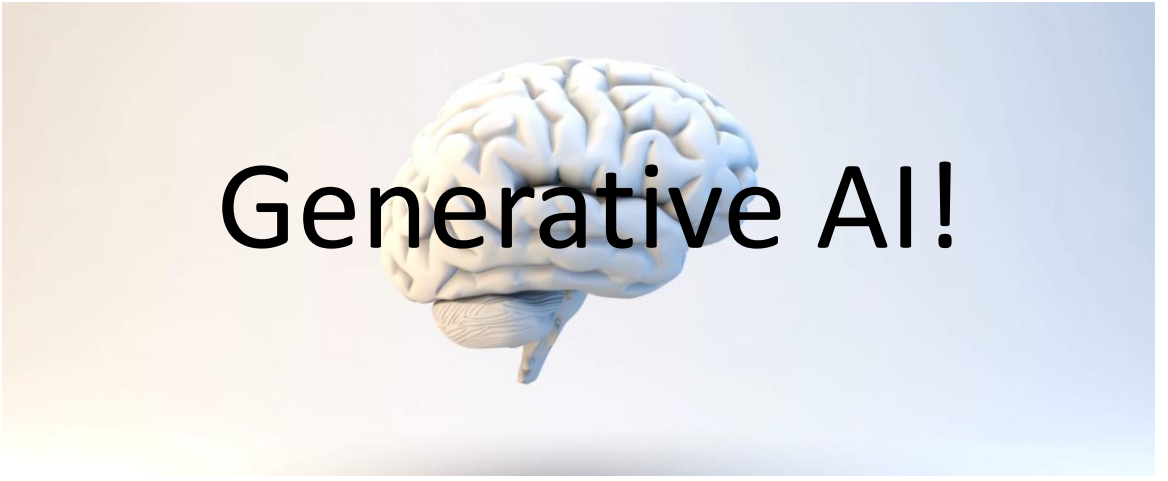
So, Why All The Buzz About AI?



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What Is Generative AI?

- Conceptually, generative AI is quite simple…it is a form of **AI that allows technology to generate customized responses to your questions, known as "prompts"**
- Recent advancements in **Large Language Models (LLMs)** allow generative AI tools such as **ChatGPT, Copilot, Perplexity, Grok, Gemini,** and others to create responses to your questions
- It might be fair to **think of generative AI tools as turbo-charged search engines**

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So, LLMs Must Be Important

- Absolutely, **LLMs are the backbone of generative AI** tools
- When properly trained on large datasets, **LLMs can understand, generate, and even predict human language**
- There is a trade-off with LLMs…in general, **the bigger the data set, the better the capacity to learn more complex relationships between words**; however, large data sets require more computational capability

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AI Platform Comparison

Platform	Key Capabilities	Typical Business use	Consideration
Claude	Writing, reasoning and coding	Draft documents and review complex material	Research access and usage vary by plan
ChatGPT	General assistance, data analysis and images	Analyze spreadsheets and create content	Tools and limits depend on plan and settings
Copilot	Microsoft 365 app and work-content integration	Work in Word, Excel, PowerPoint and Teams	License and access controls apply
Gemini	Google Workspace assistance and research	Draft in Gmail and Docs, work with Sheets	Workspace features vary by edition
Perplexity	Web search and source-linked answers	Research topics and compare cited sources	Review original sources to confirm claims

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AI Platform Pricing

Platform	Individual / Entry option	Business / User / Month	Billing & Scope
Claude	Pro: $20/month	Team Standard: $20	Business price requires annual billing
ChatGPT	Plus: $20/month	Business Standard: $20	Annual billing for business Minimum 2 users
Copilot	Chat: included with eligible M365 plans	M365 Copilot: $30 Enterprise add-on	Annual billing, plus a qualifying M365 license
Gemini	Google AI Pro: $19.99/month	Workspace Standard: $14	Annual commitment Includes Workspace suite
Perplexity	Pro: about $17/month with annual billing	Enterprise Pro: $33.33	Business: $400/user/year or $40/user/month

U.S. USD, Oct. 25, 2026. Selected plans differ in scope. Taxes, promotions and usage charges excluded. Prices are subject to change.

