**Minutes of:** Foundation for Accounting Education, Inc., Board of Trustees Meeting

**Date & Time:** Sunday, July 15, 2018 at 3:43 p.m. to 5:41 p.m.

**Location:** Turning Stone Resort and Casino, Verona, New York

**Presiding Officer:** Kevin Matz, *President*

**Trustees Present:** M. Jacob Renick, *President-elect*
Anthony T. Abboud, *Treasurer*
Frank J. Aquilino
David Evangelista
Barbara A. Marino
John Stanziale, Jr.
Mark M. Ulrich

**Trustees Participating via Conference Call:** Tracey J. Niemotko
Stephen T. Surace

**Trustees Absent:** Sidney Kess

**Staff Present:** Joanne S. Barry, *Executive Director/CEO*
Revira Brennan
Emily Frizzell
Kenan Mammadli
Patrick Payano
Michelle Santiago
Joanne Thelmo

**Guests Present:** Jan C. Herringer, *NYSSCPA President*
Edward F. Esposito
Anthony J. Maltese
Patricia A. McGrath
Steven S. Mezzio
Steven M. Morse
David G. Young

### M I N U T E S

**FB18 — D — 0**

**Call to Order**

Mr. Matz passed around the attendance sheet, noted that a quorum was present, and called the meeting to order at 3:43 p.m.

**FB18 — D — 1**

**President’s Remarks**

Mr. Matz thanked everyone for his or her attendance, and a welcome and introductions followed. He confirmed that everyone in attendance had received the FAE package for this meeting.
He spoke of the Joint Task Force and its developments. The purpose of the Joint Task Force is to reestablish a program for FAE, the Society, and Society Chapters. The Task Force is inviting feedback from the Chapters on pricing and other aspects of FAE. It wants to address their concerns as well as the importance of procedures in providing continuing education to the members.

A discussion followed regarding the availability of an events calendar for all Chapters in order to improve event participation between Chapters and Committees. FAE would also post their calendar and use social media (LinkedIn) to promote its events. The NYSSCPA already has their calendar on the website to increase member engagement.

Important dates for upcoming meetings at the Society’s offices (the Trustees were asked to report any inconvenience):

- November 7, 2018, at 9:00 a.m.
- February 6, 2019, at 9:00 a.m.
- April 30, 2019 at 9:00 a.m.

Ms. Barry welcomed the new Trustees. She gave updates on the following:

**A. Financial Results of the 2018 Moynihan Scholarship Fund Gala**

The financial results of the Moynihan Fund Gala were presented.

**B. FAE Risk Assessment**

Ms. Barry presented the Risk Assessment Report developed by staff to properly assess business operations within FAE. The report listed each risk area description, probability, impact on the organization, mitigation actions, action to be taken, and person(s) responsible. Ms. Barry proceeded to read through the document and take questions.

Two of the high risk areas are reputation of the business, which is vital, and paid staff. The mitigating actions related to improvement of resources in key positions, and also identified was the need to address pay structure.

Mr. Stanziale brought up the topic of competition as a risk. A discussion followed about how to mitigate the competition risk and how much research has been applied to this.

**A. Curriculum Committee**

Mr. Matz stated that the overall FAE curriculum is currently being reviewed. With a view toward offering the courses most requested by the members, Volunteers to join the committee are always called for and are welcome to offer new ideas.

**B. Governance Committee**

Mr. Evangelista gave an update on the development of the Joint Task Force in addressing the issues of the Chapters, and how the Chapters will interact with each
other and with the organization. The purpose of this Task Force is to create uniformity in dealings with the Chapters and the organization’s governance process. The Chapters are concerned with the CPE course pricing difference they receive depending on their location. The pricing is going to go into effect the next fiscal year, in June 2019. The new Chapter Presidents received this information during their orientation earlier today. Pricing will be in line with a proposal to compete within the CPE market.

The Chapter Presidents had some questions regarding the next steps for—

- Consistent pricing for CPE courses throughout the 15 Chapters;
- Governance timelines that need to be followed, and
- Presenting Chapter events for other Chapter members.

Mr. Matz suggested having a special telephonic meeting with chapter presidents, with the time to be set by e-mail, to brainstorm incentives for Chapters to continue taking our CPE courses in this competitive market.

C. Performance Committee

Mr. Surace was not present at this meeting. There was a motion to receive updates on the Performance Committee on the next meeting agenda.

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<tr>
<th>FB18 — D — 4</th>
<th>A. FAE Memo</th>
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<tr>
<td>Flash Reports</td>
<td>Ms. Brennan stated the FAE transition has affected the revenue, and a new staff person has been hired to help address the onsite training program.</td>
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<tr>
<th>B. FAE Flash Report, June 1, 2017–April 1, 2018</th>
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<td>Since last fiscal year, the amount of courses as well as registrations have increased. FAE has offered a total of 221 courses. The increase in registrations is due to the Tax Reform courses and webcast access.</td>
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<td>Conferences are down in registrations since last year. FAE also offered two fewer conferences this year.</td>
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<th>C. FAE Flash Report, June 1 2017–May 31, 2018</th>
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<td>FAE offered 232 seminars, compared to 227 the previous year. Conference registrations are down by 253. Most of the decrease is due to a reduction in comps.</td>
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<th>FB18 — D — 5</th>
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<td>Signature Authority</td>
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<td>Mr. Evangelista made a motion to add Mr. Renick to the list of those who have signature authority for fiscal year 2018–2019. Ms. Marino seconded the motion. The motion passed with no objections or abstentions.</td>
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| FB18 — D — 6  
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<th>Approval of Minutes</th>
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<td>Mr. Matz reminded all in attendance that in the previous meeting on April 19, 2018, it was stated that those minutes would be circulated for approval at this meeting.</td>
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**April 19, 2018, Minutes for Approval**

Mr. Aquilino made a motion to approve the April 19, 2018, minutes. Mr. Evangelista seconded the motion as amended, to state that Ms. Marino was not in attendance at the April 19, 2018, meeting. The motion passed with one abstention from Ms. Marino.

