

<b>Minutes of:</b>	The New York State Society of Certified Public Accountants Executive Committee Meeting
<b>Date &amp; Time:</b>	Thursday, February 15, 2018, 8:30 a.m. to 3:24 p.m.
<b>Location:</b>	NYSSCPA Offices, 14 Wall Street, 19 <sup>th</sup> Floor, New York, NY
<b>Presiding Officer:</b>	Harold L. Deiters III, <i>President</i>
<b>Executive Committee Members Present:</b>	Jan C. Herringer, <i>President-elect</i> Anthony T. Abboud, <i>Secretary/Treasurer</i> Paul E. Becht, <i>Vice President</i> John B. Huttlinger, Jr., <i>Vice President</i> Mitchell J. Mertz, <i>Vice President</i> Candice Meth, <i>Vice President</i> Edward L. Arcara Barbara A. Marino Iralma Pozo Michael M. Todres Joanne S. Barry, <i>Executive Director (Ex officio)</i>
<b>Executive Committee Members Participating via Conference Call:</b>	Thomas S. Pirro
<b>Executive Committee Members Absent:</b>	NONE
<b>Staff Present:</b>	Revira Brennan Rosemary Clarke Colleen Lutolf Ernest Markezin Patrick Payano Joanne Thelmo
<b>Guests Present:</b>	Edward Esposito, <i>Chair, Governance Subcommittee</i> J. Michael Kirkland, <i>Chair, Moynihan Scholarship Fund Fundraising Committee</i>

## MINUTES

<p><b>EC18 — A — 0</b> <b>Call to Order</b></p>	<p>Mr. Deiters called the meeting to order at 8:30 a.m. He welcomed everyone in the room, as well as those who were participating via conference call.</p>
	<p>Mr. J. Michael Kirkland, chair of the Moynihan Scholarship Fund Board of Trustees Fundraising Committee, presented to the Executive Committee an update on what has been accomplished so far, and future ways and means of obtaining donations to the Fund.</p> <p>Mr. Kirkland requested that each Executive Committee member and each member of the full Board donate a suggested amount of \$1,000 or whatever can be donated. He has been contacting business contacts and celebrities. He advised that he would like to raise \$1M and suggested that full-time employees work on COAP to create scholarships in order to incorporate financial literacy.</p> <p>Mr. Kirkland has been actively pursuing donations from a wide cross section of the business community.</p> <p>He will be doing a presentation to the full Board in March.</p> <p>A discussion followed.</p> <p>Mr. Kirkland left the meeting at 10:15 a.m.</p>
<p><b>EC18 — A — 1</b> <b>Action Items</b></p>	<p><b>a. Approval of Minutes of November 1, 2017, Executive Committee Meeting</b></p> <p>Ms. Meth made a motion to approve the meeting minutes of November 1, 2017, and Mr. Arcara seconded the motion. The motion passed without objection or abstention.</p> <p><b>b. Financial Statements for the Period Ending December 31, 2017</b></p> <p>Mr. Abboud presented the financial statements. Mr. Payano provided an update regarding the refund due from PayPal. Ms. Herringer requested that this be reflected in the minutes.</p> <p>Mr. Mertz motioned to approve the financial statements, and</p>

Mr. Arcara seconded. The motion was passed without objection or abstention.

**c. Membership Report**

Ms. Barry noted that since last meeting, there are 286 new members, 122 of which were in the Associate category and 13 of which were Non-CPAs. With approval today, there would be 23,823 total members, which does not include the 233 in process. She noted that the report shows an increase in Associate and Non-CPA members.

A discussion followed.

Mr. Mertz motioned to approve the Membership Report. Ms. Marino seconded. The motion passed without objection or abstention.

**d. Approval of Travel Reimbursement Policy**

Mr. Markezin presented the proposed revised Travel Reimbursement Policy. He advised that discussions on revising the policy have taken place at Executive and Finance Committee meetings since 2012 and centered around the fact that the existing policy allowed for some unnecessary and perhaps unreasonable amounts to be reimbursed.

A discussion followed.

Mr. Deiters summarized the policy changes, indicating that the total reimbursement requested for a single day's meeting will be limited to \$800 and that a member's cumulative amount of approved requests be limited to \$4,000 per fiscal year (June 1 to May 31). The limits may only be exceeded in reasonable and exceptional circumstances and will require advanced approval, specifically, by the Society President or Treasurer, not just by a "Society officer," as in the original proposal. The limits do not apply to members of the Board of Directors, Executive Committee, the FAE Trustees, members of Operations Division committees, and statewide Committee Chairs.

Mr. Mertz motioned to approve the proposal as modified, and it was seconded by Mr. Becht. It passed unanimously.