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Regarding Which AI Tool(s) To Use

- Consider how you plan to use your tools and desired levels of integration with other tools
  - For example, **Copilot's integration with Microsoft** and **Gemini's integration with Google Workspace**
- **Is your AI platform private and secure by default**, or can you enable controls to ensure privacy and security?
- AI technology is still in its infancy…many professionals will likely cycle through several tools…**your decision is not permanent, you'll likely use multiple platforms, and don't be afraid to change, if necessary**

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AI Implementation Roadmap

TIMING	PRIORITY	DECISION
Days 1–30	**Select the use case** Name an owner and baseline the work	Approve scope
Days 31–60	**Prepare a controlled pilot** Approve data, tools and human review	Authorize testing
Days 61–90	**Test in one workflow** Measure quality, effort and total cost	Scale, revise or stop
Day 90+	**Expand in stages** Train users and monitor performance	Review each rollout

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A Focused AI Pilot

Business Owner

One workflow
Choose one repeatable workflow

Baseline and targets
Measure time, errors and cost

A small pilot team
Train users and name a reviewer

IT And Risk Owners

Approved tool and data
Check terms and data access

Human approval
Approve outputs before use

A safe fallback
Log issues and keep a fallback

Pilot deliverable: a documented recommendation to scale, revise or stop

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The Decision To Scale

The sponsor reviews evidence against targets set before the pilot

Business value	Net benefit after software, integration and review costs Owner: Business owner + finance
Reliable outputs	Quality meets targets, including difficult cases Owner: Process owner
Acceptable risk	Data controls work and reviewers resolve critical errors Owner: IT + risk owners
Operational readiness	Users have training, support and a fallback process Owner: Operations leader

After rollout: monitor results and incidents, and retest after major changes

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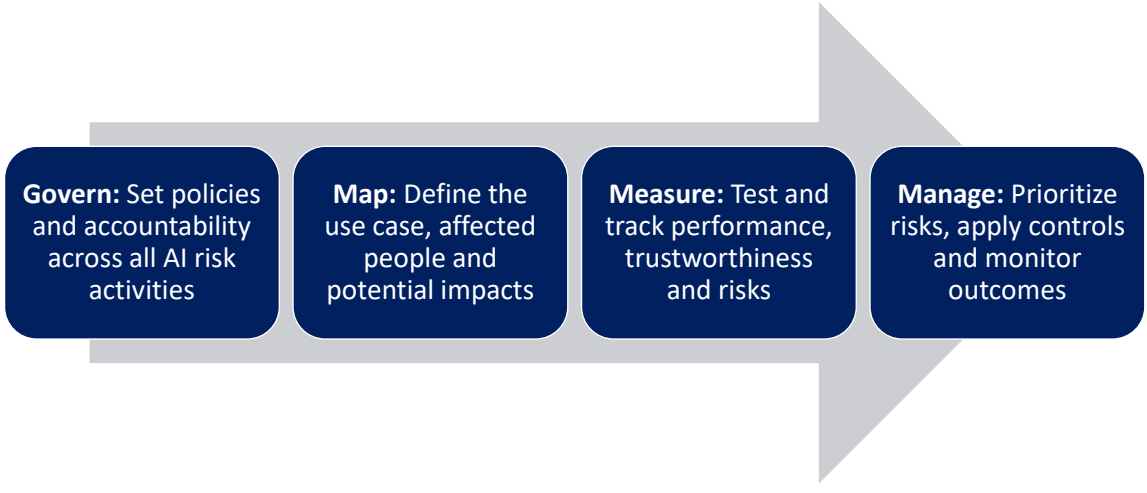
NIST Risk Management Framework



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Getting Started With Prompts



- Prompts are how you ask questions of your AI platform(s)
- There are no “right” or “wrong” ways to issue your prompts, although some methods might be more efficient than others
- For example, you could issue the prompt
  - “What were total sales of widgets last year” and then following it with “Format the results as a line chart for trend analysis”
- Or, you could issue a combined prompt instead, such as “Summarize total sales of widgets last year as a line chart”
- Either method works!

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Prompt Frameworks



- Some of the more widely used prompt frameworks include:
  - **COSTAR** – Context, Objective, Style, Tone, Audience, Response
  - **RACE** – Role, Action, Context, Expectation
  - **CLEAR** – Clarity, Logic, Evidence, Action, Results
  - **CARE** – Context, Action, Result, Example
  - **TRACE** – Task/Type, Request, Action, Context, Example
  - **CREATE** – Context, Result, Explanation, Audience, Tone, Edit
- Fundamentally, ensure your prompts are clear and succinct, and you should have no trouble getting the desired results

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Working With ChatGPT

- In general, you will work in ChatGPT much like working with your favorite search engine
- That is, simply type in your request, and ChatGPT will attempt to respond to it
- Once you type your request, you can modify or append it
  - For example, to include more details or to change the format from simple text to a bullet-point memo

