| **Minutes of:** | The New York State Society of Certified Public Accountants  
| **Board of Directors Meeting** |  |
| **Date & Time:** | Tuesday, September 19, 2017, 8:34 a.m. to 1:30 p.m.  
| **Location:** | The Inn at Fox Hollow, Woodbury, N.Y.  
| **Presiding Officer:** | Harold L. Deiters III, *President*  
| **NYSSCPA Board Members Present:** | Jan C. Herringer, *President-elect*  
| | Paul E. Becht, *Vice President*  
| | John B. Huttlinger, Jr., *Vice President*  
| | Mitchell J. Mertz, *Vice President*  
| | Candice R. Meth, *Vice President*  
| | Anthony T. Abboud, *Secretary/Treasurer*  
| | Edward L. Arcara  
| | Christopher G. Cahill  
| | Jack M. Carr  
| | Anthony S. Chan  
| | Edward F. Esposito  
| | Mark L. Farber  
| | Lynne M. Fuentes  
| | Craig T. Goodman  
| | Elliot L. Hendler  
| | Douglas L. Hoffman  
| | 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  
| | Denise M. Stefano  
| | Michael M. Todres  
| | Mark M. Ulrich  
| | F. Michael Zovistoski  
| | Joanne S. Barry, *Executive Director/CEO*  
| **NYSSCPA Board Members Participating via Conference Call:** | Dennis N. Annarumma  
| | Salvatore A. Collemi  
| | William H. Dresnack  
| | Steven A. Stanek  
| | Janeen F. Sutryk  
| **NYSSCPA Board Members Absent:** | Sol S. Basilyan  
| | Mitchell A. Davis  
| | Jennifer R. George  
| **Special Guests:** | Daniel Bediako  
| | David Evangelista  
| | Joseph M. Falbo, Jr.  
| | Matthew G. Gallagher  
| | Kevin M. Penner  
| | Jennifer Pickett  
| | Anthony J. Maltese  
| | Andrew J. Matthews  
| | Kevin Matz  
| | Kevin J. McCoy  
| | Bill McCarthy  
| | Steven S. Mezzio  
| | Alexander Resnick  
| | Alan E. Weiner |
MINUTES

B17 – K – 0

a. Call to Order
Mr. Harold L. Deiters III established that a quorum was present and called the meeting to order at 8:34 a.m.

B17 – K – 1

President’s Report

a. Introduction of Board Members
Mr. Deiters welcomed all to the meeting and explained that, once a year, a Board of Directors meeting is open to the membership-at-large. He welcomed those members in attendance.

b. Open Session
Introductions were made. Mr. Deiters recognized Immediate Past President F. Michael Zovistoski for his service as president over the previous year, and presented him with a gift and a commemorative Past Presidents pin.

c. Nominating Process Update
Mr. Abboud stated that only seven members submitted valid Nominating Committee petitions, although nine are required to be nominated. Per the NYSSCPA Bylaws, those seven members were automatically elected to the Nominating Committee. NYSSCPA Bylaws require the remaining two nominees, as well as the two Board member nominees, to be elected by the Board.

d. Town Hall Schedule and Format
Mr. Deiters announced that town halls for all 15 chapters have been scheduled. He asked Board members to reach out to their respective chapters to encourage turnout. The format of these town halls will be a “State of the Profession,” but he added that he, Ms. Herringer, and Ms. Barry would be happy to speak on any and all relevant matters.

Ms. Barry added that the officers would accommodate any requests from the chapters for a presentation on any of a number of topics. She asked Board members to contact her or Chapter Relations Manager Lelia Dickenson about any format or content changes they would like to see.
e. **Establishment of CPA Careers Committee**  
Chairperson Denise Stefano explained the mission of the committee, which is to create student awareness of the accounting profession and the Society, and to have members serve as mentors to students. Mr. Huttlinger, Ms. Marino, and Ms. Pozo have expressed interest in serving as committee members, in particular, from the chapters. Mr. Deiters encouraged members to join and agreed that representation and participation from each chapter would be greatly beneficial. Ms. Stefano added that NextGen was also a great way to get students acclimated to the accounting profession.

