<table>
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<tr>
<th><strong>Minutes of:</strong></th>
<th>The New York State Society of Certified Public Accountants  Board of Directors Meeting</th>
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<td><strong>Date &amp; Time:</strong></td>
<td>Thursday, December 7, 2017, 8:30 a.m. to 1:30 p.m.</td>
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<td><strong>Location:</strong></td>
<td>NYSSCPA Headquarters, 14 Wall Street, New York, N.Y.</td>
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<td><strong>Presiding Officer:</strong></td>
<td>Harold L. Deiters III, <em>President</em></td>
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| **NYSSCPA Board Members Present:** | Jan Herringer, *President-elect*  
Paul E. Becht, *Vice President*  
John B. Huttlinger, Jr.,*Vice President*  
Candice R. Meth, *Vice President*  
Anthony T. Abboud, *Secretary/Treasurer*  
Dennis N. Annarumma  
Edward L. Arcara  
Christopher G. Cahill  
Anthony S. Chan  
Salvatore A. Collemi  
Edward F. Esposito  
Mark L. Farber  
Lynne M. Fuentes  
Jennifer R. George  
Elliot L. Hendler  
Kimberly G. Johnson  
Patricia A. Johnson  
Barbara A. Marino  
Tracey J. Niemotko  
Kevin P. O’Leary  
Thomas S. Pirro  
Iralma Pozo  
Renee Rampulla  
Brian M. Reese  
Janeen F. Schrann  
Michael M. Todres  
Mark M. Ulrich  
F. Michael Zovistoski  
Joanne S. Barry,  
*Executive Director/CEO* |
| **NYSSCPA Board Members Participating via Conference Call:** | Jack M. Carr  
Mitchell A. Davis  
William H. Dresnack  
Douglas L. Hoffman  
Steven A. Stanek  
Denise M. Stefano |
| **NYSSCPA Board Members Absent:** | Mitchell J. Mertz, *Vice President*  
Sol S. Basilyan  
Craig T. Goodman |
| **Staff Present:** | Revira Brennan  
Christopher Camacho  
Maya Lindsay  
Colleen Lutolf  
Ernest Markezin  
Patrick Payano |
**B17 – L – 0**  
**Call to Order**  
Mr. Harold L. Deiters III called the meeting to order at 8:30 a.m.

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**B17 – K – 1**  
**President’s Report**

| a. AICPA Update |
|----------------|----------------|
| Mr. Hendler provided a brief recap of the AICPA Council meeting, which took place in San Antonio, Texas, in October. The meeting included an awards presentation, a nominating committee report, and the transition to a new AICPA chair. Among the topics discussed were the future of finance, artificial intelligence and its implications for the profession, the position of the profession for the next generation of accountants, enhancing audit quality, and auditing in the future. |

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<th>b. Nominating Process Update (Anthony T. Abboud)</th>
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<td>Mr. Abboud informed the Board that the deadline for submissions for nominations for the Board of Directors would be January 2, 2018, at 5:00 p.m. (EST). Positions available include one vacancy for President-elect, four vacancies for Vice President, one vacancy for Secretary/Treasurer, and five vacancies for At-Large Directors. In addition, the following Chapters have openings for Director as Chapter Representative: Buffalo, Manhattan/Bronx, Southern Tier, Syracuse, and Westchester. The Nominating Committee meets on January 11, 2018.</td>
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| c. Town Hall Schedule and Format |
|--------------------------------|----------------|
| Mr. Deiters presented an update on the Chapter Town Hall meetings. The next meeting is scheduled with the Nassau Chapter on January 28. A new format this year in most chapters has included a Professional Issues Update for CPE credit delivered by Mr. Deiters, Ms. Herringer, and Ms. Barry. Feedback has been very positive. Mr. Deiters also thanked Ms. Lutolf for her work on the PowerPoint slides used during the presentation. |

| d. Appointment of Nominating Committee Chair |
|---------------------------------------------|----------------|
| Mr. Deiters announced that David A. Lifson will serve as Nominating Committee Chair. |

