

Minutes of:	The New York State Society of Certified Public Accountants Executive Committee Meeting
Date & Time:	Wednesday, September 26, 2018, 9:00 a.m. to 11:30 a.m.
Presiding Officer:	Jan C. Herringer, <i>President</i>
Executive Committee Members Present:	Ita M. Rahilly, <i>President-elect</i> Anthony T. Abboud, <i>Secretary/Treasurer</i> Charles V. Abraham, <i>Vice President</i> Timothy J. Hammond, <i>Vice President</i> Thomas S. Pirro, <i>Vice President</i> Iralma Pozo, <i>Vice President</i> Janeen F. Schrann, <i>Vice President</i> Kimberly G. Johnson, <i>Director-at-Large</i> David G. Young, <i>Director-at-Large</i>
Executive Committee Members Participating via Conference Call:	Salvatore A. Collemi, <i>Vice President</i>
Executive Committee Members Absent	
Staff Present:	Joanne S. Barry, <i>Executive Director, Ex Officio</i> Ernest Markezin Patrick Payano Joanne Thelmo

MINUTES

EC18 — C — 0 Call to Order	Ms. Herringer called the meeting to order at 9:00 a.m. and asked the members to briefly introduce themselves.
EC18 — C — 1 Action Items	<p>a. Approval of Minutes of May 24, 2018, Executive Committee Meeting</p> <p>b. Approval of Minutes of May 31, 2018, Executive Committee Meeting</p> <p>Items a. and b. were introduced simultaneously. A discussion followed on how to approve those minutes, now that a new Executive Committee</p>

(EC) is in place, and most current EC members were not in attendance at those May EC meetings.

Ms. Rahilly suggested that perhaps those who are at today's meeting and were also at the May meeting should vote, and the rest abstain. Ms. Johnson suggested that the new Executive Committee members ask those who were at the May meetings if they feel the minutes accurately represent what happened at the meetings. The suggestion was acted upon.

Mr. Abboud motioned to approve the May 24, 2018, minutes. Mr. Pirro seconded the motion. The May 24, 2018, minutes passed without objections or abstentions.

Mr. Abboud motioned to approve the May 31, 2018, minutes. Mr. Pirro seconded the motion. The May 31, 2018, minutes passed without objections or abstentions.

c. Financial Statements Ending July 31, 2018

The Committee moved to the review and approval of the financial statements for the period ended July 31, 2018. Mr. Abboud presented the financial statements.

A motion to approve the financial statements was made under Action Item EC18 — C — 1f.

d. Membership Report

Ms. Barry presented the Membership Report, noting that there were 256 new applicants to approve. The student category count was up, but CPA firm employees were down. Ms. Herringer inquired about efforts to increase numbers and revenue. Ms. Barry indicated that there was a focusing on the new Associate membership category and on Young CPAs. She also noted new programs, such as a student loan refinancing program. A discussion followed.

Mr. Pirro asked about the non-CPA Associate category, and Ms. Barry noted that a restructuring of dues for that category is being looked at. Ms. Rahilly motioned to accept the report, and Mr. Pirro seconded. The report was unanimously approved.

e. Proposed Committee Division Restructuring

Messrs. Abraham and Markezin presented the proposal on committee restructuring included in the agenda package. They went through the

reasoning for the creation of a new Human Capital Division, and the rationale for moving certain committees from one division to another. Also discussed were changes in oversight committees.

Mr. Young motioned to accept the following proposals:

- A vote to approve the formation of a new statewide committee division—the Human Capital Division—to house the Career Transition, CPA Careers, Diversity and Inclusion, and NextGen committees.
- A vote to approve moving the Quality Control and Peer Review Committee from the Operations Division to the Accounting and Auditing Division.
- A vote to remove oversight committees from the Consulting Services, Industries, and Public Sector divisions, and maintain them for the Accounting and Auditing and Tax divisions.

Ms. Pozo seconded the motion. The proposals were unanimously approved.

f. Investment of Society Funds

Mr. Abboud presented the investment status of Society funds, noting the transfer of \$1 million last year from cash to the investment account, and announced the consideration of doing the same this year by a transfer to four CDs of \$250,000 each, in multiple institutions. A discussion ensued, with Ms. Rahilly and Ms. Johnson suggesting money fund alternatives, with a discussion on liquidity as well. It was noted that the Investment and Finance committees had already gone through an analysis of fixed-income alternatives.

Mr. Abboud brought the discussion back to the plan for four \$250,000 three-month term CDs. Some discussion ensued on process and procedure for the moving of funds, and the general consensus was to use existing policies.

Mr. Abboud made a motion to permit the movement of excess cash to money market accounts for higher rates, relying on the existing policy on cash movement, as well as to purchase four CDs at \$250,000 each and with three-month terms each, and with the ability to renew up to one year, before reevaluating the Society's cash position and investment alternative. Mr. Pirro moved the motion to approve and Ms. Johnson seconded. The motion passed unanimously.

At this time, Mr. Abboud asked the Committee to return to the acceptance of the financial statements. Ms. Rahilly motioned to accept

	<p>the financial statements, and Mr. Young seconded. The financial statements were approved unanimously.</p> <p>g. Changes in State Ethics Requirements</p> <p>Mr. Abraham presented the New York State Board for Public Accountancy proposal to change the ethics CPE requirement from 4 hours every three years to 6 hours in three years, with a minimum of 2 hours each year. A comment letter was issued by the Society in December 2017 against the proposal. A discussion ensued as to whether to continue to press the matter. Ms. Rahilly suggested having a conversation with Ms. Priscilla Z. Wightman, education committee chair of the State Board. All Executive Committee members agreed.</p> <p>Ms. Rahilly motioned to have a representative from the Professional Ethics Committee, along with Mr. Abraham, reach out to Ms. Wightman for further discussion. Ms. Johnson seconded the motion. The motion was unanimously approved.</p> <p>h. Request from the Political Action Committee (PAC)</p> <p>Mr. Kenneth J. Pink, president of the CPA PAC, called into the meeting to discuss overhead cost allocations to the CPA PAC, suggesting that the overhead allocation from the Society to the CPA PAC be reduced. The concern is that the costs are not in line with the amount of revenue the CPA PAC is able to raise and does not reflect well on the CPA PAC. Mr. Young suggested that the allocation should be zero and that only direct costs be applied. More discussion ensued.</p> <p>Ms. Johnson made a motion to forgive allocated costs above \$5,000 for the fiscal year ending May 2019 (hence, limiting the allocation to \$5,000). The charge would be reevaluated for the 2019/2020 fiscal year. Mr. Young seconded the motion. The motion was unanimously approved.</p>
ADJOURNMENT	<p>Ms. Herringer moved the meeting to an Executive Session at 11:30 a.m. The remaining items on the agenda were tabled for the following Executive Committee meeting.</p>

Report given by Ernest J. Markezin.

Respectfully submitted,
 Anthony T. Abboud
Secretary/Treasurer

Approved at the February 13, 2019 Executive Committee Meeting
 Item #: EC19 – A – 1a