

The Trusted Professional

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The Newspaper of the New York State Society of Certified Public Accountants

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NYSSCPA 2012–2013 Board nominations announced



By **SCOTT M. ADAIR, CPA**
NYSSCPA Secretary/Treasurer

The 2011–2012 NYSSCPA Nominating Committee met on Jan. 12 to decide its nominations for Society officers for the 2012–2013 fiscal year and for NYSSCPA Board of Directors members, with terms beginning June 1, 2012. (The formal report is printed in this issue of *The Trusted Professional* on page 3, and the service record of all nominees is printed on pages 4 and 5.)

In accordance with the Society’s Bylaws, the nominating committee report was emailed to Society members—who provided email addresses to the Society—by Feb. 3, and was posted to the nomination center on the Society’s website on or before Feb. 1. The nomination center is located at www.nysscpa.org/page/about-us/governance/nomination-center.

On behalf of the entire membership, I would like to thank the members of the nominating committee for their work in identifying candidates to serve. Vetting our future leadership is one of the most important tasks we undertake on a yearly basis.

A ballot listing the nominees with their service records will be sent to the Society’s voting membership before the Society’s Annual Election Meeting and Dinner, to be held on May 10, 2012. Any independent nominees submitted by March 1, as discussed below, will be included in the proxy ballot. I urge all members to carefully examine the ballot information and vote.

Independent nominations

According to Article X of the Society’s Bylaws, independent nominations for an officer or elected director may be made by a petition filed with the Secretary/Treasurer by March 1. (See www.nysscpa.org/society/bylaws.htm.) These candidates are then added to the ballot, along with those individuals nominated by the nominating committee.

Pursuant to the Bylaws, any submitted petition for independent nominees requires at least 511 signatures of CPA members (2 percent of the CPA membership as of the beginning of the fiscal year, which totaled 25,546 this year), other than that of the nominee, and must certify that the nominee has consented to serve if elected. To be eligible for the position of a Society officer or director, a nominee must (i) be a CPA member of the NYSSCPA; (ii) have at least five years’ continuous membership in the Society; and (iii) have at least two years of participation either on a Society-level committee or as a member of the executive board of a chapter, or some combination of both.

Independent nomination petition forms may be downloaded from the website’s nomination center, located at www.nysscpa.org/page/about-us/governance/nomination-center, and should be sent to the NYSSCPA Secretary/Treasurer as follows:

Scott M. Adair, CPA
 NYSSCPA Secretary/Treasurer
 NYSSCPA
 3 Park Avenue, 18th Floor
 New York, NY 10016

Annual Election Meeting and Dinner: date and place

Based on the votes cast in the ballot, the officers and directors for 2012–2013 will be elected during the 115th Annual Election Meeting and Dinner on Thursday, May 10, at the Marriott Marquis at Times Square in New York City. Official notice of the meeting will be included in the April 1 issue of *The Trusted Professional*.

Contact information

If you have any questions about this process, please feel free to contact me at secretarytreasurer@nysscpa.org, or the Society’s Associate Counsel Bradley M. Pryba, at bpryba@nysscpa.org.

NYSSCPA Secretary/Treasurer Scott M. Adair, CPA, can be reached at secretarytreasurer@nysscpa.org.



NYSSCPA Vice President of Chapters Ita M. Rahilly, left, NYSSCPA Vice President of Chapters Anthony Cassella, center, offer advice and best practices to incoming chapter presidents-elect during a workshop in December to help prepare them for their upcoming leadership roles. Southern Tier President-elect William J. Scannell, right, also spoke during the workshop. See story, page 14.

New wage rules—and corresponding fines—now in effect

By **RICHARD J. KORETO**
Trusted Professional Staff

New York employers scrambled to avoid fines from the state Labor Department and comply with an essential Feb. 1 deadline of the Wage Theft Prevention Act, a new state law affecting the vast majority of New York employers.

The department said the WTPA, which went into effect last April, already “gives greater protection to workers, and makes changes in the way they are notified of their pay rates and receive wage statements.” Existing rules already required employers to notify employees of their wage rates at the time of hire, but the WTPA has beefed up that requirement: Employers must now give a written notice to each new hire and

See **Wage rules**, on page 8

Society to FAF: Keep private company board separate

By **CHRIS GAETANO**
Trusted Professional Staff

SEE RELATED STORY PAGE 6

In a letter to the Financial Accounting Foundation dated Dec. 12, NYSSCPA President **Richard E. Piluso** reiterated the Society’s support of a separate standards-setting board to oversee issues relating to private companies.

“Our overall conclusion is that we continue to support a separate standards-setting board for privately held entities,” Piluso wrote.

Piluso said the Society adopted this position after an extensive outreach effort that encompassed a poll of the members; a half-hour presentation at the July Leadership Conference, where a straw poll was

See **FAF**, on page 10

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PRESIDENT'S COMMENTARY

Letter from the president-elect

NYSSCPA Board seeks FAE trustee candidates

Dear CPA Members:

We are now seeking the names of NYSSCPA members interested in serving on the Board of Trustees of the Foundation for Accounting Education, Inc. There are three trustee vacancies to be filled for the upcoming fiscal year, beginning June 1, 2012. If you are interested in serving on the FAE Board, we



Gail M. Kinsella

need to hear from you by Feb. 22. FAE is the educational arm of the NYSSCPA. FAE has its own governing body—a nine-to-twelve-person Board of Trustees—nine of whom serve a three-year term; the remaining three are appointed by the NYSSCPA Board of Directors for terms of one, two or three years. The trustees' three-year terms are evenly staggered, so three vacancies occur each year, in addition to the three slots available on the NYSSCPA Board. According to its bylaws, FAE's Board of Trustees acts to fill vacancies in the three-year positions on the FAE board, but its choice is limited to the six or more candidates identified by the Society's Board of Directors. To identify individuals qualified to serve on the FAE board, the Society's Board turns to one of its subcommittees, the Selections Subcommittee, which is chaired by me as the Society's president-elect.

See Letter, on page 13

Society can help you navigate new quality review law

BY RICHARD E. PILUSO, CPA
NYSSCPA President

On Jan. 1, a new law requiring most firms to undergo a peer review of their attest services went into effect, implementing the final piece of the 2009 accountancy reform law and marking an important milestone in the state's history of holding CPAs to a standard of exceptional performance and professional conduct.

The state now requires most New York CPA firms to obtain a peer review—or what the state is calling mandatory quality review—of its attest services. The state will also require firms to submit the quality review report and acceptance letter to the New York State Education Department every three years when firms reregister with the state. Attest services, according to the SED, include audits, reviews and examinations performed under the Statements on Auditing Standards, Statements on Standards for Accounting and Review Services, Statements on Standards for Attestation Engagements, Government Auditing Standards and audits of non-SEC issuers performed according to PCAOB standards.

Some firms are exempt from the MQR requirement. Unincorporated sole proprietors and firms with two or fewer CPAs that don't perform attest services for state or municipal governments, or that do not perform attest services pursuant to New York state law, might be eligible to opt out of MQR—but these firms can also choose to voluntarily undergo quality review. New York state firms providing attest services for a government agency, board or division, municipality or public corporation, or providing attest services that are required by state law, are required to comply with MQR, regardless of the size of the firm.

Once you have determined whether you must comply with the new MQR law, your

firm's next step should be to enroll in the peer review program of a sponsoring organization. By enrolling, your firm agrees to have a review of its accounting and auditing practices performed once every three years. The NYSSCPA has applied—and is expected to be approved—to administer peer reviews with the Quality Review Oversight Committee, the five-member panel established to approve and monitor sponsoring organizations and generally oversee



Richard E. Piluso

the MQR program. As a quality review sponsor, the NYSSCPA will determine an appropriate due date for your firm's first review (within 18 months of enrollment, as required by law) and will provide additional instruction on how to complete the peer review at least six months prior to the due date.

For firms enrolled in the AICPA's practice monitoring program, there is good news: In most cases, such firms are already satisfying the new MQR requirements for acceptable review. The NYSSCPA will continue to administer the AICPA review program, so firms currently enrolled and participating in this program should not need to take additional action to comply with the new MQR law.

Previously, the NYSSCPA performed approximately 1,800 peer reviews in every three-year period, or about 600 reviews annually, as a sponsor of the AICPA's practice monitoring program.

As a result of MQR, we estimate that in 2012 the NYSSCPA will perform an additional 1,000 reviews every three years, for a total of 2,800 during each three-year period or more than 900 each year. Statewide, we

expect to see a 67 percent increase in the number of CPA firms in New York seeking quality reviews under the new law.

The Society is currently seeking qualified professionals to help perform these reviews. The NYSSCPA provides training for those interested in helping to improve audit quality in New York; contact Peer Review Administrator Theresa Campbell at tcampbell@nysscpa.org or Peer Review Technical Manager Mark Rachleff at mrachleff@nysscpa.org for information about upcoming training sessions.

This is certainly an exciting time for the profession. I hope that you, like me, find the state's demand for superior performance, as illustrated by the implementation of MQR, to be a point of pride in our profession.

This new law will impact many firms that were previously exempt from peer review, and the MQR requirement, like any major change in the way we work, can seem complicated and overly complex at first. For those firms that have never had a peer review, I would recommend that you consider doing an assessment, or "unofficial review," of your quality control procedures, or have someone do it for you. This should give you a good indication of any reportable deficiencies that may exist in your practice, and while it will incur some extra cost to you, it could also be a dose of preventive medicine.

There are sure to be questions for many CPAs, so know that the NYSSCPA is here to help. The Society's Peer Review staff is highly trained and familiar with the MQR requirements, and is ready to offer guidance to help you navigate these most recent changes to our profession.

For additional information or to enroll in the NYSSCPA Peer Review Program, visit www.nysscpa.org/page/government-affairs/mandatory-quality-review or call 212-719-8300 to speak with our Peer Review staff.

president@nysscpa.org

The Trusted Professional

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- April issue—February 27
- May issue—March 26
- June issue—April 23

For more information on submitting an article, email aolson@nysscpa.org.

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NOMINATING COMMITTEE REPORT

January 20, 2012

OFFICERS: to hold office for one year, from June 1, 2012:

President

Gail M. Kinsella automatically succeeds Richard E. Piluso as President in accordance with Article VIII, Paragraph 5 of the Bylaws.

President-elect

J. Michael Kirkland to succeed Gail M. Kinsella
Deutsche Bank AG *Testone, Marshall & Discenza, LLP*

Vice Presidents

Sherry L. DelleBovi to succeed Anthony Cassella
Lumsden & McCormick, LLP *J. Queen New York, Inc.*

David Evangelista to succeed Neville Grusd
MSPC Certified Public Accountants & Advisors, P.C. *Merchant Financial Corporation*

Suzanne M. Jensen to succeed J. Michael Kirkland
The Business Council of New York State, Inc. *Deutsche Bank AG*

Anthony J. Maltese to succeed Ita M. Rahilly
The Maltese CPA Firm PLLC *Vanacore, DeBenedictus, DiGiovanni & Weddell, LLP*

Secretary/Treasurer

Scott M. Adair to succeed Scott M. Adair
Monroe County Department of Finance *Monroe County Department of Finance*

DIRECTORS-AT-LARGE: to hold office for three years, from June 1, 2012:

Christopher G. Cahill to succeed Ian J. Benjamin
Deloitte & Touche LLP *McGladrey & Pullen LLP*

Harold L. Deiters to succeed Michele Mark Levine
Holtz Rubenstein Reminick LLP *The City of New York Office of Management and Budget*

Arthur J. Roth to succeed Anthony J. Maltese
Retired *The Maltese CPA Firm PLLC*

Yen D. Tran to succeed Erin Scanlon
PricewaterhouseCoopers LLP *Deloitte & Touche LLP*

Richard T. Van Osten to succeed George I. Victor
Ernst & Young LLP *Giambalvo, Stalzer & Company, CPAs, P.C.*

DIRECTORS AS CHAPTER REPRESENTATIVES: to hold office for three years, from June 1, 2012:

Buffalo:

Gregory J. Altman to succeed Sherry L. DelleBovi
Somerset Capital Partners *Lumsden & McCormick, LLP*

Manhattan/Bronx:

William Aiken to succeed Barbara A. Marino
Retired *The Hackett Group*

Southern Tier:

Scott M. Hotalen to succeed Jesse J. Wheeler
Vieira & Associates, CPAs, P.C. *Davidson Fox & Company, LLP*

Syracuse:

Anthony T. Abboud to succeed Heather Losi
Firley, Moran, Freer & Eassa, P.C. *Losi & Ranger CPAs, PLLC*

Westchester:

Barbara E. Bel to succeed Mark G. Leeds
O'Connor Davies Munns & Dobbins, LLP *Win Properties Inc*

All of the nominees have consented to serve if elected.

Richard E. Piluso automatically becomes Director for one year as Immediate Past President in accordance with Article VI, Paragraph 1 of the Bylaws.