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**B17 – K – 2**  
**Action Items**

| a. Approval of Minutes of September 19, 2017, Board of Directors Meeting |
|----------------|----------------|
| Mr. Hendler commented there was an additional edit that he wanted to make and would do so offline. Mr. Zovistoski motioned to approve the minutes. Mr. Chan seconded. Ms. George abstained from the vote. The motion was passed without objection, subject to edits. |
b. Financial Statements for the Two Months Ended July 31, 2017
Mr. Abboud presented and discussed the financial statements. Mr. Hendler motioned to approve the statements. Mr. Huttlinger seconded. The motion passed without objection or abstention.

c. Update to Signature Authority
The resolution on signature authority was updated to include all requisite names:

OP-7-Bank Signature Authority

RESOLVED, that Citibank shall serve as the banking institution for the Society and that Bank of America shall serve as the banking institution for some of the Society’s chapters;

RESOLVED, FURTHER, that the following persons are hereby appointed to serve as authorized signatories on all banking accounts of the NYSSCPA:

Harold L. Deiters III
F. Michael Zovistoski
Anthony T. Abboud
Anthony S. Chan
J. Michael Kirkland
Joanne S. Barry
Colleen Lutolf
Ernest J. Markezin
Richard H. Kravitz
Joanne Thelmo
Revira Brennan

RESOLVED, FURTHER, that with respect to the banking accounts of each of the chapters, there shall be three authorized signatories: the respective chapter’s President, President-elect, and Treasurer.

RESOLVED, FURTHER, that the officers and staff of the Society are hereby authorized and directed to execute and deliver any documentation required to carry out the intent of this resolution.

Ms. Marino motioned to accept the updated resolution. Ms. Fuentes seconded. The motion passed without objection or abstention.
d. Membership Report
Ms. Barry presented the Membership Report to the Board. Upon approval, there will be 26,635 members of the Society, which doesn’t include the 190 members still in process.

Ms. Rampulla motioned to accept the report. Ms. George seconded. The motion passed without objection or abstention.

e. Selections Subcommittee Report
(i) AICPA Council

Ms. Herringer reported to the Board that on November 20, the Selections Subcommittee convened via conference call to determine nominees to be put forward for consideration by the Board to serve on the AICPA Council. The subcommittee included Ms. Fuentes, Mr. Hendler, and Ms. Kimberly Johnson. The following names were brought forward:

J. Michael Kirkland
Barbara A. Marino
Rumbi Bwerinofa-Petrozzello
Warren Ruppel
George I. Victor
F. Michael Zovistoski.

Mr. Deiters then asked for nominations from the floor. Mr. Arcara’s name was added.

Ms. Herringer explained that there were three seats to be filled: two 3-year seats, and one 1-year seat. An additional 3-year seat was being reserved for the person nominated to serve as the Society’s President-elect.

Mr. O’Leary and Ms. George tabulated the votes. Ms. Marino and Mr. Zovistoski were selected to the 3-year seats, and Mr. Kirkland was elected to the 1-year seat.

B17 – L– 3
Professional Excellence and Integrity

a. Chapters Update

Mr. Becht and Mr. Huttlinger presented their report of Chapter activity. Mr. Becht discussed the November 9 Chapter Presidents call, where Gwendolyn Horn, Treasurer of the Westchester Chapter, discussed her event, “The Recruiting, Retaining, and Managing of a Diverse Workforce.” Ms. Horn suggested that other Chapters might try to hold similar events.
Mr. Huttlinger reported that he has received good feedback on the Town Hall meetings, and that registration for CPE courses is improving. He was pleased with the conference at the Adirondack Chapter and believed registration for that event went very well.

Mr. Becht thanked Mr. Payano for distributing the Chapter budget templates to the respective Chapters. The due date is December 20.

