

<b>Minutes of:</b>	New York State Society of CPA's, Board of Directors Meeting	
<b>Date &amp; Time:</b>	Tuesday, July 17, 2018, 8:00 a.m. to 11:42 a.m.	
<b>Location:</b>	Turning Stone Hotel & Casino, Verona, New York	
<b>Presiding Officer:</b>	Jan C. Herringer, <i>President</i>	
<b>NYSSCPA Board Members Present:</b>	Ita M. Rahilly, <i>President-elect</i> Salvatore A. Collemi, <i>Vice President</i> Iralma Pozo, <i>Vice President</i> Anthony T. Abboud, <i>Secretary/Treasurer</i> Darcy Aldous Dennis N. Annarumma Rumbi Bwerinofa-Petrozzello Christopher G. Cahill Catherine M. Censullo Anthony S. Chan Mitchell A. Davis Harold L. Deiters III William H. Dresnack Edward F. Esposito Mark L. Farber Lynne M. Fuentes Timothy J. Hammond	Douglas L. Hoffman Kimberly G. Johnson Gerard J. LoVerde Patricia A. McGrath Candice R. Meth Steven M. Morse Tracey J. Niemotko Kevin P. O'Leary Thomas S. Pirro Brian M. Reese Robert M. Rollmann Michael M. Todres Mark M. Ulrich David G. Young
<b>NYSSCPA Board Members Participating via Conference Call:</b>	Charles V. Abraham, <i>Vice President</i> Jennifer A. Kartychak Renee Rampulla	
<b>NYSSCPA Board Members Absent:</b>	Janeen F. Schrann, <i>Vice President</i> Sol S. Basilyan Carnet Brown	
<b>Staff Present:</b>	Joanne S. Barry, <i>Executive Director/CEO</i> Revira Brennan Lelia Dickenson Emely Frizzell Nereida Gomez Darryl Jackson Ernest Markezin Patrick Payano Michelle Santiago Joanne Thelmo	
<b>Guests Present:</b>	Bill McCarthy, <i>Bolton-St. Johns</i> John D. McCarthy, <i>Bolton-St. Johns</i> Kevin J. McCoy	

## MINUTES

<b>B18 – C – 0</b>	<b>Call to Order</b>  Ms. Jan C. Herringer called the meeting to order at 8:00 am. She welcomed the Board members.
<b>B18 – C – 1</b>	<b>a. Introduction</b>  Ms. Herringer thanked the staff who planned the event and everyone who attended.  <b>b. Open Session</b>  Ms. Herringer then stated the importance of Board members participating in the Political Action Committee (CPA PAC). She would like 100% participation of the Board in order to spur the development of the PAC.  <b>c. Nominating Process Update</b>  Mr. Abboud indicated that the 2019 Nominating Committee is seeking members. He informed the Board of the process of petitions to serve and the qualifications. The submission process for signed petitions begins today and ends on August 10, 2019.  <b>d. Governance Subcommittee Update</b>  Mr. Esposito introduced the subcommittee members and described the focus of the subcommittee, which is to develop and recommend policies designed to establish best practices for governance and identify needs for future Boards of Directors to be effective. He mentioned that the other goal of the subcommittee is to make governance uniform across all Chapters.  Mr. Evangelista gave a brief history of how the Board reached its current size. The subcommittee wants to find a way to restructure the Board to make it more efficient.  Ms. Barry supplemented these remarks by stating that this is not the first time the size of the Board has come up as a topic of discussion.  <b>e. Culture Committee Update</b>  Mr. Deiters indicated that the committee is designed along the lines of a governance committee—a committee at the disposal of the President.  He informed the Board that the committee has met every week since June 1, 2018, and discussed items such as considering outside companies to look at hiring practices and the culture of the organization. He further mentioned that the desire is to have one company that does both a culture assessment and survey of the way employees feel about their work environment.  Ms. Thelmo commented that the Culture Committee is meant to be ad hoc and as needed, depending on the needs of the President.

