| Minutes of: | The New York State Society of Certified Public Accountants  
Board of Directors’ Meeting |
| Date & Time: | Tuesday, March 22, 2016, 9:02 a.m. to 3:45 p.m. |
| Location: | NYSSCPA Offices, 14 Wall Street, 19th Floor, New York, NY |
| Presiding Officer: | Joseph M. Falbo, Jr., President |

| NYSSCPA Board Members Present: | F. Michael Zovistoski, President-elect  
Christopher G. Cahill, Vice President  
Jennifer R. George, Vice President  
Stephen T. Surace, Vice President  
Michael M. Todres, Vice President  
John J. Lauchert, Secretary/Treasurer  
Scott M. Adair  
Jeffrey F. Allen  
Edward L. Arcara  
Paul E. Becht  
Jack M. Carr  
Anthony S. Chan  
Jack F. Craven  
Rosemarie Giovinazzo-Barnickel  
Elliot L. Hendler  
Jan C. Herringer  
Patricia A. Johnson  
Barbara A. Marino  
Kevin Matz  
Mitchell J. Mertz  
Barbara L. Montour  
M. Jacob Renick  
Warren Ruppel  
Mark M. Ulrich  
Beth Van Bladel  
Mark Weg  
Joanne S. Barry, Executive Director/CEO |

| NYSSCPA Board Members Participating via Conference Call: | Elizabeth A. Haynie  
Jean G. Joseph  
Michael E. Milisits  
Jacqueline E. Miller  
Iralma Pozo  
Denise M. Stefano  
Tracy D. Tarsio  
David G. Young |

| NYSSCPA Board Members Absent: | Steven A. Stanek  
Janeen F. Sutryk  
David J. Wojnas |
| **Staff Present:** | Lisa Axisa  
Brian Boisier  
Polina Brandis  
Robert Busweiler  
Edward Fortune | Richard Kravitz  
Denise Osorio  
Patrick Payano  
Joanne Thelmo |

**MINUTES**

| B15 — E — 0 | a. **Call to Order**  
Attendance was taken. Mr. Falbo established that a quorum was present and called the meeting to order at 9:02 a.m. He welcomed everyone to the final Board meeting of the current Board. |

| B15 — E — 1 | a. **AICPA Update**  
Mr. Falbo announced that there was an AICPA Council meeting the day before, and voting by AICPA members will soon begin on the proposed AICPA/CIMA expanded joint venture. He briefly noted other issues, including the discussion on the changes in Peer Review following the DOL report released last year, as well as the AICPA response to H&R Block advertisements. |

|   | b. **Nominating Process Update**  
Mr. Lauchert announced that the Nominating Committee met in January, and the nominees for the NYSSCPA officers and Board positions have been notified and have agreed to serve if elected. He noted that announcements were placed in *The Trusted Professional* and via e-mail for solicitation of independent nominations. Mr. Lauchert indicated that a proxy ballot would be sent out to members at the beginning of April. Mr. Falbo introduced new General Counsel Joanne Thelmo to the Board. No questions followed. |

|   | c. **NYSSCPA Lifetime Achievement Award**  
Ms. Barry described the NYSSCPA Lifetime Achievement Award, which will be presented at the Gala on May 19, 2016. Ms. Lutolf announced that the award will be presented to Mr. Frank Ross, a cofounder of National Association of Black Accountants (NABA), who has been a leader in the effort to increase diversity in the accounting profession. She also discussed details of the Gala. A brief discussion followed. |

|   | d. **Awards Committee Report**  
Mr. Adair announced that Mr. Ulrich had submitted a nomination for Adrian P. Fitzsimons for the Dr. Emanuel Saxe Outstanding CPA in |
Education Award. He noted that the committee had vetted Mr. Fitzsimons’s application and unanimously supported it. Mr. Fitzsimons will receive his award at the Gala on May 19.