DIRECTORS (provided the above nominees are duly elected):

Terms expiring in 2013:

Scott M. Adair, *Monroe County Department of Finance*
Robert W. Berliner, *Marks Paneth & Shron LLP*
Sherry L. DelleBovi, *Lumsden & McCormick, LLP*
David Evangelista, *MSPC Certified Public Accountants & Advisors, P.C.*
Adrian P. Fitzsimons, *St. John's University*
Stephen E. Franciosa, *Stephen E. Franciosa, CPA*
Jennifer R. George, *Vanacore, DeBenedictus, DiGiovanni & Weddell, LLP*
Rosemarie A. Giovinazzo-Barnickel, *Rosemarie Giovinazzo-Barnickel, CPA*
Mitchell L. Gusler, *Rifkin & Company, LLP*
Suzanne M. Jensen, *The Business Council of New York State, Inc.*
Pei-Cen Lin
Anthony J. Maltese, *The Maltese CPA Firm, PLLC*
Richard E. Piluso, *Retired*
Robert R. Ritz, *D'Arcangelo & Co., LLP*
Robert E. Sohr, *Retired*
F. Michael Zovistoski, *UHY LLP*

Terms expiring in 2014:

Shari E. Berk, *S.E. Berk & Associates P.A.*
Domenick J. Esposito, *J.H. Cohn LLP*
Timothy P. Hedley, *KPMG LLP*
Douglas L. Hoffman, *Dragon Benware Crowley & Co., P.C.*
Gail M. Kinsella, *Testone, Marshall & Discenza, LLP*
Eric M. Kramer, *Farrell Fritz, P.C.*
Elliot A. Lesser, *Berdon LLP*
Steven M. Morse, *Rochester Institute of Technology*
Michael F. Rosenblatt, *The Quest Organization*
Cynthia A. Scarinci, *College of Staten Island (CUNY)*
John Shillingsford, *Albrecht, Viggiano, Zureck & Company, P.C.*

Terms expiring in 2015:

Anthony T. Abboud, *Firley, Moran, Freer & Eassa, P.C.*
William Aiken, *Retired*
Gregory J. Altman, *Somerset Capital Partners*
Barbara E. Bel, *O'Connor Davies Munns & Dobbins, LLP*
Christopher G. Cahill, *Deloitte & Touche LLP*
Harold L. Deiters, *Holtz Rubenstein Reminick LLP*
Scott M. Hotalen, *Vieira & Associates, CPAs, P.C.*
J. Michael Kirkland, *Deutsche Bank AG*
Arthur J. Roth, *Retired*
Yen D. Tran, *PricewaterhouseCoopers LLP*
Richard T. Van Osten, *Ernst & Young LLP*

Respectfully submitted,

2011–2012 Nominating Committee

- Joseph M. Falbo, Jr., Chair
- Cynthia D. Barry
- Ian J. Benjamin
- Stewart Berger
- Kenneth K. Chan
- Barry F. Doll
- Kenneth J. Gralak
- Stephen F. Langowski
- Barbara A. Marino
- Rita M. Piazza
- Charles J. Weintraub

NYSSCPA 2012-2013 NOMINEES

OFFICERS: to hold office for one year, from June 1, 2012:

PRESIDENT-ELECT



J. MICHAEL KIRKLAND, Director, Deutsche Bank AG, New York, N.Y. Member of the Society since 1982; member of the Manhattan/Bronx Chapter. STATEWIDE: Currently serving as Vice President. Previously served on Board of Directors. Current committee service includes the Quality Enhancement Policy Committee and Industry Outreach (Cochair), Real Estate and Diversity (Chair) task forces, and FAE Curriculum Committee. Previous committee service includes the Executive, Quality Enhancement Policy, Finance, Banking and Minority Group Recruitment & Equal Opportunity committees, and the Industry Outreach (Cochair) and Real Estate (Chair) task forces. CHAPTER: Current chapter service includes Manhattan/Bronx Chapter Executive Board. Previous chapter service includes President, President-elect and Vice President and on the Executive Board. Previous chapter committee service includes the Nominating and Cooperation with Bankers & Other Credit Grantors committees.

VICE PRESIDENT



SHERRY L. DELLEBOVI, Partner, Lumsden & McCormick, LLP, Buffalo, N.Y. Member of the Society since 1988; member of the Buffalo Chapter. STATEWIDE: Currently serving on the Board of Directors and Executive Committee. Current committee service includes the Membership Committee. Previous committee service includes the Executive, Membership (Chair) and Nominating committees. CHAPTER: Previous chapter service included Buffalo Chapter President, President-elect and on the Executive Board. Previous chapter committee service includes the Accounting & Auditing and Cooperation with the Bar (Chair) committees.

VICE PRESIDENT



DAVID EVANGELISTA, Principal (Partner), MSPC Certified Public Accountants & Advisors, P.C., Cranford, N.J., and New York, N.Y. Member of the Society since 1988; member of the Rockland Chapter. STATEWIDE: Previously served on the Board of Directors and PAC Board of Trustees. Previous committee service includes the Finance and Public Schools committees and the CPA Exam Task Force. CHAPTER: Previous chapter service includes Rockland Chapter President and on the Executive Board. Served as Government Relations Director and Board of Directors Representative. Previous chapter service includes Secretary, Treasurer and on the Executive Board. Previous chapter committee service includes the Furtherance/Nominating (Cochair) Committee. Previous Mid Hudson Chapter committee service includes the Accounting & Careers and Not-for-Profit/Government (Chair) committees.

VICE PRESIDENT



SUZANNE M. JENSEN, CFO, The Business Council of New York State, Inc., Albany, N.Y. Member of the Society since 1998; member of the Northeast Chapter. STATEWIDE: Previously served on the Board of Directors. Current committee service includes the Finance and Not-for-Profit Organizations committees and the Not-for-Profit Task Force. Previous committee service includes the Finance, Not-for-Profit Organizations, Executive, Audit and Professional Ethics committees, the Governance Subcommittee and the Strategy Task Force. CHAPTER: Previous chapter service includes Northeast Chapter Executive Board. Previous chapter committee service includes the Chief Financial Officer and Not-for-Profit Organizations committees.

VICE PRESIDENT



ANTHONY J. MALTESE, Sole Practitioner, The Maltese CPA Firm PLLC, Staten Island, N.Y. Member of the Society since 1980; member of the Staten Island Chapter. STATEWIDE: Currently serving on the Board of Directors. Previously served on the Board of Directors and PAC Board of Trustees. Previous committee service includes Firm Coordinators, Business Valuation (Chair), Nominating Committee, Annual Leadership Conference, Chapter Relations (Chair), Executive, Finance, Domestic Relations (Chair), General Committee on Continuing Professional Education and Chapter Operations committees, the Selections Subcommittee, and the Assessment of Members' CPE Needs Task Force. CHAPTER: Current chapter service includes Staten Island Chapter Executive Board. Previous service includes President, President-elect, Secretary, Assistant Treasurer and on the Executive Board. Current chapter committee service includes MAP, Sponsorship (Chair) and Taxation (Chair) committees. Previous chapter committee service includes One-on-One Program and Membership (Cochair) committees.

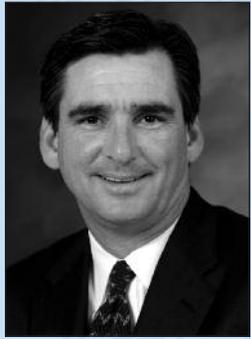
SECRETARY/TREASURER



SCOTT M. ADAIR, CFO, Monroe County Department of Finance, Rochester, N.Y. Member of the Society since 2001; member of the Rochester Chapter. STATEWIDE: Currently serving as Secretary/Treasurer and on the FAE Board of Trustees. Previously served as Vice President on the Board of Directors. Current committee service includes Executive (Secretary/Treasurer), Finance (Chair) and Government Accounting & Auditing committees. Previous committee service includes Executive, Finance and Government Accounting & Auditing committees, and the Deferred Compensation and Government Audit Quality task forces. CHAPTER: Current chapter service includes Rochester Chapter Executive Board member. Previous chapter service includes President, President-elect and on the Executive Board. Served as Government Relations Director.

NYSSCPA 2012-2013 NOMINEES

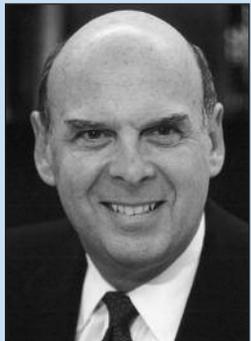
DIRECTORS-AT-LARGE: to hold office for three years, from June 1, 2012:



CHRISTOPHER G. CAHILL, Partner, Deloitte & Touche LLP, New York, N.Y. Member of the Society since 1991; member of the Manhattan/Bronx Chapter. STATEWIDE: Current committee service includes the Banking Committee. Previous committee service includes the Banking and SEC Practice committees.



HAROLD L. DEITERS, Senior Manager, Holtz Rubenstein Reminick LLP, Melville, N.Y. Member of the Society since 1998; member of the Suffolk Chapter. STATEWIDE: Current committee service includes the Member Benefits Committee. Previous committee service includes the Member Benefits and Relations with the Legal Community committees. CHAPTER: Current chapter service includes Suffolk Chapter President. Previous service includes President-elect, Vice President, Treasurer and on the Executive Board. Current chapter committee service includes the Cooperation with Attorneys Committee (Chair). Previous chapter committee service includes the Cooperation with Attorneys (Chair), Public Relations (Chair), Young CPAs (Chair) and Accounting & Auditing committees.



ARTHUR J. ROTH, Retired, Loudonville, N.Y. Member of the Society since 1968; member of the Northeast Chapter. STATEWIDE: Previously served on the Board of Directors. Current committee service includes the New York, Multistate & Local Taxation Committee. Previous committee service includes the New York, Multistate & Local Taxation, Annual Leadership Conference, Legislative Contacts, Chapter Operations and Professional Service Corporations committees, and the Task Force for Society Recognition Nationwide. CHAPTER: Previous chapter service includes Northeast Chapter President, President-elect and on the Executive Board.



YEN D. TRAN, Partner, PricewaterhouseCoopers LLP, New York, N.Y. Member of the Society since 1997; member of the Manhattan/Bronx Chapter. STATEWIDE: Current committee service includes the Taxation of Financial Instruments & Transactions Committee. Previous committee service includes the Taxation of Financial Instruments & Transactions Committee.



RICHARD T. VAN OSTEN, Partner, Ernst & Young LLP, Jericho, N.Y. Member of the Society since 2006; member of the Suffolk Chapter. STATEWIDE: Previous committee service includes the Auditing Standards Committee.

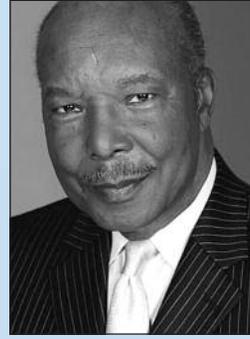
DIRECTORS AS CHAPTER REPRESENTATIVES: to hold office for three years, from June 1, 2012:

BUFFALO:



GREGORY J. ALTMAN, CFO, Somerset Capital Partners, Williamsville, N.Y. Member of the Society since 1989; member of the Buffalo Chapter. STATEWIDE: Current committee service includes the Membership Committee. Previous committee service includes the Awards and Membership committees. CHAPTER: Current service includes Buffalo Chapter Executive Board member. Previous chapter service includes President, President-elect, Vice President, Treasurer and Assistant Treasurer. Previous chapter committee service includes the Tax Institute (Chair) and Cooperation with Educational Institutions committees.

MANHATTAN/BRONX:



WILLIAM AIKEN, Retired. Member of the Society since 1981; member of the Manhattan/Bronx Chapter. STATEWIDE: Previously served on the Board of Directors, PAC Board of Trustees (President) and COAP Baruch Advisory Board. Previous committee service includes Finance, Awards, Audit, Industry Oversight, Not-for-Profit Organizations, Chief Financial Officers and Cooperation with Government Officials committees. CHAPTER: Previous chapter service includes Manhattan/Bronx Chapter President and on the Executive Board.

SOUTHERN TIER:



SCOTT M. HOTALEN, Partner, Vieira & Associates, CPAs, P.C., Endicott, N.Y. Member of the Society since 2001; member of the Southern Tier Chapter. STATEWIDE: Previously served on the Board of Directors. Previous committee service includes the Not-for-Profit Organizations Committee. CHAPTER: Current chapter service includes Southern Tier Vice President. Previous service includes President, President-elect, Vice President, Treasurer and on the Executive Board. Previous chapter committee service includes the Young CPAs Committee.

SYRACUSE:



ANTHONY T. ABBOUD, Principal, Firley, Moran, Freer & Eassa, P.C., East Syracuse, N.Y. Member of the Society since 1998; member of the Syracuse Chapter. CHAPTER: Current chapter service includes Syracuse Chapter President. Previous chapter service includes President-elect and Vice President. Current chapter committee service includes the Budget Committee (Chair). Previous chapter committee service includes the Young CPAs Committee (Chair).

WESTCHESTER:



BARBARA E. BEL, Principal Partner, O'Connor Davies Munns & Dobbins, LLP, Harrison, N.Y. Member of the Society since 1989; member of the Westchester Chapter. STATEWIDE: Current committee service includes the Closely Held & S Corporations and New York, Multistate & Local Taxation committees. Previously served on PAC Board of Trustees. Previous committee service includes the New York, Multistate & Local Taxation Committee. CHAPTER: Previous chapter service includes Westchester Chapter President, President-elect, Vice President, Treasurer, Secretary and on the Executive Board. Served as Government Relations Director. Current chapter committee service includes the Government Relations Committee (Chair). Previous chapter committee service includes the Government Relations (Chair), Budget (Vice Chair), Professional & Community Outreach (Cochair), Continuity of Practice, Economic Development, Education & Programming, Partnering with Professionals and Public Relations (Chair) committees.

Private companies face public issues, speakers warn

By **CHRIS GAETANO**
Trusted Professional Staff

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COVER

It's no surprise to CPAs in private industry that pronouncements governing public companies can often impact private companies, too. But sometimes those impacts happen in unexpected ways, warned **J. Roger Donohue**, chair of the Financial Accounting Standards Committee and a speaker at FAE's Professional Issues Update on Dec. 13.

The conference, the first of its kind and free for Society members in industry, was developed as part of a larger effort by the Society to better serve members working outside public firms. Topics included estate, individual and international tax, health care reform, accounting and auditing issues, IFRS, fair value, and the Uniform Prudent Management of Institutional Funds and the New York Prudent Management of Institutional Funds acts; 120 members in industry registered for the event.

During his accounting and auditing update presentation, Donohue urged the audience to stay apprised of changes in public company accounting standards, since those standards, though geared toward public companies, frequently affect private companies as well. Such is the case, for example, with Financial Accounting Standard 157, which addresses

fair value measurements—a method of determining the market price of an asset or transferring a liability, using quoted prices, complex calculations or the entity's own assumptions, depending on what information is available and what is being disclosed.

Private company stakeholders, as well as

public company regulations—in some cases, even a private company's choice of investments can affect what types of disclosures they're required to make, according to Dyson.

If a private company trades industrial development authority bonds (a financial

Accepted Accounting Principles that would better serve users of private company financial statements. In October 2011, the FAF instead proposed a Private Company Standards Improvement Council to make recommendations for modifications and exceptions to U.S. GAAP that would ultimately require FASB approval.