	<p><b>e. Approval of FY 2018-2019 Budget</b></p> <p>Mr. Payano and Ms. Barry presented the Budget for the FY 2018-19. They explained the budget process.</p> <p>Mr. Deiters recommended the approval of the budget by the Executive Committee and that it be forwarded to the Board of Directors. A discussion followed, with the decision to table any action until after the break, to allow for further review.</p> <p><b>Break at 10:40 a.m.</b></p> <p><b>Resumed at 10:52 a.m.</b></p> <p>Mr. Deiters revisited the FY 2018-2019 Budget after the break. After further discussion, the motion to accept the FY 2018-2019 Budget passed. The motion was made by Mr. Mertz, and it was seconded by Mr. Arcara.</p> <p>The budget will be forwarded to the Board of Directors for final approval.</p> <p>A motion was made by Mr. Abboud to approve the moving of \$1M into the Investment Fund, and Ms. Pozo seconded the motion. The motion was passed without any objections.</p>
<p><b>EC18 — A — 2</b> <b>Officer and Management Reports</b></p>	<p><b>a. President’s Report</b></p> <p><b>i) Town Hall Meetings Update</b></p> <p>Mr. Deiters reported that 13 Chapters were visited, with the most recent one being Nassau, in January. Ms. Barry stated that it was an excellent meeting, with a great exchange of information.</p> <p>Mr. E. Esposito joined the meeting at 10:58 a.m.</p> <p><b>ii) Contract Threshold Level</b></p> <p>Ms. Thelmo asked the Committee to advise as to the direction they would like to go, in order to satisfy the needs of the Chapters.</p> <p>A discussion followed.</p>

Ms. Marino recommended that the Chapter Presidents be copied on correspondence when the contracts are finalized.

Mr. Deiters stated that there will be no change in the threshold.

Ms. Barry stated that a staff position had been added to hire a part-time contract attorney in the new fiscal year. The staff is also investigating contract tracking vendors. She advised that the contract approval process was hindered by inadequate communications at the end of the cycle. Chapters needed to be notified in a timely manner that their contracts had been executed. She said that the process would be improved.

**b. Secretary/Treasurer's Report**

**i) Nominating Process**

Mr. Abboud informed the Committee that the Nominating Committee met on January 11, chaired by Mr. David A. Lifson. An e-mail with all the nominees and ballots was sent out on April 11. The deadline for voting is May 23, and the results will be released at the Gala on May 24.

Mr. Deiters noted the untimely passing of Board member, Mr. Craig T. Goodman, and acknowledged his contributions to the profession and to the Society. A discussion ensued regarding filling his seat on the Board. Ms. Thelmo advised that the appointment was at the discretion of the President and that if desired, the spot can remain open for the remainder of this fiscal year.

**Break for lunch at 12:45 p.m.**

**c. Governance Committee Report**

Mr. Esposito stated that there is a need to have a Board Policy Manual to include governance policies and procedures.

Ms. Thelmo advised that there was a Board Policy Manual for operations, strategic policy, and different protocols, and that they were on the website in various places. A discussion followed.

Ms. Barry stated that discussions will be held with the task force and the Society's staff to determine where governance policies should reside (website, hard copy), a process for approval and posting of policies, and a review of content and form. Staff will also work with the task force to make sure the policies were all-inclusive. The task force can then make recommendations for any other necessary policies to be considered by the Board.

Mr. Esposito stated that Ms. Thelmo had begun preparation of all the documents required for the Board Policy Manual. He recommended that Ms. Meth be added to the committee. A summary, as outlined by Ms. Barry, should be forwarded to Ms. Meth.

Mr. Arcara stated that once policies are organized, reviewed, and agreed upon, a new revision date should be added.

Mr. Deiters thanked Mr. Esposito, Mr. Metz, and Ms. Meth.

**Resumed at 12:58 p.m.**

**d. Executive Director's Report**

**i. New Committee Outreach**

Ms. Barry reported that staff is working in conjunction with Ms. Meth, the Vice President for Committees, to evaluate existing committees as to their relevance in today's practice environment. Committees will be recommended to be sunset or new committees will be recommended to continue, in order to make the Society more relevant to the membership. She noted the reinstatement of committees on virtual currencies, and perhaps new committees on cybersecurity, human resources, and digitalization of firms could be considered. Ms. Barry asked that Committee members call either Mr. Markezin or herself if there are any suggestions.