<table>
<thead>
<tr>
<th>Action Items</th>
</tr>
</thead>
</table>

a. **Approval of the Minutes of the December 8, 2015, Board of Directors Meeting**

Mr. Falbo asked the Board to consider and approve the minutes of the December 8, 2015, meeting. Ms. Giovinazzo-Barnickel moved to approve the minutes, and Mr. Chan seconded the motion. The motion passed, subject to changes, without objection.

b. **Approval of Fiscal Year 2016–2017 NYSSCPA Budget**

Mr. Lauchert presented the Budget and explained certain new adjustments that were made, such as staff compensation and the expected monetary influx with the addition of a new membership category. He noted that the amount of cash reserves was in line with past amounts. Mr. Lauchert further discussed the impact of the proposed FAE contribution and noted that this was consistent with prior contribution amounts. A discussion followed. Mr. Mertz moved to approve the Budget, and Ms. Marino seconded the motion. The motion passed without objection.

c. **Financial Statement for the Eight Months ended January 31, 2016**

Mr. Lauchert presented the financial statements and explained certain variances in the statement of activities.

Messrs. Lauchert and Payano informed the Board that adjustments will be made to reflect dues collected. Some discussion followed.

Mr. Mertz moved to accept the financial statements, and Ms. George seconded the motion. The motion passed without objection.

d. **Selections Subcommittee Report**

(i) **Society Recommendation to Fill FAE Board of Trustees Vacancies**

Mr. Zovistoski expressed gratitude to Ms. Marino and to Messrs. Mertz, Becht, and Busweiler (Staff Liaison) for their participation and assistance in the Selections Subcommittee.

Mr. Zovistoski named the 8 highly qualified individuals identified by the Selections Subcommittee to fill 3 vacancies on the FAE Board of Trustees.

Mr. Falbo asked for any additional nominations from the floor or from those calling in.

Mr. Adair moved to nominate Mr. Surace. Mr. Chan seconded the
motion. Mr. Surace’s name was added to the list of 8 nominees, making a total of 9 nominees to be presented to the FAE Board.

Ms. Giovinazzo-Barnickel moved to accept the names to be recommended to fill the FAE Board of Trustees vacancies. Ms. George seconded the motion. The motion passed without objection.

(ii) Board Appointment to FAE Board of Trustees

Mr. Zovistoski noted that the Selections Subcommittee is responsible for also identifying and proposing 2 members from the Society Board of Directors to serve on the FAE Board of Trustees. He further stated that a third FAE Trustee seat is reserved for the Society Secretary/Treasurer.

Prior to the Board approving the 2 proposed names from the Selections Subcommittee to serve on the FAE Board, Mr. Falbo asked for any additional nominations from the floor or from those calling in. He then stated that those participating via conference call would e-mail their vote to Ms. Barry. Those in attendance would vote via paper ballot.

Messrs. Matz and Renick expressed their desire to be considered as FAE representatives for an additional one-year term. Ms. Giovinazzo-Barnickel nominated Mr. Chan, and Mr. Surace seconded the motion. Mr. Busweiler handed out the paper ballots. Mr. Falbo thanked Ms. Van Bladel and Mr. Arcara for counting the votes.

Mr. Chan and Mr. Matz were elected for the Society seats on the FAE Board of Trustees for the upcoming fiscal year.

e. Approval of Proposed Bylaws Change

Mr. Adair thanked Mr. Payano and Ms. Axisa for their efforts. He announced that one of the most significant changes to the dues structure was the addition of a non-CPA membership class. Mr. Adair briefly outlined the parameters of the new class and noted that possibly 500,000 additional members are in this new category. Mr. Adair further noted some of the other membership category changes, including a change in the retiree classification age from 62 to 65, and having the Lifetime membership category now carry a nominal fee. Mr. Adair expressed that these changes would not affect current members of any class.

Ms. Thelmo stated that upon review of the Dues Restructuring Task Force recommendations, a Bylaws change was needed. She presented the Board with a redlined copy of the Bylaws. Questions and discussion followed. Mr. Matz asked whether there was a definition of “full time,” and Ms. Thelmo replied that clarification would be provided. Ms. Barry noted that one of the reasons that the Task Force worked in the direction of this new dues category is because the composition of CPA firms is different now than it was in the past, and
includes vital people who are not CPAs. Some discussion followed.