The NYSSCPA strongly disagreed with this proposal in a letter written by NYSSCPA President **Richard E. Piluso** published Dec. 12, saying that the FAF's plan was inadequate in addressing the needs of private companies already struggling to keep up with public company standards. Piluso noted a similar, previous FASB effort—the formation of the Private Company Financial Reporting Committee, which failed in part because the FASB frequently did not accept the committee's recommendations. Without independence from the FASB, Piluso said that the proposed new private company board could meet the same fate.

Instead, the Society is encouraging the FAF to establish an independent standards board that would recommend modifications and exceptions to U.S. GAAP for private companies, while overseeing their implementation, and would report directly to the FAF, not the FASB.

Donohue echoed the Society's strong disagreement with the FAF's proposal, saying that it would not address the main problem: that the standards-setting process is too centered on the public company.

"The FASB has the final word of approval on what is being recommended by the council and—just to let people know who is boss—the chairman of [the PCSIC] is a member of the FASB," he said.

Donohue emphasized the importance of private companies having their own presence in the standards-setting process. He believes the lack of an independent private company standards-setting body guarantees that whatever comes out of the advisory council would be subservient to the needs of public companies, with the success of proposals hinging on whether they meet the needs and objectives of public companies and the opinion of the FASB.

"That's not what you need," Donohue said. "You need someone who is thinking for you, thinking along these lines, and recognizing what comes out of GAAP before it comes down to what you're going to have [to do]."

Read the Society's comment letter online at www.nysscpa.org/page/society-comment-letters.

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You need someone who is thinking for you, thinking along these lines, and recognizing what comes out of GAAP before it comes down to what you're going to have [to do].

— *J. Roger Donohue,*

Financial Accounting Standards Committee chair

some involved with not-for-profits, have expressed concerns that many disclosure requirements that come with FAS 157 do not apply to them as nonpublic entities, and are excessively costly, said **Robert A. Dyson**, a Financial Accounting Standards Committee member and another conference speaker, during his "Understanding Fair Value" session.

But that standard is just one example of how private companies are being affected by

instrument used to fund municipal projects) or a dormitory authority bond (which funds construction projects for state colleges and universities), then that company, for the purpose of fair value disclosure, is treated as a public company, Dyson said. But this detail can catch private entities unaware—especially when they're connected with a conduit entity, like a bank, which puts such bonds on the open market itself, he said.

"One of the traps ... is that a bank could buy an IDA bond in its entirety, keep it for several years and then decide to unload its position," Dyson explained. So the company is private as long as the bank holds the IDA, but the minute the bank sells it, the company is considered public for fair value disclosure purposes, he said.

A symptom of a larger problem

This unfortunate surprise for private companies is written within a standard crafted primarily with public companies in mind. Donohue said that over the last five-to-10 years, there has been "overwhelming" demand for standards setters like the Financial Accounting Standards Board to pay more attention to issues specifically affecting nonpublic entities, and to have more consideration of how their actions affect them.

In response to that demand, the AICPA, the National Association of State Boards of Accountancy and the Financial Accounting Foundation established a blue-ribbon panel in December 2009 to address private entities' concerns about financial reporting requirements. The panel's report, released to the public in January 2011, recommended that the FAF create an independent board to modify and make exceptions to U.S. Generally

Upcoming Industry Committee Meetings

Apparel and Textile	Tues., Feb. 28
Banking	Thurs., Feb. 9
Chief Financial Officers	Wed., Feb. 15
Entertainment, Arts and Sports	Wed., Feb. 8
Investment Companies	Thurs., Feb. 16
Investment Management	Tues., Feb. 7
Private Equity and Venture Capital	Wed., Feb. 15

This is a partial listing, which is subject to change.

For a complete and updated listing of meetings, visit www.nysscpa.org, click on "About Us," and choose "Committees" from the drop-down menu.

Interested in joining a committee? Fill out an application online or contact Nereida Gomez, Manager, Committee and Administrative Services, at 212-719-8358 or ngomez@nysscpa.org, to find out more information.

Correction

CPAs who opt to earn continuing professional education credits in a specialized area may select a different specialization area each year, and are not required to earn all of the mandatory CPE credits in the same subject area every year. A phrase in the page 6 article of the January issue, "It's January: Do you have a CPE strategy for 2012?" implied otherwise. We regret this error and strive for editorial accuracy and clarity. If you believe you have found an error in *The Trusted Professional*, please alert Editor Ami Olson at aolson@nysscpa.org or 212-719-8321.

NewsMaker: Hans Hoogervorst, IASB chair

By CHRIS GAETANO
Trusted Professional Staff

Hans Hoogervorst was appointed chair of the International Accounting

Standards Board in July 2011. He has served as chair of the executive board of the Netherlands Authority for the Financial Markets; the Dutch minister of health, welfare and sport; and minister of finance. His tenure with the IASB began amid increased global financial tensions and at a time when countries around the world had adopted, or were discussing adopting, International Financial Reporting Standards. During this term, he has been a vocal advocate for IFRS adoption in the United States and has urged the Securities and Exchange Commission to move forward with the process.



Hans Hoogervorst

What are your three main priorities as IASB chair?

I would like to actually give you four priorities.

First, the IASB needs to complete the remaining convergence projects with the FASB [Financial Accounting Standards Board] to the highest possible standard, and to do so in a way that benefits from the input that we receive from the entire global financial reporting community. These remaining projects represent some of the most challenging areas of accounting standards setting.

Second, we must develop a postconvergence agenda. We have already set out some ideas in the consultation document [Agenda Consultation 2011] that we published, but we are really looking for stakeholder feedback.

Third, we need to work with the remaining major economies that have yet to fully commit themselves to IFRS. Use of IFRS has spread rapidly in the 10 years since the IASB began its work. Most G20 members now require the use of IFRS, and we are working in close cooperation with the remaining members to support their own transition plans.

Finally, we will continue to strengthen the IASB's institutional relationships in a way that respects and enhances the independence of the standards-setting process. We need to deepen our engagement with those around the world who are affected by our work—ensuring that they have a sense of ownership and respect for the product that we are developing for investors globally.

How does your governmental experience influence your perspective as the leader of an international standards-setting body?

In those roles, and in all my subsequent positions including now [as] chairman of the IASB, I have served the public interest. Subsequent to my time in government that you mention, I chaired the AFM—the Dutch equivalent of the SEC—and was then asked to be cochair (with Harvey Goldschmid) of the Financial Crisis Advisory Group. Through these roles in the midst of the 2008 financial crisis, I became convinced that the best protection available to investors is transparency. In fact, I believe that without transparency, there cannot be enduring market stability. I am honored and deeply motivated to become chairman of the IASB. My background gives me a passion for the goals of the IASB: to develop and sustain—first and foremost for investors—a single set of globally accepted and high-quality accounting standards that are independently set and then consistently applied and enforced.

The Financial Accounting Foundation has told the SEC it would prefer that U.S. GAAP remain the statutory standard that would incorporate IFRS, rather than have a wholesale adoption of IFRS. How would this approach mesh with the goal of IFRS to become the common global language for accountants?

The FAF proposes an endorsement mechanism that is broadly similar to the way in which some other jurisdictions incorporate IFRS into their own regional or national statutory regime. This is a practical method that has worked well—Canada is a recent example. You can think of it as a sovereignty “circuit breaker.” It means that the local standards setter, in this case the FASB, retains the responsibility for determining national accounting standards.

Of course, the use of such endorsement mechanisms carries risks. If each jurisdiction were to pick and choose which standards they would endorse, you would very quickly get back to separate national accounting standards. That is why an endorsement approach must be accompanied by a very high threshold for nonendorsement, and the boards must continue to work in close cooperation to avoid a situation where the U.S. is unable to endorse a new IFRS.

The FAF has predicted diminished roles for U.S. financial regulators in an IFRS environment, and is concerned for the authority that would be given to international bodies. Do you feel that condorsement presents a legitimate concern to the U.S.?

I believe that the SEC staff paper [that discussed condorsement] appropriately addresses this issue by emphasizing the FASB's role in endorsing IFRS for the U.S. marketplace. Endorsement is the mechanism used in Australia, Brazil, Canada, Europe, Hong Kong and many other jurisdictions. The SEC staff proposal makes it very clear that, through this mechanism, the FASB and the SEC retain ultimate responsibility for, and control over, U.S. accounting standards—as is the case of the other countries that I have mentioned.

Furthermore, if the SEC has “skin in the IFRS game” then it is much better placed to exert its considerable influence at an international level. This is important because the SEC already permits a large number of foreign private issuers listed in the U.S. to report using IFRS as issued by the IASB.

The FAF also expressed a desire for the FASB to be closely involved with the IASB, including taking part in its due process and participating in the IASB as a nonvoting observer. Is this a feasible option for the IASB?

This issue is directly linked to your previous question. The endorsement mechanism ensures a strong role for the FASB in the IFRS global system. If we did not have a deep engagement with the FASB, the IASB would run a serious risk of nonendorsement. Using full due process, the IASB has to make sure that it works in close cooperation with standards setters like the FASB so that the risk of nonendorsement is extremely rare.

In my remarks at the recent AICPA conference in Washington, D.C., I went so far as to say that I am becoming increasingly convinced that we must go beyond pure consultation. A more institutional arrangement for engaging standards setters is needed. The FAF letter suggests a few ideas. I don't want to get into a discussion of specific tactics or processes in this forum, but the IASB must clearly address these issues as part of a commitment by the U.S. to IFRS.

To what degree does the IASB plan to allow and regulate regional differences in the global adoption of IFRS?

Our goal is a single set of high-quality financial reporting standards, applied on a consistent basis around the

world. Permitting regional differences in IFRS would take you away from, rather than toward, the goal of global accounting standards, which is supported by investors, the U.S. SEC and the G20.

Despite what you may hear, we are already a long way down this path. The large jurisdictions that have adopted IFRS, have, by and large, done so in full. That includes most of the Americas (with the obvious exception of the U.S.), as well as large swathes of Africa and Asia. Ninety-nine percent of European companies use full IFRS.

The important point is that we can only work toward consistent application if we have one single accounting language. The trustees of the IFRS Foundation, in their strategy review document, have prioritized consistent application of the standards.

The IASB, like the FASB, is not an enforcement agency. But, to achieve our goals, there must be consistent application of IFRS around the world. Consistency will be improved by close cooperation among national and regional standards-setting bodies, securities regulators coordinated by IOSCO [International Organization of Securities Commissions] and the accounting profession. Here in the U.S., the SEC is—and I would expect will remain—in full control of enforcement. IFRS pose absolutely no danger of importing different enforcement standards from abroad into the U.S. Instead, the example of U.S. enforcement of IFRS in the U.S. will raise the international bar.

What do you think are the three biggest challenges, as they relate to convergence with the U.S., that the IASB needs to overcome?

[FASB Chair] Leslie Seidman and I have both stated that we don't believe that convergence is the best or most sustainable model for the long term—it inevitably leads to diverged solutions or suboptimal outcomes (take the offsetting project, as an example [a joint FASB/IASB effort to converge the criteria for offsetting on the balance sheet under IFRS and U.S. GAAP, completed in December]). Consequently, I hope that convergence is nearing an end and that the remaining convergence challenges lie in our work to finish the Memorandum of Understanding projects. Revenue Recognition has now been reexposed. We expect to reexpose Leasing in early 2012. The Financial Instruments and Insurance projects are clearly the tough challenges ahead.

Once these projects have been completed, I suspect that attention will turn to the practical challenges of incorporating IFRS into the U.S. financial reporting regime. Many other large jurisdictions have been through similar transitions to IFRS. This experience will benefit the U.S., and there is a great deal of goodwill among the international community to assist in this transition.

Do you anticipate similar issues arising with banks holding sovereign debt from other European countries, such as Italy?

I believe that the European Securities and Markets Authority, as the competent regional authority, is paying close attention to the way in which European financial institutions are accounting for their holdings of sovereign debt.

We work in close cooperation with securities and market regulators around the world, including ESMA, and stand ready to provide advice if required.

THE CONVERSATION CONTINUES

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Wage rules

Continued from page 1

to all employees by Feb. 1 *each year*.

“This has not been well publicized at all by the Department of Labor, and I suspect most small employers (and their accountants) don’t know about it,” said **Jeffrey S. Gold**, vice chair of the NYSSCPA’s New York, Multistate and Local Taxation Committee. He emphasized that employers can be fined up to \$50 per employee per week for failure to provide this notice.

Gold also noted that there are no employee exclusions to this rule. That is, employers have to provide the notice to professionals, executives and administrators, and others exempt from state overtime requirements must still receive a notice. The new requirement also applies to workers covered by a union contract.

All private-sector employers are covered by the WTPA, and the Labor Department stresses that charter schools, private schools and not-for-profit corporations are covered as well, since those are not public entities. But there are some exceptions: Employees who work in other states are not covered by the WTPA, nor are federal, state and local government employers.

The new law does not apply to independent contractors, either, said Gold, which makes the proper classification of workers as either independent contractors or employees even more critical.

“An employer who is deemed to have misclassified employees as independent

contractors already has plenty of federal and state headaches,” Gold said. “He can now add ‘failure to comply with the new employee wage notification requirement’ to the list.”

What a “notice” means

The Labor Department has stated that the notice to the employee must contain the following information:

- The employee’s rate(s) of pay;
- The basis of the employee’s rate(s) of pay (e.g., by the hour, shift, day, week, salary, piece, commission or other);
- Whether the employer intends to claim allowances as part of the minimum wage, including tip, meal or lodging allowances, and the amount of those allowances;
- The employee’s regular pay day designated by the employer in accordance with the frequency-of-pay requirements in the labor law;
- The name of the employer and any “doing business as” names used by the employer;
- The physical address of the employer’s main office or principal place of business, and a mailing address, if different;
- The telephone number of the employer; and
- Any such other information as the commissioner deems material and necessary.