**ii. Report on Big Four Partnership**

Ms. Barry reported that she meets with the Big Four managing partners quarterly—most recently, two weeks ago—during which the Society's Legislative Agenda was discussed. She advised that we have 129 Big Four members serving on our committees, 5 of

	<p>whom are chairs. She stated that they have continuing discussions about membership and that the firms have been supportive. She added that her ask this year included non-CPA members.</p> <p><b>iii. Leadership Conference</b></p> <p>Ms. Barry announced that the Society’s Leadership Conference would return to the Turning Stone Resort and Casino in July, replacing the Governance Forum in September. She reported that a contract was being processed and that Mr. Abboud is assisting in securing a reduced room rate. A golf tournament will be included, if possible.</p> <p>Discussions followed.</p> <p><b>iv. Toastmasters Club</b></p> <p>Ms. Barry reported that a CPA Toastmasters Club was started at the Society at the suggestion of the Diversity and Inclusion Committee. The Club is useful as a recruitment tool for Society members. Ms. Pozo stated that it was a good idea that she joined the Toastmasters Club, and added that in order to join, one has to be a member of the Society. She said anyone could feel comfortable and confident speaking to people.</p>
<p><b>EC18 — A — 3</b> <b>Professional Excellence and Integrity</b></p>	<p><b>a. Chapters Update</b></p> <p>Mr. Huttlinger provided a brief update on the monthly Chapter Presidents call, which was well attended. He discussed the challenges in administering CPE courses in the Adirondack Chapter, in particular. Mr. Becht also brought up situations with certain chapters that were addressed.</p> <p>Ms. Brennan and Ms. Barry gave feedback on the specifics of FAE administration that had since been addressed with the chapters. The circumstances were aggravated by a learning curve with new staff members in FAE who were learning procedures. Three new employees have been hired for FAE—one each for seminars,</p>

conferences, and on-site sales, in addition to a Marketing Manager for the Society who is responsible for FAE/Society marketing.

Discussions were held on the execution of payment of invoices from the chapters and on contract turnaround times.

Mr. Deiters stated that a task force comprising Mr. S. Mezzio, Mr. D. Evangelista, Mr. K. Matz, Mr. Deiters, Ms. Heringer and staff representatives Mr. Payano, Ms. Dickenson, and Ms. Thelmo has been formed to look at chapter issues relating to credit card payments, scholarship administration, and other issues. Particular focus will be spent on compliance issues and best practices. Mr. Deiters stated that we currently have 15 chapters, and we will try and work this out and work through best practices.

Ms. Thelmo stated that there will be a formal presentation at the Leadership Conference. Mr. Deiters requested mandatory participation from each chapter.

#### **b. Committees Update**

Ms. Meth reported that there were 73 committee meetings held for the 10-week period from November 26 to February 2. Of the meetings held, 19 had CPE and 9 were held off-site. There were 36 new committee applicants; 12 of the new applicants were new Society members. Nine applicants were existing Society members who have never been on a statewide committee before. Two of the new members were from the new Associate Member category.

She also stated that we are on target with the strategic initiative of recruiting younger CPAs to committees, with 17% of the new applicants under 31 years of age and 44% under 41 years of age.

Ms. Meth advised that the Vice Chair-candidate review process has started and will continue through about April 1, with notification of appointments.

#### **c. Peer Review Update**

Mr. Markezin reported that the hand-off of peer review administration to the Pennsylvania Institute of Certified Public Accountants (PICPA) is a month away, at which point the NYSSCPA will cease to be the Administering Entity (AE) for the AICPA peer review program. Mr. Markezin also reported that

	<p>assistance was being provided to PICPA on billing matters and that there will be follow-up work for reviews in hearings. He advised that some NYSSCPA Peer Review Committee members will participate in the review acceptance process with PICPA.</p> <p>Mr. Mertz suggested that an article should be placed in <i>The Trusted Professional</i> and <i>The CPA Journal</i>, especially for the small practitioners with reviews. Mr. Markezin noted that two sets of communications were sent directly to firms and reviewers. Ms. Barry stated that a session was held on the recent New York State peer review law changes impacting small firms, which was also broadcast online and was well attended.</p> <p>Mr. Deiters complimented the leadership on the decision made to have the Society discontinue its role as an AE.</p>
	<p><b>a. Society Comment Letters</b></p> <p>Mr. Mertz reported that to date, the Society had issued 23 comment letters, 7 of which were sent to the FASB, 4 to the IASB, 3 to the AICPA, 2 to the IESBA, and 1 each to the PACOB, NASBA, the National Institute of Standards and Technology, the New York Delegation to the U.S. House of Representatives, the New York U.S. Senators, the New York State Department of Taxation and Finance, and the New York City Department of Housing Preservation and Development. Mr. Deiters thanked the members for their great work.</p> <p><b>b. Response to Federal Tax Reform</b></p> <p>Ms. Lutolf reported that on December 22, 2017, the Tax Cuts and Jobs Act was signed into law. Expected to have a negative impact on New York and other states with high state and local taxes, Gov. Cuomo is proposing to reduce that impact through several state budget provisions, including the introduction of a payroll tax, decoupling the state tax code from the federal tax code, and allowing the deduction of certain local taxes as charitable deductions. In response, the NYSSCPA issued a letter to Gov. Cuomo, stating that the NYSSCPA’s tax professionals were available to provide their expertise in helping the state devise a solution.</p>

As a result, we participated in a meeting on February 1, 2018, which was attended by Ms. Nonie Manion, Executive Deputy Commissioner, New York State Department of Taxation and Finance; Robert Mujica, the governor's Budget Director; and Heather C. Briccetti, President and CEO of The Business Council of New York State, among others. This was important exposure for the NYSSCPA, as we continue to build our relationship with state officials.