Mr. Adair moved to forward the Bylaws change to the membership for a vote. Mr. Arcara seconded the motion. Mr. Craven opposed the motion. The motion passed.

f. Membership Report

Ms. Barry asked the Board to approve 73 new members, bringing the total to 25,978 members. She noted that the process has changed; new members now have to make an immediate payment upon completing a member application. This new process is designed to avoid the large number of terminations each year due to nonpayment of dues. Mr. Chan moved to accept the new members, and Ms. Marino seconded the motion. The motion passed without objection.

### B15—E—3

Professional Excellence and Integrity

a. Chapters Update

(i) Reports of Vice Presidents for Chapters

Mr. Cahill announced that he and Mr. Surace had participated in two calls since the last board meeting. He noted that it was a busy time of the year, so the participation level on the two calls was a pleasant surprise. He thanked the staff for maintaining and keeping the lines of communication open. Mr. Cahill noted that he enjoyed working with the Chapters. Mr. Surace affirmed Mr. Cahill’s statement.

Mr. Falbo thanked all of the Vice Presidents who served on the Board in the past year. No questions followed.

b. The CPA Journal

Ms. Barry introduced the new editor of *The CPA Journal*, Mr. Richard Kravitz. Mr. Kravitz expressed gratitude for being the steward of *The CPA Journal*. He discussed the major updates that have been made to the publication under his leadership, including that 60% of the articles are now being written by practitioners and not academics. He further noted that the average number of articles has increased, and new columns had been created. Mr. Kravitz briefly discussed the editorial schedule for 2017. A lively discussion followed, with Mr. Ruppel stating that the Society’s publications need to present a balanced perspective.

c. Peer Review Update

Mr. Markezin stated that the Society administers the AICPA Peer Review program. He also stated that the AICPA is seeking “Administering Entities” for its new Peer Review Program. He briefly outlined the responsibilities of administering this new program. Mr. Markezin noted that recently, the AICPA released a paper regarding proposed peer review changes, and a brief discussion about the parameters of the paper followed. Mr. Markezin further noted that currently, the Society meets some of the new requirements but not others, and proposed changes such as increased staffing to administer the Peer Review
Program were briefly discussed. Mr. Markezin announced that the AICPA was looking for a commitment by January 2017 if an Administering Entity wants to become a super Administering Entity. Mr. Falbo noted that the new incoming President and Board will have to discuss and make a decision on this subject. A discussion followed. Mr. Markezin thanked Mr. Todres and Ms. Herringer for their work with the program.

<table>
<thead>
<tr>
<th>B15 — E — 4</th>
<th>Advocacy</th>
</tr>
</thead>
</table>

**a. Society Comments Letters**

Ms. George noted that there has been a 50% increase in comment letters issued this year, in comparison to last year. She noted that there had been responses to the letters, including unsolicited responses. Mr. Falbo thanked Ms. Herringer and Mr. Markezin for their work on many of the letters. No questions followed.

**b. Committees Update**

Mr. Todres announced that since December, there were approximately 22 new committee members, 60% of whom were under the age of 40. He noted that a survey was conducted to see why people joined committees, and the results showed that people liked the networking opportunities as well as feeling like they are giving back to the profession. Some negative reviews from the survey had to do with administrative and technical issues, including the need for more CPE courses. He remarked that there is an issue with people joining committees and then not participating in them. Mr. Todres concluded that, overall, there was a good number of new people signing onto committees, and new chairmen were coming on as well. No questions followed.