More information is available at www.labor.ny.gov/workerprotection/labor-standards/employer/wage-theft-prevention-act.shtm, including notice templates for use by employers.

rkoreto@nysscpa.org

3 easy steps to manage your NYSSCPA/FAE emails

The NYSSCPA relies heavily on email to communicate with members. For example, the weekly E-zine—a collection of short news blasts and stories—is distributed via email each Thursday to members. On the first day of each month, the *Tax Stringer*, an online publication for tax professionals, is dispersed via email as well. And members will frequently find informational and promotional notices from the NYSSCPA/FAE in their inboxes.

But if you haven’t received these and other important emails from the NYSSCPA, the following quick, easy steps will help fix the problem.

First, review your NYSSCPA privacy settings. Members have a variety of options when it comes to getting emails from the Society: receiving all email, receiving CPE-related email only, receiving non-CPE-related email only or electing not to receive any email. Some members may not get emails because they opted out at one point in the past—but it’s a simple switch if you decide you’d like to change your settings. To check or change your preferences, visit the

Society’s website, www.nysscpa.org/page/about-us/membership-center, and select Membership Data Center to log in, then choose “update profile,” and click on the privacy settings tab. Or call the NYSSCPA offices at 212-719-8300 to obtain help from Society staff.

Second, add the Society’s domain (www.nysscpa.org) to your email service or Internet security program’s “safe mail” list. For example, in Microsoft Outlook, the “Actions” tab in the top menu bar will allow you to add the NYSSCPA’s domain to a list of approved mail senders. This ensures that your email provider’s spam filter will not exclude any Society emails.

Third, always delete emails from the NYSSCPA and FAE that you don’t want, rather than marking them as spam. Not every email will be relevant to every member, but by marking an email as spam, your email provider will note it as such. This can jeopardize the delivery of Society emails to any member who uses the same email provider. If you no longer wish to receive emails from the Society, you can always opt out via your member privacy settings.

NYSSCPA 115th ANNUAL ELECTION MEETING AND DINNER

Thursday, May 10, 2012
New York Marriott Marquis
at Times Square
1535 Broadway, at 45th Street
New York City



2011–2012 President, Presiding
Richard E. Piluso, CPA

- Introduction of Honored Guests and Officers
- Election of Officers and Directors



President-elect's Address
Gail M. Kinsella, CPA
2012–2013 President

Join Your Friends and Colleagues at the Dinner to:

- Congratulate the winners of the Society Awards
- Elect the 2012–2013 NYSSCPA officers and directors.

Reception: 7th Floor Foyer, 5:45 p.m.

Meeting and Dinner: Astor Ballroom, 6:30 p.m.

- For Society members wishing to attend the meeting portion only, seating will be provided at 6:30 p.m. The time for the business meeting is approximate. RSVP by April 20.

REGISTRATION FORM

NYSSCPA 115th Annual Election Meeting and Dinner
Thursday, May 10, 2012
New York Marriott Marquis at Times Square
1535 Broadway, at 45th Street
New York City

Total cost of dinner is \$195 per person. Reservations must be received by April 20.

Enclosed is a check for \$_____ to cover _____ ticket(s) for the following person(s):

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Method of payment:

- Check made payable to NYSSCPA
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Credit Card No. _____
Expiration Date _____
Cardholder's Name _____
Cardholder's Signature _____

Tables accommodate ten persons.

- Any person/firm with whom you would like to be seated (if possible)?

Please select one:

- Beef Chicken Kosher Vegetarian
 Special dietary needs (please specify): _____

Please fax your credit card payment reservation form to the attention of Nellie Gomez at 1-866-495-1354 or mail the completed reservation form, together with a check payable to the NYSSCPA (please write “for AEMD 2012” on the check), to the Society at the following address:

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Uniondale, NY 11555-0489
Attention: AEMD

Your ticket, seat assignment, and program will be available at the door. Seating will be prearranged. For more information or to register online, visit the Society’s website at www.nysscpa.org.

Society pans audit firm rotation proposal

By CHRIS GAETANO

Trusted Professional Staff

A comment letter authored by members of the NYSSCPA's Auditing Standards Committee and SEC Practice Committee warned that instituting mandatory audit firm rotation, as suggested in a Public Company Accounting Oversight Board concept release on auditor independence and objectivity, would not only fail to address the issues that the board aims to resolve but would negatively impact smaller practitioners as well.

The PCAOB is saying that auditors are too close to their clients, and that mandatory rotation is the best way to prevent that close relationship from impacting the quality of an auditor's work, said **J. Roger Donohue**, a member of the Auditing Standards Committee and one of the letter's principal drafters.

But the Society disagrees with the PCAOB's assertion.

"We don't feel that it would really achieve what they want it to do, and the difficulties in trying to do that would [make it ineffective]," Donohue said.

The Society's Dec. 13 comment letter was drafted in response to the PCAOB's Aug. 16 concept release, which asserted that the PCAOB had linked numerous examples of audit failures to a lack of independence and objectivity. To address what the PCAOB felt were fundamental systemic problems in audit firms' relationship with their clients, the concept release proposed introducing mandatory audit firm rotation, which would limit the amount of time a firm would legally be allowed to work for a client. During FAE's Auditing Conference in November, PCAOB Chair James R. Doty said that the long relationship that certain firms have with certain clients—regardless of whether or not the audit partners are switched out—can damage the audit firm's objectivity and independence with regard to that client.

Rotation not a cure-all for independence, objectivity problems

While the Society agrees with the PCAOB that independence and objectivity are important, the letter affirmed that audit firm rotation is not the method for achieving it—in part because many of the PCAOB's own standards have only recently gone into effect, and the board hasn't had the opportunity to actually evaluate what effects those changes will have on overall audit quality, the letter said. A switch to mandatory audit firm rotation would show that the board is being overeager.

The comment letter also questioned the PCAOB's assertion that at the root of many audit failures is a lack of independence and objectivity that is the direct result of the firm's relationship with its client. The letter said that the concept release failed to provide "any correlation between audit deficiencies and lack of independence in mental attitude."

"We believe that it would be presumptuous to require audit firm rotation without

more empirical evidence of the causes of audit deficiencies in the PCAOB's inspection process," said the letter.

And, in a case where an audit deficiency was due to a lack of objectivity and independence, the authors believe that these are generally "not audit firm issues but, rather, are issues applicable to engagement personnel." Audit firms typically provide engagement personnel with adequate guidance and instruction regarding auditor independence, objectivity and professional skepticism, the letter said.

"I have a lot of faith and trust in the ethics of the people in our profession that they try to do the best job they can within the rules," said **Mitchell J. Mertz**, a member of the SEC Practice Committee and one of the letter's authors. "Obviously within any group there are always people willing to do things over the line, but [Doty] thinks

this is going to really change things—I don't think it is."

Unintended consequences

Indeed, mandatory audit firm rotation could actually hurt smaller practitioners, said the Society. Firm partners, especially those in smaller businesses, need time to develop and maintain the necessary skill set to properly audit an SEC-registered issuer and would find it more challenging to educate, train and retain staff members to perform these engagements, the letter stated. In turn, these firms would likely lose clients, and potential clients would likely be pressured into choosing larger firms with greater market presence in order to avoid criticism from investors and other stakeholders when the time came to switch firms, said the letter.

"It is less likely that an issuer required to replace a Big 4 or Second Tier audit firm would rotate to a smaller firm with less visibility," said the letter.

Which would be unfortunate, as smaller firms might have qualified partners who could perform the work, said **Julian E. Jacoby**, vice chair of the Auditing Standards Committee and another of the letter's principal drafters.

"We think there will be negative consequences on firms that are of good quality, and they'll be at a competitive disadvantage," said Jacoby.

Some firms have developed along with their clients over time, building expertise in certain specializations, the Society said, which makes it difficult for successor firms to pick up after a switch. Finding a suitable replacement would "present audit committees with undue difficulties and potentially insurmountable problems as potential successor firms could be scarce," the letter said.

Effective solutions

The Society offered recommendations on how to improve the quality of audits.

Instead of making independence and objectivity the focal point of the inspection process, the PCAOB should continue to emphasize quality control deficiencies and the remediation of those weaknesses, as quality control encompasses many aspects of what makes for a good audit, the letter said.

"Hiring competent individuals, providing appropriate training and supervision, and diligent and thorough review procedures are all part of a system of quality control designed to promote quality audits," said the letter.

The letter also recommended bolstering client audit committees. While all audit committees are already required to include at least one member with financial and

accounting expertise, the current definition of expertise is "very broad," the letter said. The letter suggested tightening the definition to require at least one member to have current or recent public company audit experience, which "would help strengthen the audit committee's ability to oversee the appointment, compensation, and work of the external auditor effectively."

"I think you need someone well versed in the PCAOB rules and independence rules and accounting and auditing rules, that can challenge what the auditor is doing and that can help strengthen [the audit]," said Mertz. "And I think that is where the weakness is, honestly."

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"We think there will be negative consequences on firms that are of good quality, and they'll be at a competitive disadvantage."

— Julian E. Jacoby, Auditing Standards Committee vice chair

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Continued from page 1

taken; and conversations with members during various managing partners meetings and town hall meetings throughout the state.

Piluso noted that he talked not just to those in private businesses, but to a variety of members.

“Some may be members in industry, some were academics and some were public accountants,” Piluso said. Whatever their practice area, the majority of those he spoke with supported the idea of an independent private company board, as opposed to a board whose decisions are subject to Financial Accounting Standards Board ratification, he said.

Piluso’s letter was in response to the FAF’s Oct. 4 *Plan to Establish the Private Company Standards Improvement Council*, calling for the creation of a board devoted to providing differential or modified standards for private companies, but accountable to the FASB. Piluso’s letter said such an arrangement would be inadequate to address the difficulties that private companies face in applying accounting standards created for public companies.

A report released early last year by the Blue-Ribbon Panel on Standard Setting for Private Companies and authored by representatives of the FAF, the AICPA and the National Association of State Boards of Accountancy, concluded that the U.S. accounting standards-setting process does not sufficiently consider the needs of private companies. For example, many standards lack relevance for private companies, such as those on variable interest entities, uncertain tax positions, fair value measurements and goodwill impairment, the report said.

“Since it also appears that the least relevant standards for private company users are often the most complex, the [blue-ribbon panel] believes that private companies are incurring significant unnecessary cost for GAAP financial statement preparation and audit, review, or compilation services,” said the report.

The report then recommended that modifications and exceptions specific to private companies be made to U.S. GAAP, in addition to creating an independent standards-setting board to oversee those changes. The Society released a comment letter in July supporting that position. However, the FAF—which is ultimately responsible for implementing any changes—proposed establishing in the Oct. 4 plan a Private Company Standards Improvement Council within the FASB, where it would be responsible for identifying, proposing, deliberating and formally voting on specific exemptions or modifications to U.S. GAAP for private companies. The ultimate decision-making power, however, would remain with the FASB.

“It’s important to maintain FASB’s role as sole standard setter.”

— Leslie F. Siedman
FASB chair

FASB Chair Leslie F. Seidman defended the FAF’s proposal in her Oct. 25 speech at FAE’s IFRS Conference.

“It’s important to maintain FASB’s role as sole standard setter,” because the FAF was concerned that two separate boards could lead to a rift between public companies and private ones and might add unnecessary complexity and prevent private company-specific issues to be considered within the context of all companies, Seidman said.

Piluso, however, restated in his Dec. 12 letter that the Society does not support the FAF’s plan.

“We submit that after 30 years of numerous advisory coun-

cils and studies and, most recently, the recommendation of the [blue-ribbon panel], your proposed recommendation would not result in a successful outcome for private companies,” wrote Piluso.

The letter pointed to a previous FAF effort to establish a body to address private company issues, the Private Company Financial Reporting Committee, which Piluso called “unsuccessful in achieving its mission.” Piluso cited the PCFRC’s failure to engage in advocating on behalf of its constituents and its being staffed by the FASB—which frequently did not accept the PCFRC’s recommendations—as factors that led the PCFRC to fall short of its original purpose.

Since the proposed council would share a structure similar to the PCFRC, Piluso wrote that he was not confident that the PCSIC could avoid the same fate.

“It is unlikely that the PCSIC’s effectiveness would differ from that of the PCFRC when the FASB has the final authority to ratify or reject its recommendations,” wrote Piluso.

Should the FAF decide to go through with its own proposal, Piluso asserted that it would need to find ways to avoid the perception that the standards used by public companies are somehow “superior” to those used by private companies.

Other causes for concern, Piluso wrote, included how the FAF would increase the number of private company board members and staff within the FASB; how private companies would fit into global convergence issues; how the PCSIC could be effective by meeting only four to six times a year (the number of times the PCFRC met); why FASB board members can attend PCSIC meetings and have input, but not vice versa; and how the PCSIC could retain its relevance, when all of its staff would be coming from the FASB, as opposed to having its own dedicated staff.

The AICPA, NASBA and the New York State Board for Public Accountancy have also responded to the FAF’s plan. Comments were due on Jan. 14. The FAF has made all of the nearly 300 comment letters received available online at www.accountingfoundation.org, under the “Private Company Issues” header.

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WHY I'M A MEMBER

With 28,000 members, there are 28,000 reasons to belong. Here is one.

Name: Steven A. Stanek

Joined: 2008

Chapter: Syracuse

Current position: Manager, Daley, LaCombe and Charette, CPAs, P.C., in Manlius

Why I'm a member: “The biggest thing for me is the camaraderie with colleagues. As I move up in my career, it’s important for me to join social groups to get to know people outside my firm and see how other people in my own industry do things. There is a lot of honor in holding the CPA title, and it’s also nice to get together with like-minded individuals.”

Personal quote: “There is a lot of problem-solving involved in being a CPA—it’s not just number-crunching like people sometimes say. I would describe it like putting a puzzle together. There is so much variety. This profession is never boring. It’s continually evolving.”

Society highlights: Syracuse Chapter president-elect and chapter Public Relations Committee chair

Hobbies/activities: Hunting, fishing, bike riding, spending time with his wife of 14 years and his two daughters, ages 6 and 9

Fun fact: Hails from Colorado



To become a member, visit www.nysscpa.org/join or email Cara Patterson at cpatterson@nysscpa.org.

