Minutes of: New York State Society of Certified Public Accountants Board of Directors’ Meeting

Date & Time: Tuesday, December 4, 2012, 9:02 a.m. to 1:46 p.m.

Location: NYSSCPA Offices, 3 Park Avenue, 18th Floor, New York, NY 10016

Presiding Officer: Gail M. Kinsella, President

NYSSCPA Board Members Present: J. Michael Kirkland, President-elect
Sherry L. DelleBovi, Vice President
David Evangelista, Vice President
Suzanne M. Jensen, Vice President
Anthony J. Maltese, Vice President
Scott M. Adair, Secretary/Treasurer
Anthony T. Abboud
William Aiken
Barbara E. Bel
Shari E. Berk
Robert W. Berliner
Christopher G. Cahill
Harold L. Deiters III
Domenick J. Esposito
Adrian P. Fitzsimons
Stephen E. Franciosa
Jennifer R. George
Rosemarie A. Giovinazzo-Barnickel
Mitchell L. Gusler
Timothy P. Hedley
Douglas L. Hoffman
Eric M. Kramer
Elliott A. Lesser
Pei-Cen Lin
Steven M. Morse
Richard E. Piluso
Robert R. Ritz
Michael F. Rosenblatt
Arthur J. Roth
Cynthia A. Scarinci
John Shillingsford
Robert E. Sohr
Yen D. Tran
Richard Van Osten
F. Michael Zovistoski
Joanne S. Barry, Executive Director

NYSSCPA Board Members Absent: Gregory Altman
Scott M. Hotalen

Staff Present: Amy Broderick
Robert Busweiler
Colleen Lutolf
Craig Mandelbaum
Ernest Markezin
Denise Osorio
Patrick Payano
Bradley Pryba
Guests Present:  Charles Weinstein  
Kevin McCoy

M I N U T E S

B12 — K — 0  
Call to Order  
Attendance was taken, and President Gail M. Kinsella established that a quorum was present and called the meeting to order at 9:02 a.m.

B12 — K — 1  
Minutes  
Ms. Kinsella asked the Board to consider and approve the minutes of the September 20, 2012, meeting. Mr. Zovistoski moved to approve the minutes, and Mr. Piluso seconded the motion. The motion passed without objection.

B12 — K — 2  
President’s Report  

a. Governance Forum Update  
Ms. Kinsella stated she had received good feedback regarding the Governance Forum, and added that the oversight committee chairs would also be invited next year.

b. Chapter Leadership Meetings Update  
Ms. Kinsella announced that she had met with the majority of scheduled chapters and added that the meetings were very informative. She stated that she had received feedback that managing partners were interested in participating in the meetings, and added that the chapter meetings would now operate on a two-year cycle.

c. AICPA Council Update  
Ms. Kinsella announced that the most recent meeting had occurred a few weeks prior and that the key item discussed was the decision to allow the PFC Committee to become a standards-setting board.

d. Appointment of Nominating Committee Chair
Ms. Kinsella announced that David J. Moynihan had been appointed chair of the Nominating Committee. Ms. Kinsella added that the committee would meet in early January.

**President-elect's Report**

**a. Real Estate Update**
Mr. Kirkland acknowledged the hard work of Ms. Barry and her staff. Ms. Barry announced that the Society was very close to signing a lease for 14 Wall Street. She stated that once the lease was signed, the landlord would begin the build-out process under the supervision of the Society's architect. Ms. Barry announced that she hoped the landlord would deliver the completed premises in the summer so that the Society could move in July.

**b. 2013 Governance Forum**
Mr. Kirkland stated that the Governance Forum would be expanded next year.

**c. Diversity Initiatives**
Mr. Kirkland announced that he participated in a conference call regarding the COAP program, and that the Staten Island Chapter was looking to create a COAP program at the St. John’s University Staten Island campus. He added that he is looking at ways to include former Governor David Paterson in the COAP program, and that he is also looking at ways to increase donations. Ms. Kinsella thanked Mr. Kirkland for his work on the COAP program.

**Vice Presidents’ Reports**

**a. Chapters Update**
Mr. Evangelista announced that the monthly chapter presidents’ conference calls have been going well. Mr. Maltese added that a task force had been created to investigate whether the Queens/Brooklyn Chapter should separate. Mr. Maltese explained that one concern was that there is not sufficient interest to sustain a separate Brooklyn Chapter.