Mr. Deiters thanked Mr. Becht and Mr. Huttlinger for their work. Mr. Esposito referenced the spreadsheet of Chapter activity and recommended that the spreadsheet should be shared with Chapter Presidents in order to share ideas for programming.

(i) Chapter Representative Open Discussion
Ms. Pozo spoke on behalf of the Manhattan/Bronx Chapter. Their Chapter President would like to have more events, but the Chapter has had to cancel them because of low participation. She suggested that Chapter digests be consolidated so that all members could see what’s happening in other Chapters. She also suggested a Chapter survey. Ms. Barry will follow up with staff to develop a survey.

Ms. Fuentes discussed the Nassau Chapter. The Chapter recently had an all-day tax seminar update, but she pointed to timing and/or communications issues with the contract. Ms. Barry indicated that the investigative process revealed that the breakdown was in the communications back to the Chapter regarding contract status. Staff is investigating a software program (Right Signature) to eliminate this problem going forward.

Ms. Fuentes also mentioned that there’s been pushback from members about the cost of the ethics event. Ms. Herringer said that neither she, Mr. Deiters, nor Ms. Barry has received any negative feedback, but will know better in January. Mr. O’Leary suggested that in advertising the event, quotes from other speakers at other events would be a way to lure people to come.

(ii) Chapter Treasury Transition
Mr. Payano provided an update and reminded the Board about the offer for staff to handle the accounting at the Chapter level. He indicated that the process with participating Chapters has been going well.
b. Peer Review Administration Update

Mr. Markezin provided an update on the Society’s transition out of its role as an Administering Entity (AE) for the AICPA peer review program. Effective March 15, all reviews in process will transfer to the Pennsylvania Institute of Certified Public Accountants (PICPA), except for long, contentious reviews at hearing panels. He discussed some challenges with the AICPA system and staff changes they’ve been experiencing. He also reported that all participating firms and reviewers have been notified about the transition.

An emergency regulation to eliminate a requirement that peer review administrators have a New York nexus was presented to and approved by the Board of Regents. This paved the way for the PICPA to take over the program. Our existing Peer Review Committee will be refocused to provide audit enhancement resource materials to participating firms.

A discussion followed.

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<th>B17 – L – 4</th>
<th>Advocacy</th>
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<td><strong>a. Society Comment Letters</strong></td>
<td>Mr. Markezin reported that the number of letters released increased from 15 to 19 since the report had been issued. He acknowledged the fast turnaround time by Mr. Mertz and Mr. Deiters in meeting short deadlines for responses.</td>
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<td><strong>b. Committees Update</strong></td>
<td>Ms. Meth presented her report of committee activities. During the September through November reporting period, 91 meetings were held. There were also 58 new committee applicants/appointments, 20 of which were new Society members and 17 were existing Society members who have never been on a statewide committee before. There were six new members on committees from the Associate Member category; 22% of the new applicants were under 31, and 50% were under 41.</td>
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She also reported that the Cannabis Industry Committee had its first meeting on November 30 and already has 19 members. There will also be a Career Transitions Committee.

In addition, she mentioned that the 7th anniversary edition of the *TaxStringer* was published, Vice Chair solicitation was under way, and planning is under way for an event to introduce members and nonmembers to committees with select committee Chair “influencers” in attendance.
c. Legislative and Regulatory Agenda

Ms. Barry presented the proposed Legislative and Regulatory Agenda for January 2018. She indicated that there were several additional proposed issues for consideration (since the September Board meeting) with the New York State Department of Taxation and Finance (NYSDTF), including pursuing changes with the transfer of pro forma data from one tax year to the next, accepting e-signatures on certain NYSDTF Authorization Forms, and delayed tax refunds.

Mr. Carr believed that federal tax reform should be on the agenda as well.