How to prepare: IRS firm office visits continue in 2012

By **CHRIS GAETANO**
Trusted Professional Staff

As part of ongoing efforts to improve oversight of paid tax return preparers, including CPAs, the IRS will for the third year dispatch agents to the offices of 2,100 practitioners who were among the 21,000 to receive letters from the IRS regarding compliance with current rules and regulations.

The IRS has said that visits are already underway and will be concluded by April 15. They are the follow-up to letters that the IRS sent in November to thousands of practitioners identified as having prepared a large number of individual returns with Schedules A, C or E during the 2011 filing season, according to the IRS website. The letters remind recipients of their responsibility to practice due diligence while preparing tax returns, and of the penalties facing both preparers and their clients, should they fail to do so. The IRS also stated in a notice on its website that the letters served to notify preparers that some of their clients' returns had characteristics that "would have to be very unusual circumstances for them to be accurate."

Dianne Besunder, the IRS spokesperson for New York state, declined to comment on how the service selects which practitioners to visit, "except that it was not random." She said the purpose of the visits was not to determine the accuracy of filed returns, but to check and see whether the return preparer provided the client with a copy of the tax return, signed the tax return as required by regulations, furnished his or her Preparer Tax Identification Number, retained a copy or list of returns and claims for refunds, filed the correct information returns, properly refused to endorse or negotiate a refund check that was issued to the taxpayer, and properly safeguarded taxpayer information.

The letters

Some Society members took issue with the fact that the IRS did not consider professional designation when determining who received a letter or a visit. **Fred Slater**, vice chair of the Relations with the Internal Revenue Service Committee, said that the IRS's refusal to separate preparers of different professional levels means that CPAs are being grouped with tax preparers who don't have as much training, experience and professional education. He said the practice can give CPAs the sense that they are "guilty by association."

"They group [CPAs who prepare] these returns with people who ... don't do it as a full-time profession," said Slater.

He noted that new IRS regulations require registered tax practitioners to complete 15 hours of continuing professional education each year to maintain their license, unless they are a CPA, attorney or enrolled agent, all of whom are already required to meet rigorous educational requirements for their own professional licenses.

David Sands, a member of the Tax Division Oversight Committee, said he understood what the IRS was trying to do

and felt that the effort to improve tax preparation oversight was in good faith. But Sands echoed Slater's point that the IRS may have been better served by looking at non-CPA preparers first.

"I can understand where the IRS is coming from in terms of getting [an] understanding of what is happening out there, but it seems to me that CPAs are not the ones

"I can understand where the IRS is coming from in terms of getting [an] understanding of what is happening out there, but it seems to me that CPAs are not the ones they should be starting with."

— David Sands, Tax Division Oversight Committee member

they should be starting with," Sands said.

CPAs receiving these letters need not take them as a personal attack of their work, said Taxation of Individuals Committee member **Alan J. Dlugash**, who pointed out that some professionals handle complicated returns, and complicated returns can have a higher degree of errors than simple returns—the IRS might just be saying "be careful."

"They're implying that in *your* returns there's a higher degree of errors? I don't think they're really saying that," added Dlugash, who received a visit from the IRS during the program's first year.

The letters have clearly touched a nerve with some CPAs. Dlugash said that the IRS could have worded the letter more carefully, pointing out the ambiguity that was interpreted by some recipients to mean that they're work has consistently exhibited errors. He also was somewhat annoyed that the IRS took a one-size-fits-all approach, rather than testing to see whether there were differences in the errors from different groups of tax practitioners.

"They wanted to be politically correct ... so they didn't want to make distinctions between what type of preparer you were. A lot of people think that's inappropriate," he said.

The visit

Patrick J. Monachino, a member of the Staten Island Chapter's Taxation Committee, said the IRS could have timed these visits better, instead of holding them during busy season.

"I don't like the timing of it ... during the season itself," he said. "It's not really good timing."

That's a complaint the IRS has heard before. The service explains on its website that many tax return preparers do not maintain regular business hours except during filing season, and visits during the busy season will help preparers improve the accuracy of their returns by putting them in direct contact with an IRS agent. The IRS will call those selected to receive a visit in order to schedule a time and date.

"I got the first set [of visits], nothing came from it," Slater said. But he's heard of others who haven't been so lucky. "We do know of stories where, once, someone wanted a visit and they wanted all day in the middle of February—and you've got to be kidding me. And another, they took an hour on a visit and they were very polite and nice. It depends on who they send out there and

They talked for about 45 minutes, mostly about technical issues and professional responsibility, he said. Dlugash chalked up the relative smoothness of the experience to his specialization in tax practice.

"I specialize in tax matters. I think it came up a little that, [for] a lot of people preparing tax returns, it's only a small part of what they do," Dlugash said, adding that he personally had "no negative things to report."

How to prepare

To prepare for a visit, the IRS has asked selected practitioners to have available all tax forms prepared in 2011, including worksheets, interview notes, correspondence and copies of client returns.

Besunder said that since the visit and review focus on the preparer, not the preparer's clients, any question of confidentiality is a nonissue: The only thing the preparer will need to provide are copies of a requested sample of client returns to verify the preparer's name and that the PTIN was entered, as well as e-file transmission documents, if the return was electronically filed, Besunder said.

cgaetano@nysscpa.org

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A brief primer on key provisions of the Mandatory Quality Review Program

By **MARK RACHLEFF**,
Peer Review Technical Manager
and **ERNEST MARKEZIN**,
Director, Quality Enhancement

Effective date:

The New York State Education Law (Article 149, Section 7410) and New York State Education Department Regulations (collectively, the “Mandatory Quality Review law” or “MQR law”) are effective January 1, 2012.

Basic rules of the law:

1. The Mandatory Quality Review law requires, among other things, that firms, as a condition for firm registration (or reregistration), undergo a quality review of their attest services every 3 years;

2. Sole proprietorships and other “small firms” may qualify for exemption from the Mandatory Quality Review law, depending upon the number of CPAs in the firm and the scope of such firm’s attest practice. (See discussion of the small firm exemption below.);

3. A firm subject to the MQR law must provide the New York State Education Department (SED) with a copy of the report for an acceptable quality review conducted within the prior three years, each time the firm registers with the Department, for registration periods that begin on or after January 1, 2012.

Quality Review:

The MQR law defines a quality review report as a formal report issued by a reviewer and accepted by a sponsoring organization.

Sponsoring Organization:

Sponsoring organization means an entity located in New York State approved by the SED to administer and oversee quality reviews. The NYSSCPA is currently being reviewed for approval as a sponsoring organization.

Attest Services:

1. Audits under generally accepted auditing standards developed by a nationally recognized accountancy organization (such as the AICPA), federal governmental agency (such as the GAO) and other recognized rule makers specified in the Regulations;

2. Review of a financial statement performed in accordance with rules developed by the organizations as cited in 1. above;

3. Examinations performed in accordance with attestation standards developed by the organizations referred to in 1. above.

Observation:

Unlike the AICPA peer review program definition, the definition of attest services for MQR purposes excludes compilations from its scope.

Small firm exemption from the MQR law:

Sole proprietorship firms or firms with two or fewer accounting professionals, sub-

ject to the exception described immediately below, are not required to undergo a quality review but may voluntarily do so.

Exception:

The small firm exemption is not available to firms that perform attest services for state or municipal governments or perform attest services pursuant to New York state law. Such firms, regardless of the fact they are either sole proprietorships or a firm of two or fewer accounting professionals (see below), are required to undergo a quality review.

Accounting Professional:

Accounting professional means a certified public accountant or a public accountant, as defined in the Education Law at Sections 7401-a(2) and a(6), respectively.

Acceptable Quality Review:

The SED regulations, in defining Standards for Quality Reviews, adopts a two-pronged test:

1) The review must be performed pursuant to standards for performing and reporting on peer reviews of a recognized national accounting association such as the AICPA; and 2) the review includes tests to determine whether members of the firm supervising attest services or signing or authorizing someone to sign reports on attest services satisfy the competency standards of the Board of Regents (Section 29.10-(a)(13). A peer review satisfying both tests constitutes an acceptable peer review program for meeting the SED triennial quality review requirement defined in Sections 70.10-(i)1 and 2.

Competency Standards of the Board of Regents:

Any partner, member, shareholder or sole proprietor of the firm who supervises attest services or signs or authorizes someone to sign reports on attest services or any licensed employee who is authorized to sign reports on attest engagements on behalf of the firm must satisfy the competency requirements set forth below:

1. Experience:

a. Have at least 1,000 hours of experience within five years providing attest services or reporting on financial statements through employment in private industry, government, public practice or an educational institution satisfactory to the SED; or

b. Be employed by a firm registered with the SED that has received a rating of Pass or Pass with Deficiency on its most recent peer review;

2. CPE: Complete at least 40 hours of CPE in accounting, auditing or attestation

during the prior three years or in the calendar year the services were provided;

3. Professional standards: Maintain a level of education, experience and professional conduct required by generally accepted professional standards defined in Section 29.10-(b)(7) of the Rules of the Board of Regents.

Types of peer reviews performed under AICPA standards:

There are two types of peer reviews: 1) a system review and 2) an engagement review. The type of review required of a firm is based on the levels of service performed by the firm during the peer review period.

1. Firms that perform engagements under Statements on Auditing Standards (SASs), Government Auditing Standards (Yellow Book) or examinations under Statements on Standards for Attestation Engagements (SSAEs) or audits of non-Securities and

Exchange Commission issuers performed pursuant to the standards of the PCAOB are required to have a system review. A system review is designed to determine whether a firm’s quality control system policies and procedures for its accounting and auditing practice in effect for the peer review period are suitably designed and complied with to provide the firm with reasonable assurance of per-

forming and reporting in conformity with applicable professional standards in all material respects.

In a system review, the reviewer analyzes and evaluates a CPA firm’s quality control policies and procedures in effect during the peer review period, through such techniques as interviewing firm personnel and examining administrative files. To evaluate the effectiveness of the quality control system and the degree of compliance with the system, the reviewer will test a reasonable cross section of the firm’s engagements, with a focus on high-risk engagements.

2. An engagement review is for firms that are not required to have (and have not voluntarily requested) a system review. The objective of an engagement review is to evaluate whether engagements are performed and reported on in conformity with applicable professional standards in all material respects. An engagement review consists of reading the financial statements or information submitted by the reviewed firm and the accompanying accountant’s report, together with certain background information and representations and applicable documentation required by professional standards.

This type of review does not cover the firm’s system of quality control, so the reviewer may not and does not express any assurance on the firm’s compliance with its own quality control policies and procedures or compliance with AICPA quality control standards.

Notice requirement and enrollment in an acceptable peer review program:

The SED regulations, among other things, require firms that become subject to the MQR law in 2012 (and later) to file a notice within 30 days of such change in status. In addition, if there has been a change in the firm’s ownership during the prior 12 months of the annual reporting period, a Form COAC must be attached to a Form CPA 6RA.

SED access to your firm’s peer review documents:

Pursuant to AICPA Facilitated State Board Access (FSBA) rules and procedures and the MQR law provisions, effective for reviews accepted on or after January 1, 2012, the firm’s peer review report, the acceptance letter, letter of response and letter(s) signed by the reviewed firm accepting the peer review documents, with the understanding that the firm agrees to take certain required actions, will be made available to the SED via a secure website within 30 days of the review’s acceptance date. Finally, when applicable, the Peer Review Committee letter notifying the reviewed firm that certain required actions have been completed will be made available to the SED within 30 days of the date of the Peer Review Committee letter. [For convenience, all documents described in the preceding sentences that will be made available to the SED are hereinafter referred to as peer review documents.]

Enrollment in a peer review program:

A firm should submit to the NYSSCPA a “Peer Review Program Enrollment Form,” available at www.aicpa.org/InterestAreas/PeerReview/Membership/DownloadableDocuments/EnrollmentForm.pdf. By enrolling, a firm agrees to have a peer review of its accounting and auditing practice once every three years.

1. A “Peer Review Program Enrollment Form” will be emailed to your firm.

2. The completed enrollment form should then be returned to the NYSSCPA by fax: 1-888-250-3285, or email: peerreview@nysscpa.org.

3. Once enrolled in the peer review program, the firm will be emailed an enrollment letter informing them of their admittance to the program and the due date for their peer review. They will also receive an invoice with their annual administrative fee. This has to be paid before the review is scheduled.

a. Six months prior to the due date, the firm will be sent scheduling information by email to schedule their peer review.

Continued from previous page

Quality review filing due date:

Filing due dates are determined based on when a firm first begins providing attest services and, in part, whether the firm has completed a peer review performed under AICPA standards and received an acceptance letter prior to January 1, 2012.

1. For any firm registered with SED and already enrolled in an acceptable quality review program prior to January 1, 2012: To be in compliance with the MQR law, these firms will need to provide the SED with a copy of their most recently accepted quality review report each time they reregister with the SED on or after January 1, 2012.

2. For any firm that is registered with the SED as of January 1, 2012, and that is subject to the MQR requirements but has not enrolled in an acceptable quality review program as of January 1, 2012: These firms will need to enroll in an acceptable quality review program by January 31, 2012. Such firms will have 18 months from the first month in 2012 in which they first provide attest services to have a completed and accepted quality review.

3. For any firm that is registered with the SED, but does not begin performing attest services that trigger the MQR requirements until some date after January 1, 2012: These firms must notify the SED of their change in status relative to the MQR requirement within 30 days of that change in status. The firm must enroll in an acceptable quality review program within one year of the date they provide the first attest service that triggers the

MQR requirement. The firm's first quality review report must be completed and accepted within 18 months from the month in which that first attest service was provided.

4. For any firm that registers with the SED for the first time after January 1, 2012 and that is subject to the MQR requirements at the time of that registration: Such a firm will need to enroll in an acceptable quality review program within one year of registering with the SED. The firm's first quality review report must be completed and accepted within 18 months from the month in which the firm's first attest service as a registered firm was provided.