	<p>Ms. Meth motioned to consider the longevity of the Culture Committee as a standing compensation committee, with a future title for the committee pending. Mr. Esposito seconded the motion. The motion carried unanimously.</p> <p><b>f. Conflict of Interest and Anti-Harassment Policy</b></p> <p>Ms. Thelmo reminded the Board to complete their Anti-Harassment forms and take into the consideration their responsibilities.</p> <p>She reported that the Anti-Harassment Policy’s deadline is April 1, 2019. New York now has the most stringent anti-harassment laws, and the NYSSCPA’s current policy needs to be reviewed so that employees can make a complaint and file to an agency.</p> <p>Ms. Thelmo will review and update the policy to reflect the changes and make sure that we are compliant with New York law, but for now compliance is by April 1, 2019.</p>
<p><b>B18 – C – 2</b> <b>Action Items</b></p>	<p><b>a. Approval of Minutes of March 21, 2018, Board of Directors Meeting</b></p> <p>A motioned was made and seconded to approve the March 21, 2018, minutes with amendments. Mr. Abraham, Ms. Aldous, Ms. Brown, Ms. Bwerinofa-Petrozzello, Ms. Censullo, Mr. Hammond, Ms. Kartychak, Mr. LoVerde, Ms. McGrath, Mr. Morse, Mr. Rollmann, and Mr. Young abstained. The motion carried.</p> <p>A discussion followed regarding topics discussed at the March meeting. Ms. Fuentes, a Board Director as the Nassau Chapter representative, asked to discuss some points:</p> <ol style="list-style-type: none"> <li>1. Increased chapter contract approval amounts</li> <li>2. CPE development and topic interests</li> <li>3. Non-CPA membership category and non-CPA not affiliated with CPA firm, as well as nondiscriminatory pricing</li> <li>4. Internship credits that would qualify toward the 150-hour education requirement.</li> </ol> <p><b>b. Approval of Minutes of June 7, 2018, Board of Directors Meeting</b></p> <p>Mr. Pirro motioned to approve the June 7, 2018, minutes with amendments. Ms. McGrath abstained. The motion carried.</p> <p><b>c. Financial Statements for the Period Ending April 30, 2018</b></p> <p>Mr. Abboud presented the financial statements for the period ending April 30, 2018.</p> <p>A motion to approve the financial statements was passed, without abstentions.</p> <p><b>d. Membership Report</b></p>

	<p>Ms. Barry presented an update on the membership report. She introduced Darryl Jackson as the new head of membership acquisition and engagement, who will present later in the meeting. Ms. Pozo motioned to approve the report. Mr. Todres seconded the motion. Mr. Dresnack did not approve report. The motion carried.</p> <p style="text-align: center;"><b>e. Committee Proposals: Formations and Suspensions</b></p> <p>Mr. Markezin provided a summary of the proposals:</p> <p><i>Committee Formations</i> – approval of the formation of two new statewide committees and their committee action plans (CAPs): the Digital Assets Committee and the Cybersecurity Committee, to be housed in the Industry Division and the Consulting Services Division, respectively.</p> <p><i>Committee Suspensions</i> – approval of the suspension of the Fashion and Furnishing, Hospitality Industry, and Small Business Outreach committees for lack of activity and interest.</p> <p><i>Committee Merger</i> – approval of the merger of the Investment Management Committee and the Investment Companies Committee to reflect the practical reality of these two committees functioning as a single statewide committee, with the merged committee to be known, collectively, as the Investment Management Committee.</p> <p>Ms. Herringer invited comments and suggestions from the Board. A discussion followed.</p> <p>Ms. Pozo motioned to approve the committee changes. Mr. Chan seconded the motion. The motion passed unanimously.</p>
<b>BREAK</b>	B R E A K (9:30 a.m.–9:45 a.m.)
<b>B18 – C – 3 Professional Excellence and Integrity</b>	<p><b>a. Committees Update</b> Mr. Markezin provided the committee update on behalf of Mr. Abraham, as the phone connection was lost.</p> <p><b>b. Chapters Update</b></p> <p>Each Chapter representative gave a presentation on the projects being worked on in their respective chapters.</p> <p>Ms. Pozo of the Manhattan/Bronx Chapter spoke to that Chapters about how to market and reach out.</p> <p>Ms. Fuentes of the Nassau Chapter raised a concern regarding budgetary funding. Nassau is requesting that the Society reimburse new member events so that Chapter budgets can have more flexibility.</p> <p>Mr. Payano responded and was aware of this request. He had previously met with the leadership of the Nassau Chapter to discuss this and requested that the Chapter</p>

document their request in writing and submit it to the Executive Committee. Mr. Payano further explained that Chapters are funded on an “as needed” basis, not on an event basis. If the Chapter has sufficient funds to cover the expenses of an event, there is no need to further fund the Chapter. If it so happens that there aren’t enough funds to cover expenses because the money is already earmarked for another event, then the Society can consider funding.