**c. Legislative and Regulatory Updates**

Mr. Busweiler provided the legislative and regulatory update. He indicated that it was a busy time of year in Albany. He noted that he and Mr. Matz had traveled to Albany several times to advocate for changes to the Estate Tax Law and noted that there has been some minimal progress made on the issue. Mr. Matz confirmed this. Mr. Busweiler stated that the issue of non-CPA ownership has been a very active topic. This item was included in the budgets of the state Senate and the Governor’s office, but at this time, it was still excluded from the Assembly budget proposal. Mr. Busweiler further noted that the Society had submitted a letter in favor of the UAA exposure draft on CPA retired-status language. Mr. Busweiler is also working with the New York State Board for Public Accountancy on providing feedback for the reform of Section 29.10, dealing with unprofessional conduct. He noted the State Legislature is due to finalize the state budget on April 1. No questions followed.

**d. Appointment of Legislative Task Force**

Mr. Falbo announced the members appointed to the Legislative Task Force: Mr. Adair, Mr. David A. Lifson, Mr. Matz, and Mr. Kevin J. McCoy.
### The Next Generation

**a. Society Gala/Annual Dinner**

Ms. Lutolf described the Gala and provided details of the talent for the event. She also noted the new monetary goals for The Moynihan Fund. Some discussion followed. Ms. Lutolf also distributed a draft of the Sponsorship Menu that will aid the Society and its fund-raising consultant to secure donations for the Moynihan Fund Gala. She also requested that Board members help identify potential donors in their professional networks or in their individuals firms or businesses.

**b. Member and Nonmember Needs Assessment**

Ms. Barry announced that the focus points for the Society are membership recruitment and retention. She noted that to assist in these efforts, a member survey was conducted. Ms. Barry gave the floor to Ms. Axisa, who gave a PowerPoint presentation to the Board outlining the purpose and parameters of the survey. Ms. Axisa discussed the results of the survey and the strategies that were going to be implemented to address the issues that the survey had uncovered. Some questions and discussion followed.

### Public Awareness

**a. Media Relations Update**

Ms. Lutolf discussed the number of media placements the Society has achieved over the last few months and referred Board members to graphs within the Media Relations Report demonstrating her department’s performance, which also included documentation of various news clips published or aired during the preceding reporting period. She also referred to the new Chapter Save-the-Date postcard that is printed and mailed on a bimonthly basis to ensure that Chapters’ events receive a consistent level of promotion, now that *The Trusted Professional* moved to a bimonthly production schedule.

Ms. Lutolf noted that the Excellence in Financial Journalism Awards luncheon was coming up in May and provided a summary of the program. No questions followed. Ms. Lutolf introduced Mr. Boisier as the main force behind website improvements and social media engagement for the Society.

**b. Exchange Demonstration**

Mr. Boisier announced that there has been increasing engagement and usage of Exchange, which is a Society social media platform. He noted some of the changes made to the platform to increase usage.

Mr. Boisier gave the Board a demonstration of the Exchange platform. He briefly discussed the statistics gathered from the platform, such as usage and responses. Mr. Falbo encouraged everyone to use Exchange, to complete their Exchange profile, and to participate fully in Exchange by posting comments and engaging in online discussions.
Mr. Matz noted that there is an option on Exchange to import a profile directly from LinkedIn to assist in completing an individual’s Exchange profile. A brief discussion followed.

Mr. Falbo expressed gratitude to his Executive Committee members and to those people who will be coming off the Board this year. He wishes Mr. Zovistoski good luck in his upcoming term as President. Mr. Zovistoski thanked Mr. Falbo for his leadership and dedication to the Society.

<table>
<thead>
<tr>
<th>B15 — E — 7</th>
<th>Mr. Surace moved to hold an Executive Session. Mr. Chan seconded the motion. An Executive Session began at 2:20 pm. Ms. Herringer moved to end the Executive Session, and Mr. Todres seconded the motion. The motion passed without objection.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Session</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B15 — E — 8</th>
<th>Mr. Zovistoski moved to adjourn the meeting at 3:45 p.m., and Mr. Adair seconded the motion. There being no objection, the meeting was adjourned.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADJOURNMENT</strong></td>
<td></td>
</tr>
</tbody>
</table>

Respectfully submitted,

John J. Lauchert  
Secretary/Treasurer