A discussion ensued on the ethics requirement item on the Legislative Agenda. The New York State Board for Public Accountancy found that only 50% of New York State-licensed CPAs were in compliance with the state’s professional ethics CPE requirement in 2016. To streamline the requirement and limit confusion around the standard, the State Board voted to recommend to the Board of Regents that CPAs would have to earn those six credits at a rate of two ethics credits per year over the three-year reporting period, instead of the previous four credits every three years.

At its September meeting, the Board of Directors voted to support the proposal overall, but to communicate to the State Board for Public Accountancy that it should amend the proposal to provide for more flexibility in the number of ethics credits that a New York State-licensed CPA may take and be credited for in any given year. Mr. Hendler, Chair of the Professional Ethics Committee, helped draft a comment letter along with committee member Victoria L. Pitkin.

Ms. Herringer wondered if there was more specific and actionable language that could be used so that more credence would be given to the letter. She will send suggestions; Ms. Rampulla also suggested that the Board send suggestions offline.

Mr. Deiters reminded the Board that at its September meeting, it approved the proposal for six credits every three years, but that our main issue was with the lack of flexibility in achieving those credits (2-2-2). As he saw it, the letter was saying that we don’t agree with their six.

Mr. Deiters motioned to make a proposal to put it back into committee, and Mr. O’Leary seconded. The motion passed without objection.
A motion was made to accept the legislative agenda. The motion was seconded. The motion passed without objection.

A motion was made to include the three proposed issues for consideration. The motion was seconded. The motion passed without exception.

d. Tax Preparer Advocacy

Ms. Lutolf reported to the Board that on October 10, the Society issued a letter to Nonie Manion, Acting Commissioner of the NYSDTF, which expressed concerns with the state’s driver license requirement, which is to become mandatory for the 2017 filing season. Since CPA firms are already targets for hackers, requiring this information from clients makes them more susceptible to identity theft and increases a firm’s liability.

Ms. Manion understood the Society’s concerns but was adamant that this information was needed in order to cut down on the number of fraudulent returns. She informed the Society that tax practitioners would be required to collect license info, but only need to report the first three numbers. She noted a 75% compliance rate among firms in this area last year.

e. State Board Meeting Update

The New York State Board for Public Accountancy had their Board of Directors meeting on October 26, attended by Ms. Lutolf and Ms. Joanne Thelmo, General Counsel for the Society.

Ms. Lutolf updated the Board on the discussions at the meeting.

There has been no recommendation to the Board of Regents regarding a possible change in the ethics CPE requirement. The rules regarding the changes discussed at the July meeting were not drafted. State Board Executive Secretary Jennifer Winters said she expected that by the January board, meeting that language would have been drafted and vetted by the Education Committee, to be presented to the State Board, which would then need to be approved by the Board of Regents, put out for public comment, and then given final approval by the Board of Regents.

Ms. Lutolf reported that Gov. Andrew Cuomo signed into law on Monday, October 23, a bill that would remove the exemption for CPA firms with two or fewer CPAs to undergo a peer review if they provide attest services to clients, which the NYSSCPA supported. Passage of
the law necessitates changes to the Regulations of the Commissioner, Section 70.10, regarding the peer review program, which the State Board discussed. The change in law impacts the following four key areas of peer review legislation:

- Removal of the small firm exemption
- Change “quality review” to “peer review”
- The addition of federal audits to the listing of services that qualify a firm to be enrolled in the peer review program
- Change in the requirement for the Quality Review Oversight Committee (QROC) to monitor rather than maintain a listing of peer reviewers.

Ms. Lutolf also reported that there was a discussion at the meeting surrounding the transition of the NYSSCPA’s peer review program to the Pennsylvania Institute of CPAs (PICPA). As a result of the law change, the State Education Department’s (SED) QROC would now be called the Peer Review Oversight Committee (PROC). There was discussion surrounding New York firms’ expectations in terms of how peer reviews would be conducted by one state versus another. The QROC will continue to provide guidance to PICPA’s AE team during the transition, which is scheduled to conclude on March 15.