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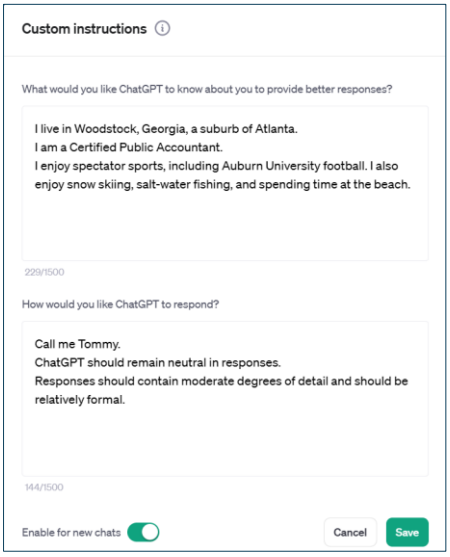
Working With ChatGPT

- One very important option to configure in ChatGPT is **Custom instructions**
- To configure this option, **click the ellipses next to your name**
- Then **click Custom Instructions and tell ChatGPT a little about yourself**



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ChatGPT And Custom Instructions

- Consider the response below received from ChatGPT after the Custom Instructions shown in the previous slide were entered into the system



data security issues and artificial intelligence

Certainly, Tommy. The intersection of data security and artificial intelligence (AI) is a topic of considerable importance. As a Certified Public Accountant, you likely appreciate the significance of safeguarding sensitive information, especially in the context of evolving technologies like AI.

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Working With Gemini

- In general, **working with Gemini will closely resemble working with ChatGPT**
- Again, **type in your request, and Gemini will respond** accordingly
- **Gemini integrates exceptionally well with Google Workspace tools**
  - Therefore, if you use Google Workspace, you should **carefully consider using Gemini as a primary AI platform for you and your team**



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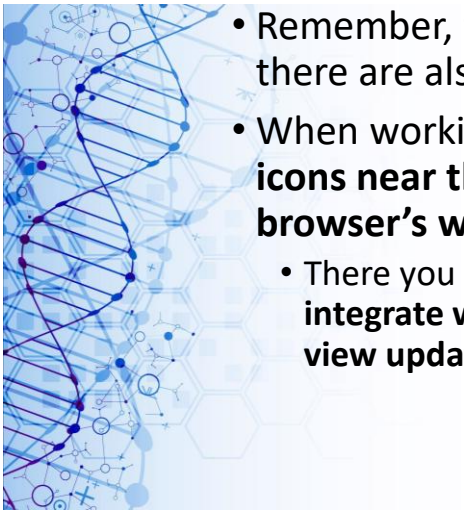
Working With Gemini



- Remember, there is a free plan for Gemini, and there are also paid subscriptions available
- When working with Gemini, **pay attention to the icons near the upper, right corner of your browser's window**
  - There you can **view a history of your queries, integrate with Google apps, access help and FAQs, view update history, and manage settings**

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LET'S GO INTO DEMO MODE…

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Generative AI In Tax & Accounting

- So far, the examples presented have centered around “generic” searches, similar in some regards to those that could have been performed using search engines
- Now, let’s move forward into **using generative AI in tax and accounting scenarios**

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Tax Return Engagement Letter

The engagement letter partially pictured to the right was created by prompting Gemini with the phrase “***Create a Tax Return Engagement Letter for an S Corporation…***”

Dear [Officer Name]:

Thank you for selecting **[Accounting / CPA Firm Name]** to assist **[S Corporation Name]** (referred to herein as "the Company") with its tax compliance needs. This letter confirms the terms and objectives of our engagement, as well as the nature and limitations of the services we will provide for the tax year ending **[Tax Year End Date, e.g., December 31, 202X]**.

1. Scope of Services

We will prepare the following tax returns for the Company for the tax year ended **[Tax Year End Date]**:

- **Federal Form 1120-S** (*U.S. Income Tax Return for an S Corporation*)
- **Schedules K-1** (*Shareholder’s Share of Income, Deductions, Credits, etc.*) for all shareholders of record
- **State Income/Franchise Tax Return(s)** for the State of **[State Name(s)]**

Our services do not include tax preparation for any state, local, or foreign jurisdictions not explicitly listed above, nor do they include payroll tax, sales/use tax, or property tax filings unless specifically agreed upon in a separate written addendum.