Important notice to readers:

Readers are encouraged to read the law, regulations and other guidance provided by the SED before making a final determination of their status (including, among other things, the due dates described in the preceding section for notice to the SED, enrollment in the Program and acceptance of the peer review) for purposes of the new law. Finally, while the MQR provisions of the accountancy reform law become effective on January 1, 2012, readers should be aware that the changes to the Competency Rules of the Board of Regents became effective July 26, 2009, for CPAs licensed prior to that date, and that for CPAs licensed on or after July 26, 2009, the competency rules are effective on January 1, 2011.

The aforementioned legislative and regulatory changes are available at the websites listed below or by contacting any member of the NYSSCPA

Peer Review staff. We encourage your feedback and welcome comments on the matters discussed in this document:

<http://www.op.nysed.gov/prof/cpa/cpalaw.htm>

DISCLAIMER:

This primer on the New York State Mandatory Quality Review program (referred to herein as either the "Mandatory Quality Review law" or simply the "law") is based on our review and understanding of 1) the accountancy reform law amendments to Article 149 of the education laws of New York and 2) the amendments to the Rules of the Board of Regents and the Regulations of the Commissioner of Education Relating to the Definition of Unprofessional Conduct and Licensure and Practice Requirements for Certified Public Accountants. The discussion in this primer is for your reference only and does not constitute an authoritative interpretation of the law and the corresponding rules and regulations. For authoritative opinions on the rules, laws and regulations discussed above, please consult the New York State Education Department Office of the Professions.

Letter

Continued from page 2

This process is very important to the members of the Society because FAE administers an important strategic initiative of the NYSSCPA, the life-long learning program for New York CPAs. FAE's educational outreach impacts the lives of more NYSSCPA members than any other Society program, except perhaps *The Trusted Professional* and *The CPA Journal*. The central importance of FAE's efforts to New York CPAs makes service as a FAE trustee a highly fulfilling activity for members interested in giving back to the profession.

Trustee responsibilities

FAE trustees typically meet four times a year to discuss the business of the Foundation. One of those meetings is held at the Society's Leadership Conference. The FAE trustees are responsible for approval of the FAE budget, setting the general direction for educational programs and overseeing the scholarship program and Career Opportunities in the Accounting Profession (COAP), a week-long program geared toward encouraging minority high school students to enter the accounting profession.

In November 2009, the Society's Benevolent Fund was merged into FAE. If there is an application for benefits, FAE trustees would be responsible for evaluating such requests. There is no compensation for service on the FAE board.

Eligibility requirements

According to Foundation bylaws, to serve on the FAE board, a prospective candidate must be a CPA and a member in good standing of the NYSSCPA. Trustees are appointed based on their

interest and ability to contribute to the educational goals of the Foundation. Trustee selection, to the extent possible, represents a cross section of the Society's membership in terms of geography and areas of professional practice.

Over and above the Foundation's bylaw requirements, it is beneficial for candidates to have taken FAE courses or to have been responsible for sending others to FAE programs. In addition, candidates should be familiar with the market for adult learning in a continuing professional education environment. FAE primarily targets small- and medium-sized CPA firms. The market is expanding into programs for industry CPAs as well.

How to serve

Those interested in serving on the FAE Board of Trustees should send an email to my attention at presidentelect@nysscpa.org by Feb. 22. The email should include a résumé and a statement of the individual's interest and ability to contribute to the educational goals of the Foundation. Candidate information will be forwarded to the Selections Subcommittee of the NYSSCPA Board of Directors, which will propose to the Society's Board the names of individuals to fill the three FAE vacancies. The Society's Board will submit at least six nominees to the FAE Board of Trustees. The FAE board then appoints three individuals from among the nominees by the Society's Board to become FAE trustees.

Yours truly,

Gail M. Kinsella, CPA
NYSSCPA President-elect and
Chair of the Society's Board
Selections Subcommittee

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CHAPTER NEWS

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Presidents-elect talk outreach at annual workshop

By **CHRIS GAETANO**
Trusted Professional Staff

Presidents-elect of the NYSSCPA's regional chapters recently met at the Society's offices in Manhattan for a day-long workshop to help prepare them for their roles as chapter leaders, and to meet and share ideas.

The workshop, held on Dec. 14, introduced the incoming presidents to key Society staff members and chapter past presidents, who offered advice on what being a chapter president involves and best practices for managing the position. The workshop explored the formal role of the chapter president and what it entails, how to have an effective presidency and what to expect from a typical chapter year, how to plan chapter events and which programs have been most successful, and how chapter presidents can effectively utilize the NYSSCPA's website to communicate with their members.

Representatives from the Buffalo, Manhattan/Bronx, Mid Hudson, Nassau, Northeast, Rochester, Rockland, Southern Tier, Staten Island, Suffolk, Utica and Westchester chapters attended the event.

"Essentially, the whole gist of that workshop is to prepare incoming presidents ... to transition into that presidency role effectively and efficiently," said Suffolk Chapter Past President **John Shillingsford**. He offered the group tips on how to have an effective presidency and outlined some aspects of being an effective chapter leader, drawn from his own experiences as Suffolk Chapter president in 2010.

Shillingsford said the foundation of a good year as chapter president is making sure the transition from president-elect to president is as smooth and possible. It's best to begin preparing for one's role as chapter president well in advance, he said, noting that he began preparing for his term around October of the previous year. A productive organizational meeting upon assuming office sets the tone and direction of the chapter's activities for the upcoming year, he added.

Presidents-elect should consider the chapter initiatives they'd like to pursue and set three or four goals to tackle as president, as well as set priorities for the board, Shillingsford suggested. Reflecting on his own presidency, he said that he spent a lot of his time working to revive chapter-level committees experiencing decreased activity. He noted that since his presidency, the local Employee Benefits Committee has been very active, holding a number of technical sessions and an eight-hour seminar in May, adding that the improvement was "probably my win, my trademark." Before the committee was rehabilitated, there was only one member, according to **Tina Isbitsky**, one of

the current committee cochairs. The committee now boasts 10 members, with three more having recently expressed an interest in joining, she said.

Shillingsford encouraged incoming presidents to be visible at events and to encourage other chapter leaders to do the same. Chapter presidents should also be cognizant of additional tasks, such as making sure the budget is prepared and submitted on time, preparing a schedule of board meetings and booking locations, arranging times to meet with committee members and setting up the email distribution list, he said.

Speaking alongside Shillingsford, Vice President of Chapters **Anthony Cassella**, a former chair of the statewide Chief Financial

Rochester Chapter President-elect **Cheryl L. Yawman** talked about her chapter's Tax Institute, a day-long CPE conference held in cooperation with the local Bar Association that features prominent speakers giving technical updates. Now entering its 47th year, the event has been very successful, said Yawman, because it not only gives Rochester CPAs access to CPE, but it's also a networking opportunity for CPAs to meet attorneys who, in turn, can earn continuing legal education credits by attending.

The chapter also hosts youth outreach events, such as the World of Accounting, which introduces high school students to the profession by conducting mock job interviews and hosting speakers, and its local

possibly secure a job or internship. Student Night has also led to a number of students signing up for NYSSCPA memberships, she said. In fact, the 2011 event drew in 26 new student members.

Elizabeth A. Haynie, Nassau Chapter president-elect, talked about the chapter's mentoring program, through which new members can connect with other chapter members who share their industry specialties. The program also helps chapter members to illustrate the benefits of Society membership to area CPAs who have attended FAE courses in the past, in a way that's tailored to their particular industry.

She outlined her chapter's student outreach initiatives, which include an alumni speaking program, in which members talk to college students about the profession and explain the benefits of joining the NYSSCPA.

"Just because they're in college doesn't mean they can't get involved," Haynie said, adding that her personal goal is to get 100 new student members during her tenure as president. "My push is all about the younger generation. They need to see what a great organization this is."

She added that student-oriented programs generate active members, and that she has met people who signed up for membership at student outreach events and later went on to speak at their own schools to bring in more members. "Why not get them involved sooner rather than later?" Haynie said.

Suffolk Chapter President-elect **Mark A. Cirelli** agreed. People who become involved early will want to continue being "part of the culture," Cirelli said.

Patricia A. Johnson, Buffalo Chapter president-elect, said it was important to get young people to become active participants of the Society. With that in mind, the Buffalo Chapter has invited students to attend executive board meetings to "see what the chapter is all about," Johnson said. The chapter also funds a series of scholarships through the annual Summer Symposium, an all-day CPE event that the chapter has held for the last nine years. Johnson said that as long as the symposium continues to collect money, the chapter will continue to give back to the profession by providing young people with the means to enter it.

Utica Chapter President-elect **Brian M. Reese** said that his chapter plans to begin fund raising at its various CPE and social events for a scholarship that will award promising young people \$1,000 toward their education as CPAs.

The current presidents-elect will assume leadership of their respective chapters in June.



Suffolk Chapter Past President John Shillingsford offers tips from his own leadership experience with incoming chapter presidents at the Dec. 14 workshop for presidents-elect.

Officers Committee, talked about the importance of staying organized, maintaining a good list of all the activities to be completed, including all events and participants, and planning things as far in advance as possible—skills that would serve both chapter presidents and committee leaders, he said.

Cassella also listed administrative tasks essential for effective Society leadership: establishing an updated email list of everyone on the committee, keeping up regular communication, and scheduling meetings and agendas well in advance.

"It's just basic information, but sometimes people lose track of it," he said.

Discussion and dialogue

The workshop was not just a one-way conversation, however—presidents-elect also had a chance to share with each other their thoughts about the programs and initiatives they felt added value to both the chapter and to the Society as a whole.

Career Opportunities in the Accounting Profession program, a five-day program to recruit students into the CPA profession held each summer on college campuses throughout New York state.

Both programs aim to establish "a legacy that can go on," said Yawman. "All that youth outreach gives me a lot of hope for the future of the membership, as much as the CPE and the networking."

The mention of youth programming sparked a discussion among the presidents-elect about programs that their chapters offer geared toward future and young CPAs, a topic about which the incoming presidents were clearly passionate.

Westchester Chapter President-elect **Denise M. Stefano** said that, in addition to its COAP program, the chapter performs youth outreach through its annual Student Night, which gives college students a chance to network with financial professionals in the field in order to learn about the industry and

FAE EVENTS and CPE OFFERINGS

BUFFALO

Fraud Detection and Prevention for the Not-for-Profit Sector

When: Mar. 16, 8:30 a.m.–12 p.m. (RSVP by March 9)

Where: Meals on Wheels Community Learning Center, 100 James E. Casey Drive, Buffalo

Cost: Free

Contact: Gail Calisto (716-887-2776 or gail.calisto@uwbec.org) to register

This event is sponsored by the United Way of Buffalo & Erie County Agency Executives Association and the Buffalo Chapter.

MANHATTAN/BRONX

Economic Outlook Update: Regional & National

When: Mar. 1, 5:30–7:30 p.m. (check-in 5–5:30 p.m.)

Where: Deutsche Bank, 60 Wall St., New York City

Cost: \$20 for members; \$25 for nonmembers (attendees must pre-register, no walk-ins)

CPE: 2 (specialized knowledge and applications)

Course Code: 29150212

Check in at the lobby security desk – photo ID is required.

Where: KPMG, 345 Park Ave., New York City
Cost: \$160 for members; \$175 for nonmembers

Course Code: 28104222

Contact: Patricia A. Johnson (johnsonp@canisius.edu)

This is a paperless event.

UTICA

Annual Meeting with Bankers, Attorneys, and CPAs

When: Feb. 9, 7–8 p.m. (cocktails and hors d'oeuvres, 6–7 p.m.)

Where: Daniele's at Valley View, Valley View Road, Utica

Cost: \$45

Contact: Eileen@fdwcpa.net

The keynote speaker will be RoAnn Destito.

WESTCHESTER

Westchester Chapter Individual Tax Hotline

When: Feb. 11

Contact: Robert M. Winton

(rwinton@citrincooperman.com)

President's Reception

When: May 23, 6 p.m.

Where: Harlem Yacht Club, 417 Hunter Ave., City Island

MID HUDSON

Mid Hudson Annual Golf Tournament

When: May 14

Where: Wiltwyck Golf Club, 404 Steward Lane, Kingston

Contact: mschain@schainandcompany.com

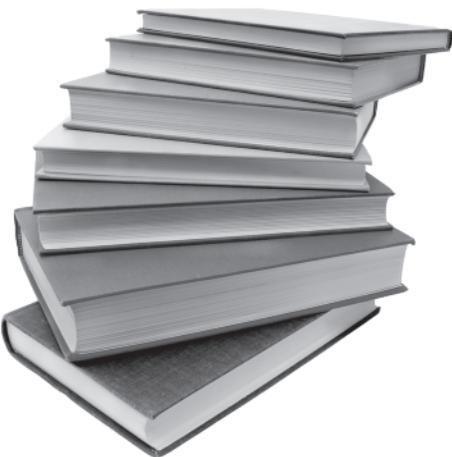
Check the chapter Web page for updates.

QUEENS/BROOKLYN

Higher Education Conference

When: April 20, 8:30 a.m.–5 p.m.

(check-in 8 a.m.) and April 21, 8:30 a.m.–12 p.m. (check-in 8 a.m.)



Contact: Howard Klein (914-949-2990 or HKlein@citrincooperman.com)

The Annual Golf Outing Event

When: July 10

Where: Glen Arbor Golf Club (new venue), 234 Bedford Center Road, Bedford Hills

Contact: Jeffrey A. Schwartz (914-286-6908 or jeff@stantonandleone.com)

Visit chapter Web page for cost and registration details.

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CPA PROFILE

CPA documents natural beauty



Joseph R. Wild, a Buffalo Chapter member and amateur photographer, at work making images on the beach.

PHOTO: ANNE WILD

By **CHRIS GAETANO**
Trusted Professional Staff

It could happen to him at anytime: hiking through the woods, kayaking along the river or even cutting down some weeds in the backyard. Suddenly, something jumps out at **Joseph R. Wild**, a Buffalo Chapter CPA with a thriving interest in nature photography, and he grabs his camera to capture the moment.

Wild, a sole practitioner who does tax and compilation review services for individuals and small businesses in Amherst, shoots mainly landscapes and nature scenes. He draws much of his inspiration from the wilderness of the Adirondacks, where he has a rustic cabin in a secluded part of the woods.