**b. Society Comments**
Ms. DelleBovi stated that 15 comment letters had been issued. She questioned whether the Society should comment on the 250-page financial reporting framework for small and medium-sized businesses released by the AICPA. Ms. DelleBovi thanked all the committee
members and principal drafters who work on the comment letters.

c. Committees Update
Ms. Jensen announced that the committees had been very busy. She added that some committees are focusing on updating their committee names and action plans.

B12 — K — 5
Secretary/Treasurer’s Report

a. Nominating Process Update
Mr. Adair announced that Mr. Moynihan had been selected as the chair of the Nominating Committee. He added that applications are due on January 3, 2013, and that the Society needs to recruit for chapter leadership and also for chapter representatives on the Board.

b. Financial Statements for the four months ending September 30, 2012
Mr. Adair provided the Board members with an overview of the financial statements. Mr. Adair stated that the Society is in a good financial position. Mr. Adair added that the Big 4 Firms had contributed $140,000 related to the move.

Mr. Piluso praised Messrs. Adair and Payano, and the staff, for the improvement to the Society’s financial position.

Mr. Piluso moved to approve the financial statements with a caveat that if the Finance Committee makes any significant changes they will inform the Board, and Mr. Evangelista seconded the motion. The motion passed without objection.

B12 — K — 6
Executive Director’s Report

a. Hurricane Sandy Recovery Update
Ms. Barry explained that the Society’s emergency action plan had been successful during the hurricane. She gave credit to the staff for keeping the organization running and added that the recent cloud conversion had enabled the staff to perform essential functions off-site. Ms. Barry announced that several other state societies had reached out and offered to host webpages for the NYSSCPA so that the organization could provide information to the members. She stated that the FAE
was able to reschedule 23 out of the 28 cancelled courses. Ms. Barry added that the new location did not sustain any damage due to the storm.

She also announced that she had reached out to the State Board to get an extension of the CPE deadline from December 31, 2012, until February 1, 2013. Ms. Kinsella stated that she appreciated the collaboration and support from the AICPA and other state societies.

b. Government Relations Update
Mr. Pryba presented the government relations update. He announced that NASBA met during Hurricane Sandy and that major forthcoming legislative initiatives introduced at the meeting included a joint AICPA/NASBA effort to update the definition of “attest” to address changes to the profession, as well as a joint AICPA/NASBA effort to introduce firm mobility. Mr. Pryba stated that the State Board met on November 14, 2012, and discussed the CPE extension as well as future developments for the profession.

Mr. Pryba then gave the Board a political update following the recent elections.

Lastly, Mr. Pryba discussed possible upcoming sting operations on tax preparers conducted by the New York State Department of Taxation and Finance.

c. Dues/Membership Update
Ms. Barry announced that the dues collection rate was 93.7%, and added that the retention rate of members in industry was 89%. She added that members in industry were offered 8 hours of CPE at a very substantial discount.

d. Media Relations Report/Economic Outlook Poll
Ms. Barry announced that the Society’s ongoing press initiatives emphasize the differences between CPAs and tax return preparers.

e. Rebranding Initiative
Ms. Barry stated that the rebranding initiative will focus on the Society moving back to its historical roots while looking forward technologically.
f. Internal Operations Update
Ms. Barry announced that she had hired an Aptify consultant to improve the Aptify system.

Ms. Kinsella explained the background of the CPA firm ownership issue and then introduced Charles Weinstein, EisnerAmper LLP’s CEO, to share his experience regarding the issue.

Mr. Weinstein gave the Board an overview of how the CPA firm ownership issue impacts EisnerAmper, as they have offices in multiple locations. He explained that since New York does not allow for non-CPA ownership of firms, EisnerAmper has to look for outside specialists to be able to properly service their clients, and that if New York did allow for non-CPA ownership, then firms would be able to offer incentives to those professionals, such as equity in the firm. Mr. Weinstein added that he is strongly in favor of New York allowing non-CPA ownership of firms.

The Board further discussed the issue. Ms. Kinsella asked whether members of the Board felt that non-CPA ownership would be a disincentive to potential CPAs because the CPA license would no longer be necessary to advance in a firm. Mr. Weinstein stated that EisnerAmper stresses the importance of the CPA designation to a person’s career. Mr. Pryba added that the Legislative Task Force had considered the issue and lent their support to the concept of non-CPA ownership of firms. Ms. Barry noted that it is often better to be a part of the process in order to ensure that the voice of the NYSSCPA is heard.

The Board further discussed the issue of non-CPA ownership of firms and considered the following resolution:

Resolved that the NYSSCPA hereby supports the concept of non-CPA firm ownership. The NYSSCPA looks forward to participating in the legislative process in support of non-CPA firm ownership.
Mr. Zovistoski moved to approve the resolution, and Ms. George seconded the motion. Ms. DelleBovi opposed. Messrs. Aiken and Franciosa and Mses. Bel and Lin abstained. The motion passed.