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Tax Return Engagement Letter

- Of course, you could simply **paste the text into your word processing application** and edit it to meet your specific needs
- Additionally, **note that Gemini provided three different versions of the engagement letter,** and you could choose which version you want to use as your template

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Tax Research

Like the previous example, you could enter the phrase "***does computer software qualify for Section 179 expensing***" into ChatGPT and receive the response indicated to the right

Yes, **computer software can qualify for Section 179 expensing**, but it must meet specific IRS criteria.

Key Requirements for Software Eligibility

To qualify for a Section 179 deduction, the software must meet the following conditions:

1. **"Off-the-Shelf" Status:** The software must be readily available to the general public, subject to a nonexclusive license, and not substantially modified. Examples include standard office productivity suites (e.g., Microsoft Office), off-the-shelf accounting software (e.g., QuickBooks), and standard CRM or ERP packages.
2. **Business Use Threshold:** The software must be used **more than 50%** for business purposes in the active conduct of your trade or business.
3. **Placed in Service:** It must be purchased (or acquired via qualifying financing) and **placed in service** (installed and ready for use) during the exact tax year you claim the deduction.
4. **Useful Life:** It must have a determinable useful life of more than one year.

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Tax Research

- **What if you need more details** in the responses you receive from your query?
  - **Tell your AI tool to provide that level of detail to you!**
- For example, consider the following prompt entered into Gemini
  - ***I'm researching the impact the Secure Act 2.0 has on 401(k) plans. In a bullet point list, provide the most relevant verbatim excerpts from the document, with a citation at the end of each quote to the exact section to find the excerpt in the results***

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Tax Research

Like the previous example, you could enter the phrase "***does computer software qualify for Section 179 expensing***" into ChatGPT and receive the response indicated to the right

- Here are key verbatim excerpts detailing the impact of SECURE Act 2.0 on 401(k) plans, complete with section citations:
  - "Section 101 expands automatic enrollment in 401(k) and 403(b) plans by requiring new plans established after December 29, 2022, to automatically enroll eligible employees upon becoming eligible..."
  - "Section 102 increases the credit for small business startup costs from 50 percent to 100 percent for employers with up to 50 employees..."
  - "Section 107 increases the RMD starting age from 72 to 73 (effective January 1, 2023) and then again to 75 (effective January 1, 2033)."

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Responding To IRS Notices

- Another useful application of generative AI tools such as ChatGPT and Gemini is their capability to **create drafts of responses to tax notices and other correspondence**
- For example, consider an IRS CP-12 notice, indicating the taxpayer owes $1,000 and you believe the IRS is in error
- You could enter the phrase "***Respond to IRS CP-12 where John Jones owes $1,000 and disagrees with the IRS***"

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Creating Responses To IRS Notices

(generated by ChatGPT)

accurately. Here are some general steps you may consider taking:

1. **Review the Notice:**
   Carefully go through the CP-12 notice to understand the specific details of the IRS's claim. Verify the tax period and the nature of the adjustment.
2. **Gather Documentation:**
   Collect all relevant documentation, including tax returns, receipts, and any supporting documents that can substantiate John Jones's position. This will be essential in building a case against the IRS's claim.
3. **Contact the IRS:**
   Reach out to the IRS using the contact information provided on the CP-12 notice. Explain the reasons for the disagreement and provide supporting documentation. It's advisable to remain calm and professional during any communication with the IRS.
4. **Certified Mail:**
   If you choose to send additional information or documentation, consider using certified mail with return receipt requested. This will provide proof of both the sending and receiving of your documents.
5. **Request an Appeals Conference:**
   If the disagreement persists, John Jones may have the option to request an appeals conference. This involves presenting the case to an independent IRS officer who will review the matter impartially.
6. **Seek Professional Assistance:**
   As a Certified Public Accountant, you might want to consider leveraging your expertise or

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Creating Responses To IRS Notices

- Although the guidance provided in the previous slide might be helpful, particularly to less-experienced staff, you may have been hopeful of getting a draft of the **actual response letter** created by your AI tools
- Modifying your request to "***Create a response letter to IRS CP-12 where John Jones owes $1,000 and disagrees with the IRS***" generates the draft response indicated on the next slide

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Creating Responses To IRS Notices

(generated by ChatGPT)

I hope this letter finds you well. I am writing in response to CP-12, which indicates that John Jones owes $1,000, a claim he disputes.

Upon reviewing the notice, we respectfully disagree with the proposed adjustment. We have conducted a thorough examination of the relevant tax period and have gathered supporting documentation to substantiate our position.