Mr. Abboud noted that each Chapter has the opportunity to do events for new members, but there is no need to fund the Chapter if the Chapter has funds. There is no reason to build up cash in Chapter accounts if it is not needed. Mr. Abboud suggested making this topic a part of the agenda for next meeting, in order to discuss it further.

Ms. Pozo pointed out that if something is budgeted in the initial budget, there would be no need for additional funding. For example, the welcoming events are planned in the budget.

Ms. Herringer suggested that this topic be brought back to the Board in a detailed form during the following Executive Committee meeting in September. Ms. Fuentes agreed.

Mr. Dresnack reported on the events that the Chapters are hosting. Mr. Jackson stated that the Society is collectively working on a digest to showcase those events. Ms. Marino commented that there is a section on the NYSSCPA website that lists all upcoming events.

Ms. Niemotko of the Mid Hudson Chapter raised some concerns regarding—

1. Fees for the FAE CPE and the pricing differences, as well as the courses offered
2. Social media used as a tool for the Chapter to improve the promotion of events
3. How to engage members in events and get events included in the Society events calendar
4. Chapters also wanting to know how they can get more involved in promoting events.
  - a. Ms. Brennan, Ms. Frizzell and Mr. Jackson will be working on social media materials, and all presidents-elect are called and notified about it. Ms. Frizzell is also available to meet and discuss the topic.

(i) **Chapter Representative Open Discussion**

A discussion was held regarding the Chapter representation.

**c. Peer Review Update**

Mr. Markezin reminded the Board of the Society’s exit from peer review administration on March 15 and that the PICPA (Pennsylvania State Society) now administers New York peer reviews. He noted PICPA’s efficiency and the relative lack of any complaints during the transition.

	<p>He noted that the evolving peer review administrative processes are increasingly complex and burdensome, and would have indeed required the significant increase in peer review budget that was forecast during the decision-making process to exit peer review administration.</p> <p>Mr. Markezin further reported that, as of today, there are only 31 administering entities (AE) remaining. The Society’s Peer Review Committee has about 12 of its members working on peer review acceptance with PICPA, and has also learned about some perspectives that are unique to Pennsylvania.</p> <p><b>d. Report from FAE President</b></p> <p><b>(i) FAE/Society Joint Task Force Update</b></p> <p>Mr. Matz provided a FAE update, focusing on standardizing policies, and what the Society and FAE could do to improve pricing and marketing.</p> <p>He commented that one of the suggestions was to schedule luncheon calls with the Chapters to speak about hot topics and enhance Chapter participation. He further commented that this is a very difficult market for CPE, with heavy competition and with free or low-cost CPE being offered in other places. Mr. Matz explained the need to increase engagement and turnout programs into special events, where the programs offered are of high quality.</p> <p>Mr. Dresnack suggested that there is an interest in interacting with people who are not CPAs and are looking for CPAs. Reaching out to these non-CPAs would enhance interest in our services. Mr. Matz suggested the use of LinkedIn.</p>
<p><b>B18 – C – 4</b></p> <p><b>Advocacy</b></p>	<p><b>a. Society Comment Letters</b></p> <p>Mr. Collemi stated that as of June 30, 2018, two comments letters were issued during the first month of the fiscal year. One letter was sent to FASB and one to the AICPA. Mr. Collemi reminded the Board that the letters are distributed to the members upon release and are available on the Society’s website.</p> <p>He further stated that the letters that are being worked on as of June 30, 2018, include comments to the Office of the Comptroller of the Currency and the Federal Reserve Board on proposed regulatory capital rules, comments to the SEC on a proposed rule on auditor independence, and comments to the IASB on proposed amendments to IAS 8.</p> <p><b>b. Legislative and Regulatory Update</b></p> <p>Legislative Task Force Chair Kevin J. McCoy introduced Bill McCarthy and John D. McCarthy of Bolton-St. Johns as the Society’s representatives in Albany.</p>