“Probably because that’s where I prefer to spend my time,” he said. “When I’m not in my office, I’d rather be in a cabin in the woods and be hiking or kayaking or something.” His love of the outdoors and his love of photography “kind of feed off each other—each one gives me a reason to do the other,” he added.

A CPA since 1978, Wild enjoys the contrast between his professional career and amateur photography interests.

“It’s completely different from what I do in the office. It gives me a chance to meet different kinds of people and do something totally different than sit at a desk all day,” he said. “I’m outdoors and active, so it’s nice.”

Wild describes his photography as “intimate,” with fewer sweeping panoramas (though his portfolio does include a few of those) and more shots that give attention to smaller moments—a leaf floating in a pond or a serious-looking waterfowl amid the lily pads. A good subject for a photo is “some-

thing many people might not even notice when they walk by and not give it a second thought,” Wild said. “I give them a chance to take a closer look.”

Most of his photographs come from spontaneous inspiration throughout the day. One of his most popular and best-selling works, “Winter Berries,” is a shot of vines full of bright red berries contrasted against the white snow that lightly sits on top



PHOTO: JOSEPH R. WILD

Wild says this black and white shot he took of stacked picnic tables is one of his favorites.

of them. The piece was the result of some yard work he’d been putting off and a poor showing from the Buffalo Bills.

“Just some vines and bushes that my wife asked me to rip down for years,” Wild explained. “One day during halftime [of] the Bills game, I’d had enough, took a camera, went outside just in my own back yard and shot the picture. ... Now that picture of those weeds my wife wanted me to tear down is hanging in our living room.”

While he’d always been interested in photography as a hobby, Wild only began devoting serious time to it after an annual trip to Cape Cod with his wife about a decade ago. He’d take many photographs there, their quality improving over time, and as he started to hang some in his home, people began noticing his talent.

“Friends, neighbors, relatives would say, ‘This stuff is pretty good, you should sell that stuff—I would buy it.’ And surprisingly, some of them actually did,” he said.

As Wild continued to refine his craft, it was noticed in other places as well. Wild’s work has been displayed at the Adirondack Lake Center for the Arts in Blue Mountain Lake for the past three years, as well as in several Canandaigua-area galleries.

Having already completed several commissioned works and making sales both through his website, www.jrwphotos.net, and at craft fairs throughout the state, Wild is developing a business component to support his photography.

He hopes to get to the point, over the next year or two, where he can devote at least one or two full days a week to his photography business. Wild is already working out his travel schedule for arts and craft shows for 2012.

“I basically said to my wife one day, ‘This is a nice hobby, but I need to find a way to make money on this, if only to justify the cost of buying new equipment now and then,’” he said.

Visit www.trustedprofessional.com/profiles.html for more of Wild’s photos.

CPA ROUNDTABLE

How have new technologies changed the way you work as a CPA?

As told to Chris Gaetano, The Trusted Professional staff

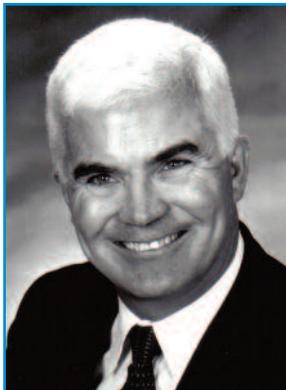
G. WILLIAM HATFIELD

Syracuse Chapter

Speaking as a sole proprietor who started in 1975, the development of the big software packages—tax software in particular—has enabled the sole practitioner to be much faster and more efficient than ever before. I remember when I bought my first computer in 1977: It was an IBM 5110—a \$19,500 tank of a machine with two 10-inch floppy drives, one for the program and one for the client data. While it may not seem sophisticated by today's standards, back then it allowed me to start doing payroll for a client, adding \$500 of monthly revenue fee to my bottom line. I got into that business by virtue of buying that computer, and as I got newer and better machines, my capacities grew. It became apparent that having computers meant having the job, and not having them meant missing the job.

Computers also lent me more time and efficiency, allowing me to take on larger clients and to better compete with larger firms with more manpower. Often, I had the opportunity to be personally involved in big projects. If you go to a large firm, you generally won't see the partner at the computer crunching the numbers. In my case, though, you've got someone with 42 years of experience putting the numbers into the machine himself.

hatfield@twcny.rr.com



YIGAL RECHTMAN

Manhattan/Bronx Chapter

I've been a CPA for about 10 years, and the changes I've seen develop within the CPA profession as a result of new technology have been a mix of good and bad. Starting with the good, the first thing I'd say is the way that social networking sites like Facebook act as a conduit for developing your practice and communicating with clients and potential clients. Another recent change I've seen has been the development of cloud computing, where data are stored online rather than on the computer, and is accessible anywhere you can access the Internet. I put my correspondence, client files, tax returns—pretty much anything I need—on a secure server in the cloud. That serves as both a backup and as a way to respond to client requests, which come pretty much around the clock, even when I'm not in the office. Shortly after Christmas, I got a call from a client who needed some information and needed it fast. However, I was out of the country. No worry. In a few minutes I had the answer because I could access the tax software through the cloud and email him what he needed. Something like this on paper just would not happen. I would have had to go to the office, track down the information and fax it.

There are downsides, though. As a forensic accountant, I see significant problems with identity theft and electronic fraud, and it's not getting easier to avoid those hazards.

When more and more transactions are set up electronically, this makes it harder to detect problems. As a CPA, I can see challenges in terms of detecting and investigating fraud.

Still, change is happening and will continue to happen, and as time goes on, technology will change the nature of the profession. CPAs are essentially information brokers. We retain information, process it, analyze it and have it available for us, and that will be increasingly facilitated by technologies like cloud computing.

yrechtman@buhbinder.com



JOEL LANZ

Nassau Chapter

New technology has opened up revenue opportunities for CPAs. I do a lot of work on the technology risk side. As clients introduce new technologies into their business operations and financial reporting, they need someone with the skills to make sure the risks that come with these opportunities are being addressed. With the aid of automated tools like security scanners, the appropriately qualified person, like a CPA, is in a unique position to provide that type of service.

Other items to include in terms of tools are things like data mining software, which allows a CPA to identify potential problems—something useful from the standpoint of both a public practitioner and a CPA in industry. A lot of times, we can't know *what* we don't know, but using these analytic tools, we can identify trends, so that when we go looking for things—especially when doing forensic accounting or litigation support—we can at least know *where* to look for potential problems.

The beautiful thing about tools like these is that they are limited only by the creativity of the practitioner. We can use them not only for traditional financial analysis, but also to look at computer logs and other types of security information in order to identify issues at an early stage.

Still, it's important to look at these tools as just that: tools. You can never replace the thinking and strategizing that you'll always have to do on an engagement, but instead of hiring a bunch of first-years to do the work or, alternately, spending 80 hours on a project, we can now do things very quickly, allowing CPAs to move toward the value-billing side, with production based on outstanding results for the client.

jlanz@joellanzcpa.com



MITCHELL A. DAVIS

Rockland Chapter

I've been a CPA since 1980. When I started, I was using columnar paper, and portable calculators had just started coming out. Today, we have iPads and laptops. So, the profession has changed quite a bit from entirely manual to almost entirely digital. Using software like Excel, we can create computerized workpapers and scan documents. Still, the new technology has brought with it complications. The increased complexity of the personal income tax code correlates with the increased complexity of our technology. Of course, without computers, some of the complicated calculations we're asked to do on returns would not have come about—they would not have been workable. Looking at some itemized deductions with limitations of, say, 3 percent, if we were back in the manual world, a change in one item would require a whole lot of erasing. So, new technology has allowed returns to become much more complex.

In terms of accounting, though, software has allowed us to be much more efficient and to look at general ledgers in a much different way than we did in the past. I can do a 100 percent analysis using a computer program in about one-sixteenth of the time it would have taken me to do it manually.

As time goes on, I don't think the CPA will have much choice but to become a more technological professional. Even now, we're looking at a greater need for IT auditors to examine computer system controls. As more companies go into the cloud, they will need to make sure that information is secure.

mdavis@khhcpas.com



MANHATTAN/BRONX

Call for nominations

Nominations are sought for Manhattan/Bronx Chapter officers and directors for 2012–2013.

There are several officer and board openings due to the expiring terms of current members. New board members will serve a two-year term beginning on June 1, 2012.

The Manhattan/Bronx Chapter Nominating Committee invites chapter members interested in serving as an officer or director to submit names for nomination (self-nomination is allowed). Send nominations, along with a brief summary of your professional background, to Nominating Committee Chair Barry F. Doll at hidolly97@aol.com.

Please submit nominations by Feb. 24 and indicate the board position of interest in the subject area. All nominees must be in compliance with CPA licensing rules and registrations.

Officer or board members help to lead the Manhattan/Bronx Chapter and plan exciting programs, while enhancing their own professional skills and goals.

What is required of a board member?

- Attend board meetings in person or via conference call. There are approximately 10 board meetings per year.
- Participate in and attend, when possible, CPE seminars and social and charitable events sponsored by the chapter, as well as identify and coordinate some chapter events.

Information on the chapter's activities can be found online at www.nysscpa.org/manhattanbronx.

Contact any member of the Nominating Committee with questions.

Nominating Committee

Barry F. Doll, Chair
hidolly97@aol.com

Todd K. Ichihara
ichiharat@coned.com

Maya C. Khan
mkhan@markspaneth.com

J. Michael Kirkland
j-michael.kirkland@db.com

QUEENS/BROOKLYN



From left: Queens/Brooklyn Chapter Executive Board members Winston Thompson, Genroy A. Richards, Orley G. Cameron, Avril Kareen George-Robinson, Edward Torres, Vice President Edward F. Esposito, President Jean Joseph, President-elect Mark Ulrich and Treasurer Anthony Zaccarelli.

Starting a new tradition of giving

By AVRIL KAREEN GEORGE-ROBINSON

The Queens/Brooklyn Chapter hosted its first annual holiday celebration and fundraising raffle on Dec. 8. As part of the annual holiday event, the chapter will identify a charitable organization to which the raffle proceeds will be donated. This year, the chapter made its first donation of \$485 to the Marine Toys for Tots Foundation. The chapter thanks all those who supported the event, including the event's

sponsor, Synergy Wealth Strategies.

The event's keynote speaker was New York State Supreme Court Justice Pam Jackman-Brown, who presides over the Queens County Matrimonial Division. She encouraged the chapter to continue forging a partnership with the court so that chapter members can extend their services as expert witnesses, and can conduct personal and business asset valuation for matrimonial proceedings.

kareen@mec.cuny.edu

MID HUDSON

Chapter wraps up the year, seeks board members

By TRACY TARSIO

Mid Hudson Chapter President

Welcome to tax season. I am sure many of you haven't slowed down since the holidays and, quite honestly, will not stop until April 18. I hope each of you is having a busy and successful—but not too crazy—tax season.

To update you on our most recent events: The chapter's Young CPAs Committee hosted a Holiday Mixer at Pamela's on the Hudson in Newburgh in December. At the event, the Mid Hudson Chapter supported the Marine Toys for Tots Foundation, and I am glad to report that we saw tremendous support from our members again

this year. Thank you to all who came out and supported our event. More importantly, thanks for helping the children in the Mid Hudson region during the holiday season.

This year, the chapter's Personal Financial Planning Committee hosted an eight-hour CPE event on Jan. 12 at the Ramada Inn in Newburgh. We had a good turnout. In conjunction with that seminar, we also held our annual chapter-wide election of the Nominating Committee. Thank

you to all who came out early for the meeting and participated in the election, and to those who supported our event.

Now that the Nominating Committee is set, we are looking for members interested in participating on the chapter's Executive Board during the upcoming 2012–2013 fiscal year. If you would like to join the board or have any questions about it, please contact me directly at the email address below or at 845-765-0705.



FROM THE
PRESIDENT

The chapter's Bankers and Attorneys Committee has already started planning for our annual dinner in November. I am glad to report that we have a great committee, and I am looking forward to working with the new committee members.

Keep your eye out for information about our Annual Estate

Seminar and Student Awards Dinner, which will be held on May 8 at the Powelton Club in Newburgh. Please visit the Mid Hudson Chapter Web page, www.nysscpa.org/mid-hudson, for a listing of our upcoming events.

As always, if you have any questions or need information on any upcoming events, please feel free to contact me.

ttarsio@dayseckler.com

SUFFOLK

Society's PAC a powerful tool for the profession

By HAROLD DEITERS

Suffolk Chapter President

In my message last month, I mentioned what I was thankful for as we moved into the new year. Now that 2011 is behind us and we've welcomed 2012, my resolutions for the upcoming year do not include a wish for money and good health, but for the ability to seize each moment as it comes and give it my all. Some may say that your future will be what you make it, while others believe one's fate has already been decided. Regardless of which philosophy you follow, I hope you live each moment to its fullest and are happy with the results.

If you are a CPA in New York state, you

should be very concerned about the future of our profession and what Albany is doing about it. Thankfully, we have an organization that fights for our profession: the New York State Society of CPAs. And one of its most powerful tools is the Society's political action committee (CPAPAC). The NYSSCPA Board of Directors established CPAPAC in 2000 to strengthen the profession's voice by distributing donations to political candidates identified as supporters of our profession. Why is that important?

Our elected state officials are responsible for many of the laws that we are required to follow. CPAPAC allows the collective voice of the NYSSCPA to be heard in Albany. In short, a strong CPAPAC

See CPAPAC, on page 19



FROM THE
PRESIDENT

SUFFOLK

Speakers: One-size pension plans full of flaws

CPAPAC

By CHRIS GAETANO
Trusted Professional Staff

Just because pension plans are made with the future in mind doesn't mean that their administration can't affect the present. That was the sentiment of pension consultants Matthew Gaglio and Ronald Stair, who addressed the Dec. 6 Employee Benefits Seminar organized and hosted by the Society's Suffolk Chapter. From their initial design to their eventual implementation, pension plans are extremely diverse, both in how they can be structured and how their projected outcomes can go astray, according to speakers.