Enclosed, please find copies of the tax returns, receipts, and any other pertinent documents that support our claim. We believe that these materials will provide clarity on the matters in question. We request that you review this information in reconsidering the proposed adjustment.

If necessary, I am open to further discussions or meetings to discuss this matter in detail. Additionally, I would appreciate guidance on any specific procedures or documentation required to facilitate a resolution.

Please be advised that we have also retained copies of this correspondence for our records.

Thank you for your prompt attention to this matter. We look forward to resolving this issue amicably.

Sincerely,

[Your Full Name]

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COPILOT IS A LITTLE DIFFERENT…

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Microsoft Copilot

- **Copilot** is an AI-based platform that works much like a personal assistant and, depending on your subscription, integrates quite well with Microsoft 365 apps and services, such as Excel
- You can access Copilot through a browser or, depending on your subscription, through apps such as Excel, Word, and PowerPoint
- The integrations with Microsoft 365 apps are a real strength for Copilot and differentiate the platform from many other tools

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Creating And Analyzing Data With Copilot



- You can use Copilot in several ways to help you analyze business-oriented data
- Included are options for
  - Gathering data
  - Data scrubbing/cleansing
  - Generating descriptive analytics
  - Forecasting and predicting
  - Identifying risks
  - Analyzing historical results and comparing them to expectations

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Copilot Use Cases With Word

Write a document	Proof a document	Rewrite existing content
Convert text into a table	Summarize a document	Ask questions about a document

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Copilot For Microsoft 365



- A paid subscription to Copilot also integrates with Microsoft 365, where you can use it to do things such as:
  - Automatically respond to emails
  - Create PowerPoint presentations from Word documents
  - Summarize threads of email messages
  - Summarize Chat content from a thread of messages
  - Create transcripts of meetings
- Copilot became generally available as a subscription tool on 11/1/23 for companies with more than 300 Microsoft 365 users

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Are There Dangers With AI? ***Absolutely***!



Biased Outputs	Copyright infringement	Data privacy
Data security	Deepfakes	Hallucinations

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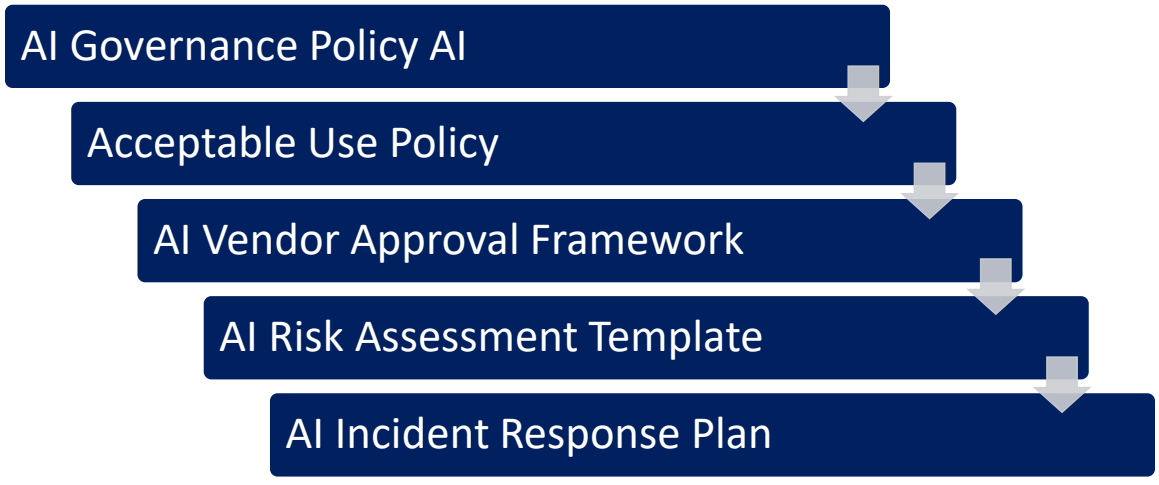
Specific Calls To Action

Develop, Implement, And Enforce These AI Policies



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Summary

- Generative AI is truly a **game-changer for virtually everyone**!
- Consider the impact of generative AI tools such as **ChatGPT**, **Gemini**, **Claude**, **Grok**, **Copilot** and others on how you work
  - How can you use these tools for improved efficiency and productivity?
  - How can these tools help to free team members from mundane tasks?
  - What are some potential negative impacts of implementing generative AI tools?
- No doubt, AI has come a long way in just two short years… imagine what AI will be ten years from now!

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