There is also a staff shortage at the board office: Even though the SED has filled two vacant positions, two other staff received promotions and two vacancies remain, leaving the board office with three vacancies.

Ms. Lutolf also related to the Board that the State Board had a backlog of pre-license applications. The State Board is currently processing applications from July 20.

f. Federal Tax Reform

Ms. Barry discussed the long-standing unofficial agreement between the Society and the AICPA that deferred to the AICPA on federal issues, in consultation with the Society. The Society’s legislative role is focused on Albany. However, in light of current developments surrounding the new federal tax law, the state and local tax issue was specific to New York and only a few other states. Since the AICPA, representing all states, was not focused on that issue, we took action.

A letter was sent to the New York House delegation in Washington, and a letter will also be sent to the Senate delegation, as appropriate. The Society is also in consultation with New Jersey and other impacted states to see if a coalition is warranted. Ms. Barry added that our New
York, Multistate and Local Taxation Committee will also be heavily involved.

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<th>B17 – L – 5</th>
<th>The Next Generation</th>
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<td>a. <strong>David J. Moynihan Scholarship Fund Update</strong></td>
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<td>Ms. Brennan informed the Board of the officer structure. Joseph M. Falbo, Jr., will serve as the President; Scott M. Adair will serve as President-elect; Anthony T. Abboud will serve as Secretary; and David A. Lifson will be Treasurer.</td>
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<td>She added that the Moynihan Fund has received its EIN and has also worked on a mission statement. The legal staff will work on an affiliation agreement, as we move forward with required filings.</td>
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<td>There was also discussion surrounding the Moynihan Gala, with a tentative date of May 24 and the venue being the Prince George Ballroom.</td>
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<td>b. <strong>Diversity and Inclusion Committee</strong></td>
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<td>Ms. Herringer provided an update on the Diversity and Inclusion Committee. She reported that the Poker Divas event had a turnout of 35 women and was a positive experience. The committee is looking to develop a strategic plan to have measurable outcomes. A goal was to have a day-long summit to discuss issues important to women in the profession. She asked that ideas be submitted to her for this initiative.</td>
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<th>B17 – K – 6</th>
<th>Public Awareness</th>
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<tr>
<td>a. <strong>Communications Update</strong></td>
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<td>Ms. Lutolf provided a media relations report highlighting articles and news clips featuring the Society’s members.</td>
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<td>b. <strong>Digital Marketing Update</strong></td>
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<td>Ms. Lutolf also discussed digital marketing initiatives. She shared a video promo for a November 20 panel discussion entitled, “The New Peer Review Law: What Sole Practitioners Need to Know,” as an example of a new marketing technique.</td>
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<td>c. <strong>Branding Initiatives</strong></td>
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<td>Ms. Lutolf stated that the NYSSCPA’s Marketing Department is being integrated into the Society’s Communications Department to create a single Marketing and Communications Department, in an effort to streamline branding communications across the organizations entities, including the NYSSCPA, Committees, Chapters, FAE, the Moynihan Scholarship Fund, and PAC. She used, as an example, the design of FAE conference e-mails versus the design of NYSSCPA communications e-mails. Both currently look very different. The goal of integrating the two departments is to ensure that the organizations’ brands are consistent and strategic in their messaging.</td>
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<td><strong>B17 – K – 7</strong></td>
<td>Executive Session</td>
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<td>Mr. Deiters broke the meeting for lunch at 12:07 p.m. After lunch the Board went into an Executive Session. The Executive Session concluded at 1:29 p.m.</td>
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<td><strong>ADJOURNMENT</strong></td>
<td>The meeting adjourned at 1:30 p.m.</td>
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Respectfully submitted,

Anthony T. Abboud  
*Secretary/Treasurer*

Approved at the March 21, 2018 Board of Directors Meeting  
Agenda Item B18-A-1a