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| a. **Approval of Minutes of March 22, 2017 Board of Directors Meeting**  
Ms. Patricia Johnson noted that she was present for the meeting. Ms. Rampulla noted an abstention from a vote. Mr. Deiters made a motion to accept the minutes of March 22, 2017. Mr. Mertz seconded. The motion passed without objection, subject to edits. |
| b. **Approval of Minutes of June 1, 2017 Board of Directors Meeting**  
Mr. Hendler presented several edits to the minutes of the June 1, 2017, meeting. Mr. Chan made a motion to accept the minutes of June 1, 2017. Mr. Pirro seconded. The motion passed without objection, subject to edits. |
| c. **Financial Statements for the Two Months Ended July 31, 2017**  
Mr. Abboud presented and discussed the financial statements. Mr. Mertz motioned to approve the statements. Mr. Chan seconded. The motion passed without objection or abstention. |
| d. **Board Selection of Nominating Committee Members**  
(i) **Election of Board Members**  
Ms. Herringer informed the Board that the Selections Subcommittee met via conference call on August 24, with Ms. Fuentes, Ms. Kimberly Johnson, Mr. Hendler, and Mr. Hoffman participating. The Subcommittee has selected the following seven individuals for the Board to consider for serving on the Nominating Committee:  


Mr. Deiters asked if there were any additional Board members who wished to be considered. There were none.  
The votes were tabulated by Ms. Marino and Ms. Patricia Johnson. Ms. Stefano and Mr. Chan were elected.  

(ii) **Election of Non-Board members**  
Ms. Thelmo informed the Board that since only seven members had submitted valid petitions, according to the Bylaws, the Board is required to elect two additional members. The following names were submitted for
consideration:


The votes were tabulated by Ms. Marino and Ms. Johnson. Ms. Haynie and Mr. Schleifer were elected.

e. Audit Committee Report
   (i) Draft Audited Financial Statements for Year Ending May 31, 2017
   Mr. Chan, chair of the Audit Committee, provided the Board with the draft Audited Financial Statement Report. Mr. Chan explained the process that the audit committee went through as it relates to the auditors and the financial statements. Mr. O’Leary motioned to accept the audit report. Mr. Hendler seconded. The motion passed without objection or abstention.

   (ii) Appointment of Auditors
   Mr. Chan recommended that the auditors, CohnReznick LLP, be reappointed as auditors for the following year. Mr. Deiters made the motion, and Ms. Pozo seconded. The motion passed without objection or abstention.

   (iii) Authorizing Officers and Audit Committee to Reappoint Auditors
   Mr. Deiters made a motion to authorize the officers and the Audit Committee chair to sign paperwork reappointing CohnReznick LLP as the auditors. Mr. Mertz seconded. The motion passed without objection or abstention.

f. Membership Report
   Ms. Barry announced that, to date, there are 173 new applicants for membership, in comparison with 190 from the same time period last year. She noted the increase in reinstatements, as well an increase in resignations, many of whom are Life Members. Overall, there are 26,339 members. That number does not yet include 113 who have not yet paid their dues or been processed.

   She also reported that there was an increase in non-CPA members from 552 last year to 601 within the same time period this year. She added that there has been an increase in reinstatements and readmissions.

   In addition, Ms. Barry introduced Revira Brennan, the Society’s new Chief Operating Officer, and two new Associate Directors of Membership, Lauren Biggers and Katherine Valenti.

   Mr. Zovistoski motioned to accept the Membership Report, and Ms. Meth seconded the motion. The motion passed without objection or abstention.
g. **Appointment of NYSSCPA Investment Subcommittee**

Ms. Thelmo read aloud the following motion:

WHEREAS, the Society’s Strategic Policy 4 (SP-4) empowers the Board to create committees and charge them with their responsibilities, and

WHEREAS, the Board desires to establish the Society Investment Subcommittee that shall report to the Society Finance Committee, and wishes to appoint individuals to serve on the Investment Subcommittee of the Board of Directors for the current fiscal year, 2017–2018:

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby established an Investment Subcommittee for the 2017–2018 fiscal year, comprising the following individuals:

- Ita Rahilly, Chair
- Anthony Abboud
- Larry Bardavid
- Tina Catalina
- Jane Lilienthal
- Stephen Mazzotti
- Richard Piluso

Ms. Rampulla motioned to accept the establishment of the Investment Subcommittee. Ms. Marino seconded. The motion passed without objection or abstention.

h. **Signature Authority for 2017–2018 Fiscal Year**

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

BE IT RESOLVED, FURTHER, that the following person is hereby appointed to serve as authorized signatory on all banking accounts of the NYSSCPA:

- Revira Brennan

BE IT 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. Meth motioned to accept the Bank Signature Authority resolution. Mr. Zovistoski seconded. The motion passed without objection or abstention.
Ms. Brennan was added to the list of names who have signatory authority. Ms. Thelmo said she would amend the resolution so that all the names with signatory authority would be included.

**B17 – K – 3 Professional Excellence and Integrity**

**a. Committees Update**
Ms. Meth reported to the Board that from June 1 to September 1, 85 committee meetings were held, 18 of them featuring CPE. During that time frame, there were 144 applicants for committee membership, 59 of whom were new Society members. Of those 144 applicants, 30 were between the ages of 21 and 30; 52 applicants were between the ages of 31 and 40. She added that 21% of new applicants were under the age of 31, and 57% were under the age of 41.