Mr. Adair moved to amend the resolution to include language requiring the Board to renew the resolution annually, and Mr. Lesser seconded the motion. The motion passed without objection.

After further discussion, Mr. Adair moved to withdraw the amendment regarding annual renewal of the resolution, and Mr. Lesser seconded the motion. The motion passed without objection.

Ms. Barry explained that the AICPA had begun an initiative for the new Chartered Global Management Accountant (CGMA) certificate. She stated that the credential has not been formally endorsed by the Society and asked the Board whether they thought the Society should support the new credential. The Board members discussed the credential in further detail.

Ms. Kinsella asked Ms. George and Mr. Piluso to leave the room, as they were up for nomination. Mr. Pryba explained that insufficient expressions of interest were received to allow for full compliance with Standing Rule SR-3. The five proposed names decided upon by the Selections Subcommittee were:

1. Robert Fagliarone
2. Jennifer R. George
3. Elliot L. Hendler
4. Richard E. Piluso
5. Edward J. Torres

Ms. Kinsella asked if there were any nominations from the floor, there were none. Mses. DelleBovi and Giovinazzo-Barnickel agreed to be the vote counters.
Mr. Piluso and Ms. George were each elected to serve three-year terms. Mr. Hendler was elected to serve a one-year term.


**B12 — K — 10**

**Approval of the Employee Benefits Committee Moving from the Tax Division to the Accounting and Auditing Division**

Ms. Jensen announced that the Employee Benefits Committee had requested that it move from the Tax Division to the Accounting and Auditing Division. Both divisions approved the request.

Mr. Sohr moved to approve the Employee Benefits Committee moving to the Accounting and Auditing Division, and Mr. Adair seconded the motion. The motion passed without objection.

**B12 — K — 11**

**Membership Report**

Ms. Barry presented the membership report and announced that, after approval of the new members, the Society’s membership total would be 29,331.

After further discussion, Ms. George moved to approve the membership report, and Ms. Jensen seconded the motion. The motion passed without objection.

**B12 — K — 12**

**Approval of Suggested Motion: Resolution Terminating Unpaid Members in January 2013**

Ms. Barry asked the Board to approve the following resolution:

The Board of Directors authorizes staff to terminate the membership of any member in good standing whose 2012–2013 dues are not recorded as paid as of January 14, 2013.

Ms. Giovinazzo-Barnickel moved to approve the resolution, and Mr. Lesser seconded the motion. The motion passed without objection.

Mr. Sohr then suggested adding the following language to the second line of the resolution:
“...in good standing, except those members who have an active matter before the Professional Ethics Committee.”

Mr. Sohr moved to amend the resolution, and Mr. Adair seconded the motion. The motion passed without objection.

B12 — K — 13
Ethics—Approval of Regulatory Bodies

Mr. Pryba explained that the Society was working to increase conformity with the AICPA Code of Professional Conduct. He summarized Rule 202 and asked the Board to approve the following resolution to identify the appropriate bodies as those designated by the AICPA Council, as listed in Appendix A:

- AICPA Council Resolution
- Designating Bodies to Promulgate Technical Standards:
  1. Federal Accounting Standards Advisory Board
  2. Financial Accounting Standards Board
  3. Governmental Accounting Standards Board
  4. Public Company Accounting Oversight Board
  5. International Accounting Standards Board
  6. AICPA Committees and Boards
  7. Accounting and Review Services Committee
  8. Auditing Standards Board
  9. Management Consulting Services Executive Committee
  10. Attestation Standards
  11. Forensic and Valuation Services Executive Committee
  12. Personal Financial Planning Executive Committee

After further discussion, Mr. Adair moved to approve the resolution, and Mr. Sohr seconded the motion. The
motion passed without objection.
Ms. Kinsella thanked the Ethics Committee for their time and guidance on this issue.

B12 — K — 14
Executive Session
Mr. Sohr moved to enter into an executive session, and Ms. Jensen seconded the motion. There being no objection, an executive session was held between 1:43 and 1:45 p.m. At the conclusion of the session, Mr. Evangelista moved to adjourn the executive session, and Ms. Jensen seconded the motion. There being no objection, the executive session was adjourned.

B12 — K — 15
Adjournment
Mr. Lesser moved to adjourn the meeting at 1:46 p.m., and Ms. Lin seconded the motion. There being no objection, the meeting was adjourned.

Respectfully submitted,

Scott M. Adair
Secretary/Treasurer