**c. Legislative Breakfast Series**

Ms. Barry reported that additional breakfasts are in the process of being scheduled with the chapters.

**d. Legislative Strategy**

Ms. Barry reported on meetings with the Society's lobbyists and discussions on the non-CPA ownership issue, as well as other pending items on our legislative agenda. The language on ownership remains in the governor's budget at this time and will be monitored closely. Draft legislation on CPE for all licensees will be proposed during this legislative session as well. We are also working on regulatory issues, as outlined in our Board-approved agenda.

**e. State Board Meeting Update**

Ms. Thelmo reported that she, Ms. Lutolf, Mr. DeRupo, and Ms. Singleton attended the meeting. Regulations 29.10 and 1770 were not yet submitted to the Board of Regents by the Board for Public Accountancy. She also stated that there was no movement on a proposed change to the ethics CPE requirement, on which the Society issued a comment letter last fall.

Ms. Thelmo also stated that the Board of Regents approved removing the New York nexus for peer review administration through a temporary regulation. This paves the way for the Pennsylvania Institute of Certified Public Accountants to assume administration of the New York program.

<p><b>EC18 — A — 5</b></p> <p><b>The Next Generation</b></p>	<p><b>a. Member Acquisition and Strategic Plan</b></p> <p>Ms. Barry introduced Ms. Frizzell, Marketing Director, and Ms. Biggers, Associate Director of Member Relations, who presented an update on the state of NYSSCPA membership. A marketing strategy discussion followed.</p> <p><b>b. COAP Update</b></p> <p>Ms. Brennan presented a current COAP and Scholarship update. The Staff liaisons and COAP Boards have been meeting to coordinate their programs. Four programs—Adelphi, RIT, Syracuse at SUNY Oswego and Westchester—have set their dates. Two programs—Pace and Medgar Evers—are still on hold. There is one potential Mid Hudson program.</p> <p><b>c. Gala Update</b></p> <p>Ms. Brennan reported that the Moynihan Fund Gala will take place on Thursday, May 24, 2018, at The Prince George Ballroom. Honorees will be Ms. Kimberly Ellison-Taylor, the Global Accounting Strategy Director of Oracle and the former Chairman of the AICPA’s Board of Directors, who will receive the <i>Trailblazer Award</i>, and Mr. Kelvin Joseph, the CMO and COO of Steiner Sports, will receive the <i>COAP Promise Award</i>.</p> <p><b>d. The Moynihan Scholarship Fund Update</b></p> <p>Ms. Brennan reported that application for the COAP and Excellence in Accounting Scholarship opened on January 7 and will close on April 1, 2018. After that time, the Scholarship Committee will meet to review the applications and make awards. Currently, there are 81 applications with two months. Last year, 237 applications were received.</p>
<p><b>EC18 — A— 6</b></p> <p><b>Public Awareness</b></p>	<p><b>a. Communications Update</b></p> <p>Ms. Lutolf discussed the focus of her marketing and communications team in serving both FAE and Society initiatives. During this reporting period, tax reform had been extensively</p>

	<p>addressed through our media programs. Ms. Lutolf also discussed the Women’s Summit, to be held in January 2019, and its potential for branding for the organization. She also referenced an ad buy on the non-CPA ownership issue in <i>City and State</i>.</p> <p><b>b. Video Series</b></p> <p>Ms. Lutolf presented a video series as an example of a new marketing initiative, which featured Mr. Gaetano, Staff Writer, and Mr. Sid Kess, regarding the Tax Cuts and Jobs Act of 2017, which was well received by the members.</p>
<b>EC18 — A — 7 Executive Session</b>	A motion was made to go into an Executive Session by Mr. Becht and Ms. Marino seconded the motion at 3:24 p.m. The motion was passed without any objections.
<b>ADJOURNMENT</b>	The meeting was adjourned at 3:24 p.m.

Respectfully submitted,

Anthony T. Abboud  
*Secretary/Treasurer*

Approved at the May 24, 2018 Executive Committee meeting.  
Agenda Item #EC18-B-1a