**b. Chapters Update**
Mr. Becht and Mr. Huttlinger briefly explained the importance of communication between the Chapter Presidents and their Chapter Representatives on the Board. Mr. Becht reported that both he and Mr. Huttlinger, as Vice Presidents of Chapters, have been seeking feedback for issues to include on the Society’s proposed Legislative Agenda. Mr. Huttlinger encouraged full participation from Chapter Representatives on the Chapter Presidents phone call. Mr. Becht also provided a Chapter Activity Report. Mr. Esposito recommended that the report be passed onto every Chapter President and President-elect before a call.

**i) Chapter Representative Open Discussion**
Mr. Deiters announced that an e-mail was sent out to Board members and Chapter Representatives encouraging them to communicate to the Board recent activities and issues in their respective chapters. Mr. Dresnack discussed events in Rochester, Mr. Esposito spoke on behalf of the Queens/Brooklyn Chapter, Ms. Fuentes spoke for the Nassau Chapter, and Ms. Patricia Johnson spoke on behalf of the Buffalo Chapter.

**c. Report from FAE President**
Mr. Mezzio discussed FAE’s performance, strategy, and governance. He is looking at opportunities to grow top-line revenue and be more responsive to changes in the marketplace. He also announced the formation of the FAE Performance Committee, whose mission it will be to understand how FAE manages its business and to work with staff to create a standard dashboard on a quarterly basis where Trustees can access key metrics on FAE’s financial and operational performance. Overall, FAE will continue to find ways to successfully serve as a for-profit business on a service mission.

**d. Peer Review Administration Update**
Ms. Barry stated, for those new to the Board, that the Board voted in favor of discontinuing its role as an Administering Entity for the AICPA’s peer review program at its March meeting. Since that decision, the Society has been working with the State Education Department (SED) and the AICPA
to transition the program to another state.

Mr. Markezin updated the Board on the peer review administration transition process. The Pennsylvania Institute of Certified Public Accountants (PICPA) will assume peer review administration beginning March 15, 2018. Any new and existing reviews by the Society will then be the responsibility of PICPA, except for any protracted reviews or hearing disputes where the Society is heavily invested. The AICPA has approved the transition. The Society and PICPA staff have been heavily engaged in the transition.

The Peer Review Committee will continue to serve as a resource for any members with peer review questions or concerns, and will provide education to members on peer review and quality control.

### Advocacy

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#### a. Society Comments

Mr. Mertz reported that between June 1 and August 31, the NYSSCPA issued eight comment letters. An additional comment letter is being issued in September to the AICPA. Mr. Mertz thanked the people involved in the writing of these letters. Mr. Deiters asked anyone who was interested in writing comment letters to speak to him or Mr. Mertz.

#### b. Legislative and Regulatory Update

Mr. McCoy, Chair of the Legislative Task Force, discussed the SED’s proposal to change the ethics requirement for CPE from four hours every three years to two hours each year, with no flexibility from year to year. The Board asked that the New York State Board for Public Accountancy be approached with a recommendation that would permit credits-per-year flexibility.

The second issue raised concerned the CGMA designation. That credential is available to non-CPAs, which is cause for concern because it opens up the possibility of that designation being used to make someone appear that he or she is a CPA. There’s a proposed change that the Society must respond to by September 30.

According to the UAA Draft, Section 14, paragraph (q)(1):

“Notwithstanding any other provision of law to the contrary, an individual may use an accounting designation that includes the word “management”, conferred by a bona fide nationally recognized accounting organization such as the American Institute of CPAs, the Chartered Institute of Management Accountants or the Institute of Management Accountants, provided the designation does not purport to confer the right to perform audit, attest or compilation services as defined by any state or foreign jurisdiction.”

No changes are being recommended other than to ask for clarification as to how the AICPA defines “bona fide organization.” An additional concern is that, theoretically, nothing prevents a non-CPA from setting up a CGMA
firm and performing nonattest services. A comment letter has been drafted and will be sent to the AICPA.

c. Discussion of Annual Legislative Agenda
Ms. Thelmo discussed updates to the Legislative and Regulatory Agenda from the last Board meeting. Legislation for the removal of the exemption for mandatory quality review for sole proprietorship firms and for firms with two or fewer accounting professionals passed in the State Assembly and the Senate in June. It is expected that the governor will sign the legislation before the end of the year.

On June 27, the Executive Committee approved the New York State Business Council’s request to sign a letter to Governor Cuomo opposing his Executive Order #162, which requires that state contractors and their subcontractors submit extensive and detailed data. The council and the other opposing organizations are currently in discussions with Governor Cuomo’s office.

Also on June 27, the Executive Committee approved the decision for the Society to provide a letter of support to the New York State Association of School Business Officials for their recommendation to the Board of Regents regarding the Transitional B Certificate. On September 12, the Association of School Board Officials (ASBO) met with New York State Education Department (NYSED) about how to implement regulations for certification. The ASBO is also working with the Society to assess the potential impact of this recommendation. The Transitional B Certificate would allow CPAs who have experience in either governmental audit or public school auditing to work in school districts for three years while they complete requirements for the SDBL (School District Business Leader) certificate.