Many companies are not aware that pension plans can be structured in a wide range of ways to meet people's specific individual needs, Gaglio said. They opt instead to use "off-the-shelf, generic, prototype, average designs," and are often unaware of legislative and regulatory developments affecting the world of pension design, such as the Pension Protection Act of 2006, which introduced a variety of regulations and preserved aspects of the Bush-era tax cuts related to pensions.

This means many people's conception of a pension plan is restricted to more traditional plans like defined benefits and defined contributions, as opposed to a plan crafted specifically to an individual employee or company, Gaglio said.

"That's what the industry and the masses have done: one size fits all. But ... how do you say one size fits all when everyone has a different tax need, a different retirement horizon? Every agenda is different," he said. "Absolutely one size does *not* fit all. But that's what's out there."

Personalizing plans to fit individual needs should include talking to the client and taking into account things like demographics, budget, cash flow, and cash needs

of both the client and the people he or she employs, with the end goal being to design a plan that "give the owners the lion's share" of benefits, Gaglio said.

Stair recited a list of common mistakes he sees from individuals who administer pension plans: using outdated documents, late remittance of money, failing to amend the plans to reflect changing circumstances, late contributions, defaulting on loans, failing to set up loan repayment schedules and

be crafted by people who don't administer plans, don't practice taxation and don't understand the math—rather than by credentialed people who specialize in the "subtle and highly technical work" of administering a pension system and regularly complete continuing professional education courses to keep themselves updated, Stair said.

But even a personalized plan, he warned, is useless if the company doesn't follow it.

While federal reforms have led to

For all intents and purposes, we're a nonregulated industry. One of my kids could hang out a shingle that says, 'I'm a pension consultant,' and there's nothing to stop them from doing so.

— Ronald Stair, pension consultant

permitting loans and distributions when the original documents do not make provisions for them, and failing to set proper definitions in retirement plans (which can lead to the plan document saying one thing but the administration doing another). Stair has also seen people being allowed to make deferrals when they're not eligible to do so, as well as eligible people not being notified that they can make contributions.

Part of the reason for these errors is the way that people tend to view pension plans. Stair said that people tend to look at plan administration as a clerical duty, but he said that it's actually quite technical.

"For all intents and purposes, we're a nonregulated industry," Stair said. "One of my kids could hang out a shingle that says, 'I'm a pension consultant,' and there's nothing to stop them from doing so."

At some companies, a pension plan will

increased flexibility and opportunity for customizing pension plans, they have also led to increased regulations in certain areas of plan design—regulations that can sometimes go overlooked by administrators, Gaglio said. "For some reason, pensions are looked at as this not-important tax return the IRS could not care less about, but that's not true," he explained.

Stair said that, historically, pension compliance was a matter of "wink-wink, fix it and we'll forget it." But now there are several "correction programs" offered by state and federal governments that range from fixing and documenting mistakes to applying penalties that can garnish 40 percent of the plan's assets—or more. The penalties can be negotiated, Stair said, but the process is time-consuming and costly.

cgaetano@nysscpa.org

Continued from page 18

means a strong profession.

But to keep CPAPAC strong, the organization needs member donations, which are distributed to New York political candidates identified by the PAC as allies of the profession. Even if these donations are small individual amounts of \$50 or \$75, collectively they will add up to a lot of power. By contributing to CPAPAC, we send a clear message to legislators that we have issues that are important to our profession, to the wider business community and to public interest sectors. We need to be heard! If you have further questions about CPAPAC or would like to make a contribution, visit www.nysscpa.org/page/government-affairs/cpa-pac or click on CPAPAC logo at www.nysscpa.org. There, you will find answers to the most frequently asked questions and a link to make a donation using PayPal.

Another NYSSCPA benefit that I would like to highlight this month is the FedEx Advantage Program. NYSSCPA members are now eligible to receive valuable discounts of up to 29 percent on select FedEx shipping services. There are no additional costs or minimum shipping requirements to take advantage of this great member service. To view this and other benefits available to NYSSCPA members, visit www.nysscpa.org/page/about-us/membership-center/member-services, then click on the service you want to learn more about.

My term as president of the Suffolk Chapter is more than half over and, with tax season here, I know that the remaining four months will fly by. I look forward to being a part of and seeing what will happen in our chapter and the Society throughout the year, and I am looking forward to a prosperous 2012.

hdeiters@hrrllp.com

UTICA

Chapter gains 25 new student members through sponsorship program

By CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA's Utica Chapter recently sponsored free memberships for 25 college students who now have access to a wide variety of professional resources, including networking opportunities with seasoned professionals, publications to keep them up to date on industry matters, and access to a wealth of technical literature.

The initiative was conceived as a way for college students to gain a better understanding of the profession by offering membership to an organization devoted to serving it, said Utica Chapter President **Stephen T. Surace**.

"We felt it made sense for kids who wanted to go into a career in public accounting

and become CPAs to get to know more about the industry and what being a CPA means, [to] become student members," said Surace.

The Society offers discounted student memberships at \$20 per year. The membership allows them to participate in chapter and committee events and online networking with nearly 29,000 Society members, receive *The Trusted Professional* and *The CPA Journal*, and receive granted access to technical literature, job listings and employment services through the Society. Student members can also receive discounts on CPA exam review courses and professional education.

Because Utica chapter members knew that not every college student had even \$20 to spend on Society membership, Surace said, members began fundraising last summer to

recruit more young people. The chapter raised money for student memberships during its annual golf outing and a recent seminar on developing a paperless office, both on Aug. 22, as well as a seminar on tax strategies with non-cash contributions to charitable organizations held on Nov. 1, he said. Fees generated from these events, about \$500, went into a pool that paid for student memberships.

The next step was to find students interested in joining the Society. Surace found the majority of them at SUNY Institute of Technology, after talking to them about the profession and the many rewards that come with it.

"We just wanted to get the kids kicked off, get the program started, get involved with

them," Surace said. "We just wanted to give them an independent view of what it means to be a CPA.

"The intent was to give them a professional's perspective, as opposed to just the perspective of an instructor or a fellow student."

The new student recruits will be encouraged to attend events beginning in the spring, including the Society's Young CPAs Conference in June. **Maria Suppa**, co-chair of the Utica Young CPAs Committee, said that the YCPAs will hold more student-friendly events later in the year; a poker tournament, the most recent event, was limited to ages 21 and older and was not promoted among colleges.

cgaetano@nysscpa.org

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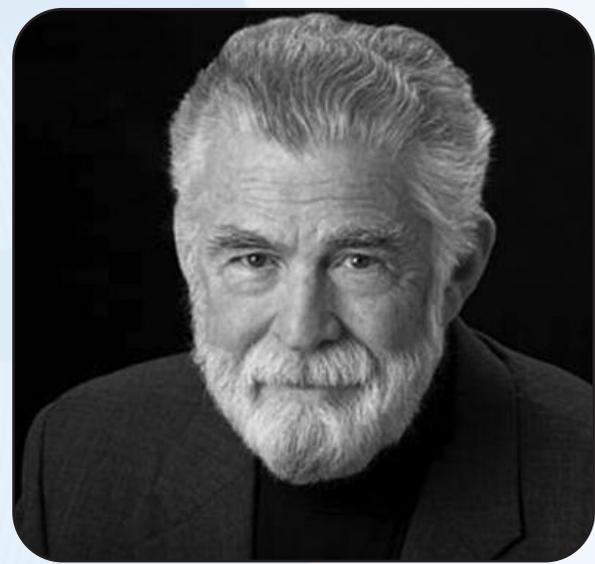
June 22, 2012

September 28, 2012

December 14, 2012

All Webcasts in the Renee's Roundtable

Series will run from 1:00–3:00 p.m.



Federal Tax Update: Nichols' Notes

Featuring Lynn Nichols, CPA

CPE Credit: 2 hours (Taxation) each

2012 Series Dates: March 9, 2012

June 8, 2012

September 21, 2012

December 13, 2012

All Webcasts in this Nichols' Notes

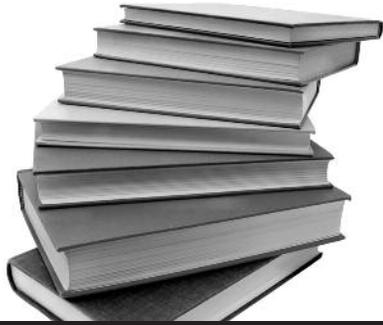
Series will run from 9:30–11:30 a.m.

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Visit www.nysscpa.org/e-cpe to register today!



FAE LISTINGS

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For February 1, 2012, through March 9, 2012

KEY GEOGRAPHIC AREA

FIELD OF STUDY

Date
Course Title
 Course Description
 Field of Study Course Code
 Site
 Developer
Member Fee/Nonmember Fee

According to New York State Regulations, courses may only be categorized as the following fields of study for CPE accreditation:

Accounting	AC
Advisory Services	AD
Auditing	AU
Ethics	E
Specialized Knowledge	SK
Taxation	T

Courses that have a concentration in more than one field of study are labeled with the quantity of credits that apply to each category.

AICPA Pricing Schedule

For AICPA-developed courses, the following pricing schedule applies.

If you are:	8-hour course	16-hour course
A member of both AICPA and NYSSCPA:	\$305	\$475
Only a member of the NYSSCPA:	\$335	\$535
Only a member of the AICPA:	\$405	\$575
A member of neither AICPA nor NYSSCPA:	\$435	\$635

For 4-hour courses, see course description for price information.
 For details, refer to the registration information on www.nysscpa.org.

Now that FAE's paperless initiative—FAE registrants receive course materials via email—has been successfully implemented, almost all FAE events will continue to be paperless. Please pay special attention to your emails, confirmations and other notices from FAE so that you can access course materials.

To search within New York City, refer to Manhattan/Bronx. To search within Albany, refer to Northeast.

MANHATTAN/BRONX

ADVISORY SERVICES

02/01
Second Annual Family Office Conference
 AD/4 25300211
 Bernstein Global Wealth Management
 Foundation for Accounting Education
\$175/\$200

02/01
Second Annual Family Office Conference (WEBCAST)
 AD/4 35300211
 Foundation for Accounting Education
\$125/\$150

TAXATION

02/02
Corporate Taxation Conference
 T/8 25615211
 FAE Conference Center
 Foundation for Accounting Education
\$335/\$435

02/02
Corporate Taxation Conference (WEBCAST)
 T/8 35615211
 Foundation for Accounting Education
\$235/\$335

03/09
Federal Tax Update: Nichols' Notes (WEBCAST)
 This session is designed to update attendees on the latest federal taxation developments.
 T/2 35111224
 FAE Conference Center
 Foundation for Accounting Education
\$55/\$80

03/09
Tax Exempt Organizations Update: Nichols' Notes (WEBCAST)
 This course is designed for CPAs with tax exempt clients and financial professionals working at tax exempt organizations. It will discuss IRS pronouncements, court decisions, and the effects of recent legislation.
 T/2 35111231
 FAE Conference Center
 Foundation for Accounting Education
\$55/\$80

For more information about FAE programs, visit www.nysscpa.org, or call 800-537-3635.

The Business News

CPA Volunteers Needed for Statewide Tax Panels

The NYSSCPA is looking for volunteers for a three-day tax panel at the *Daily News* in New York City on March 20, 21 and 22, from 10 a.m.–4 p.m. Volunteer CPAs contribute one-to-two hours per day answering general tax questions from the public via telephone and online. We need four CPA volunteers per hour. A kosher lunch and breakfast is provided by the *Daily News*.

There are additional volunteer tax panel opportunities throughout the state. If you are interested in volunteering, please contact Lois Whitehead, NYSSCPA public relations manager, at lwhitehead@nysscpa.org.

"Win-Win" Member Recruitment Contest

Running now through April 30, 2012

The **person** who recruits the most members* by the end of the contest will win a free iPad!

The **chapter** that recruits the most members* wins a cocktail party!



New recruits receive \$50 off dues.

For complete contest rules and FAQs, go to www.nysscpa.org/contest.

*Student members do not count as referrals.



CLASSIFIEDS

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PROFESSIONAL OPPORTUNITIES

NASSAU COUNTY / NEW YORK CITY CPA FIRM

Established firm with offices in NYC and Long Island, which has successfully completed transactions in the past, seeks to acquire or merge with either a young CPA with some practice of his own or a retirement-minded practitioner and/or firm. Call partner at 516.328.3800 or 212.576.1829.

Nassau County peer reviewed sole practitioner with Masters in Taxation has available time to assist overburdened practitioner. Open to merger, buyout or other arrangements. bcpa11@yahoo.com.

Not interested in going through NY State Peer Review in 2012? Midsized Midtown firm, recently Peer Reviewed, interest in acquiring attestation clients is available to assist you. Escapejr@aol.com.

Rotenberg Meril, Bergen County's largest independent accounting firm, wants to expand its New York City practice and is seeking merger/acquisition opportunities in Manhattan. Ideally, we would be interested in a high quality audit and tax practice, including clients in the financial services sector, such as broker dealers, private equity and hedge funds. An SEC audit practice would be a plus. Contact Larry Meril at lmeril@rmsbg.com, 201-487-8383, to further discuss the possibilities.

Syracuse NY CPA firm has available space and staff for possible merger/acquisition of retiring CPA. mike@ebcpa.biz or 315-474-3986.

CPA Firm Seeks to purchase small write-up practice in Metro NY area. E-mail: sbdcpa.ymail.com.

Goldstein Lieberman & Company LLC one of the region's fastest growing CPA firms wants to expand its practice and is seeking merger/acquisition opportunities in the Northern NJ, and the entire Hudson Valley Region including Westchester. We are looking for firms ranging in size from \$300,000 - \$5,000,000. To confidentially discuss how our firms may benefit from one another, please contact Phillip Goldstein, CPA at philg@glcpas.com or (800) 839-5767.

Rockland County CPA firm (3 Partners) seeking energetic dynamic sole proprietor CPA with small practice to presently **rent open office space** and share services with the **primary objective of a long term association** with potential buyout and transition. Contact Lance Millman at: lmillman@ms-cpas.com.

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