	<p>Mr. McCoy introduced himself and noted the legislative agenda that is put together by staff and leadership, and discussed at the task force meeting.</p> <p>A discussion followed about the topics in that agenda. Mr. McCoy pointed out some of the Society’s concerns:</p> <ol style="list-style-type: none"> <li>1. Mandatory Continuing Professional Education (CPE) change—We’re waiting for the governor to sign the bill. Both houses have passed it.</li> <li>2. Non-CPA ownership is a work in progress.</li> <li>3. Accepting the e-signatures on New York State tax returns is a problem across the state.</li> <li>4. Contingent fee tax audits, such as those being experienced by utilities companies.</li> <li>5. Voluntarily surrendering your license—New York does not allow you to surrender it. There is procedure to be followed in order to become inactive, but if the CPA is doing anything that is included in the scope of practice, that person cannot become inactive and, therefore, requires CPE as a CPA.</li> <li>6. Ability to correspond with newly licensed CPAs and solicit them—The Society can get a list but not solicit them.</li> </ol> <p>Mr. Bill McCarthy noted that the Society had a successful Lobby Day and had many meetings in the state capitol. Albany likes hearing from our members, and the strategy was to focus on one of the public interest topics. We were able to get legislation passed on the CPE change.</p> <p><b>c. Draft of Annual Legislative Agenda for 2018–2019</b></p> <p>Ms. Thelmo provided a legislative update. She notified the Board members that the NYSSCPA will be sponsoring Legislative Breakfasts for Chapters that were interested in hosting one. She asked the Board members to please notify her or Messrs. McCarthy to set up the breakfasts.</p>
<p><b>B18 – C – 5</b> <b>The Next Generation</b></p>	<p><b>a. The David J. Moynihan Scholarship Fund Gala Update</b></p> <p>Ms. Brennan provided an update on the Gala and announced it as a success. She reported that the initiative was to raise money and reduce expenses.</p> <p><b>b. Membership Update</b></p> <p>Mr. Jackson gave a brief membership strategy update. He reported that the Membership Strategic Objectives for this fiscal year are to redefine and enhance NextGen, diversity and inclusion initiatives, and growing the Associate Industry/Non-CPA and Student membership categories. He commented that this will be done through staff realignment in order to ensure that there are dedicated resources available to accomplish these objectives.</p>
<p><b>B18 – C – 6</b> <b>Public Awareness</b></p>	<p><b>a. Communications Update</b></p> <p>Ms. Brennan provided the members with a communication update.</p>

	<p style="text-align: center;"><b>b. General Data Protection Regulation (GDPR) Update</b></p> <p>Ms. Brennan stated that she is working with the legal and marketing teams to comply with the GDPR requirements, as outlined by the European Union. We are required to disclose how a person’s data is used, and our policy must be visible on the website. No legalese can be used in communicating the policy. Eventually, the Society has to modify our data collection and marketing practices in order to comply.</p> <p>There are still many questions about GDPR compliance. Therefore, at this point we simply have to show that we are taking steps to comply with the requirements. Later in the year, our members will receive a message about the new privacy policy, with the opportunity to opt out. This change extends to our partners as well.</p> <p>Staff, Chapter leaders and committee chairs will receive training regarding the changes necessary in order to be in compliance with the new requirements.</p>
<b>ADJOURNMENT</b>	Ms. Herringer motioned to adjourn the meeting at 11:41 a.m. Mr. Davis seconded the motion. The motion was passed with no objections.
	<b>REFRESHMENT BREAK (11:42 a.m.–12:00 p.m.)</b>
<b>B18 – C – 7 Executive Session</b>	An Executive Session was held after the meeting’s adjournment, from 12:00 p.m.–1:30 p.m.

Approved at the November 13, 2018 Board of Directors Meeting  
Agenda Item: B18-D-1