Ms. Thelmo informed the Board that the proposed 2017–2018 Legislative Agenda under review will require final approval at the December Board meeting. She then discussed previously approved issues, which will remain on the agenda. On the issue of non-CPA ownership, the Society will continue to work with The Accountants Coalition (TAC).

On the issue of estate tax reform, the State Assembly and Senate have not been amenable to our proposals, but the Society will continue to work with the Legislative Task Force and our lobbyists. On the reform of Municipal Contingent Fee Audits, the Society is working with the Tax Division Oversight Committee and the New York, Multistate and Local Taxation Committee to determine whether next steps should be legislation or regulation. On the flexibility for New York State CPAs to voluntarily surrender their licenses and become inactive, the Society will look to work with other professional associations to pursue change. For retired CPAs serving on boards of directors, the Society will propose to allow CPAs to volunteer their knowledge on boards that they serve, as appropriate. The
Society will also look to reduce or remove the three-year exemption for CPE for new CPAs and to allow for the solicitation of newly licensed CPAs for Society membership. A discussion followed.

Mr. Deiters asked if anyone had anything he or she would like to add to the agenda. Mr. Carr, in addition to encouraging more ethics classes, believes the Society should also focus on general tax reform for corporations and individuals.

Ms. Barry asked that if there were any additional issues that should be considered, please e-mail her, Mr. McCoy, or Ms. Thelmo.

A motion was made that the Society prepare either a letter of comment or a collection of personal comments to be made to the NYSED and New York State Board for Public Accountancy related to adding flexibility to the hours requirement for the ethics training they suggest. Ms. Marino seconded. The motion passed without objection.

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<td>a. The David J. Moynihan Fund 501(c)(3)</td>
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<td>Mr. Falbo spoke about the progress of establishing the Moynihan Scholarship Fund as a 501(c)(3) charity separate from the FAE. He informed the Board that the staff was completing the Form 1023, the application for recognition as a tax-exempt entity by the IRS. Mr. Falbo thanked Mr. Zovistoski for his help in getting the Moynihan Scholarship Fund off the ground and also the FAE Trustees for their stewardship of the programs and the funds over the last few years.</td>
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<td>Mr. Falbo also informed the Board that the function of the Fund remains unchanged. Its mission is to raise funds for scholarships, COAP, and also house the Benevolent Fund.</td>
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<td>a. Communications Update</td>
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<td>Ms. Lutolf, Communications Director, explained the purpose of the quarterly Media Relations Report; how it details the number of media placements within any given reporting period; and provides summaries of special events, highlights, and placements. Among the media highlights, Mr. Deiters appeared in a recent episode of the Accounting Today podcast, and for the 6th year in a row, Ms. Barry has been named as one of Accounting Today’s Top 100 Most Influential People in Accounting.</td>
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<td>Ms. Lutolf also thanked Board members for their support for this year’s Moynihan Fund Gala through either individual donations or firm sponsorships. She stated that Society staff will look to modify the event so that it remains a top draw. In addition to the gala, an annual sweepstakes for NFL—and this year MLB—tickets will raise money for the Fund. The tickets are part of a package that includes weekly radio spots on New York NFL and MLB team radio stations during football and baseball season, respectively. The radio spots serve as a branding campaign for the Society, and the tickets are used to raise money for the Fund.</td>
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Ms. Lutolf also announced a new quarterly panel series that explores controversial topics confronting the profession, the first of which focused on the PCAOB’s Expanded Auditors Report. The September 25 event will feature Ms. Herringer and former chair of the SEC Committee, Charles Abraham. The event will be marketed solely through e-mail and social media, and will be livestreamed on Facebook Live and archived. This will serve as an opportunity to test out new digital marketing initiatives and see how they can be implemented for future FAE and Society events. She also announced a departmental priority to develop video content to support marketing initiatives for the NYSSCPA and FAE.

b. Governance Forum Update
Mr. Deiters thanked Ms. Barry and Society staff for organizing the Governance Forum. He also asked the Board to send either him or Ms. Barry e-mails about ideas for the Governance Forum for next year.

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<td>Mr. Arcara motioned for the Board to move into an Executive Session. Ms. Rampulla seconded the motion. The motion passed without objection or abstention. The Board of Directors entered into an Executive Session at 11:55 a.m.</td>
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<td>A motion was made to adjourn the meeting. The meeting was adjourned at 1:30pm.</td>
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Respectfully submitted,

Anthony T. Abboud  
Secretary/Treasurer

Approved at the December 7, 2017, Board of Directors Meeting  
Agenda Item B17-L-2a