**June 6, 2018, Minutes for Approval**

Ms. Marino motioned to approve the June 6, 2018, minutes. Mr. Ulrich seconded the motion. The motion passed with no objections or abstentions.

| FB18 — D — 7  
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<th>Election of FAE Secretary for FY 2018–2019</th>
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<td>A. Secretary</td>
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<td>Mr. Matz introduced the Secretary officer position and nominated Mr. Aquilino for the position. He motioned to approve Mr. Aquilino, and the motion was seconded by Mr. Renick. The motion passed with no objections or abstentions.</td>
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<th>New FAE Trustees Board Member Orientation</th>
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<td>Mr. Matz stated that in the last meeting, there were suggestions to have the new FAE Trustees Board Member orientation on July 25, 2018, or July 26, 2018, during the afternoon. He asked the Trustees to please check their calendars and let him know of their availability. The meeting should not take longer than an hour.</td>
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| FB18 — D — 9  
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<th>Call for Volunteers</th>
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<td>Mr. Matz called for volunteers for the following committees and asked the Trustees to please step up:</td>
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<td>A. Curriculum Committee</td>
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<td>Ms. Marino stated she is already a member and Mr. Aquilino volunteered to join the Committee.</td>
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<tr>
<td>B. Governance Committee</td>
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<td>Mr. Matz and Mr. Evangelista volunteered.</td>
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<td>C. Performance Committee</td>
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<tr>
<td>Mr. Matz stated that since Mr. Surace is not in attendance at this meeting, selecting volunteers for this meeting will wait until a committee update is received.</td>
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| FB18 — D — 10  
<p>| A. Scholarship Committee |</p>
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<tr>
<th>Appointment of Committee Liaisons and Chairs, 2018–2019</th>
<th>Mr. Matz asked if anyone would volunteer for the Scholarship Committee. Ms. Marino stated she is already a member.</th>
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<tr>
<td>B. COAP Committee</td>
<td>Mr. Matz brought a motion to have volunteers serve as officers for the COAP Committee. A discussion followed. The motion was later amended to have the officers serve as liaisons for the COAP Committee. Mr. Matz made the motion to move forward, and Mr. Evangelista seconded the motion. The motion passed with no objections or abstentions.</td>
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<td>C. Benevolent Fund</td>
<td>Mr. Matz began a discussion regarding the transition of the Benevolent Fund. Eventually, the Benevolent Fund would transfer its assets to the Moynihan Fund. Ms. Thelmo noted that FAE will need court approval for the transfer. Mr. Matz made a motion to have all Benevolent Fund officers serve as liaisons for FAE. The motion passed with no objections or abstentions.</td>
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<td>D. Investment Committee Liaison</td>
<td>Mr. Matz asked any Trustee who would like to volunteer to be a liaison for the Investment Committee, to serve together with Mr. Richard E. Piluso. Mr. Stanziale volunteered. Mr. Matz made a motion to approve the liaison. Mr. Evangelista seconded. The motion passed with no objections or abstentions.</td>
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<th>FB18 — D — 11</th>
<th>A. FAE’s Statement of Activities as of April 30, 2018</th>
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<td>Financials Statement of Activities</td>
<td>Mr. Payano presented the Statement of Activities as of April 30, 2018.</td>
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<td>B. FAE’s Financial Performance</td>
<td>Mr. Payano provided an update on the financial performance of FAE.</td>
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<th>FB18 — D — 12</th>
<th>Mr. Matz notified the Trustees that there is a vacancy on the Board. Filling an unexpired term on the Board of Trustees needs to be looked at because there is no specific language in the bylaws on what the process should be. There is a possibility that we will have to look to the Society for assistance.</th>
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<tr>
<td>Addressing Vacancy in FAE Board of Trustees</td>
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<th>FB18 — D — 13</th>
<th>Mr. Matz pointed out to the Board that this topic was discussed when Ms. Brennan presented on the Governance Committee.</th>
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<tr>
<td>Chapter Pricing Policy, FY 2019–2020</td>
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| FB18 — D — 14 | Ms. Brennan stated that we are fully staffed now and that we can begin to move FAE into a better place and increase revenues. She introduced Mr. Kenan Mammadli, the new FAE Education Manager. He presented to the Trustees the first draft of the strategic vision on how FAE would |
move forward. One of the first steps implemented was to give the FAE staff goals to achieve, and track their progress. Mr. Mammadli stated that the purpose of this approach was to build a system that will develop high-quality products and to sell to customers who enjoy personalized services. He proposed, for this approach, a three-year time horizon.

Mr. Mammadli stated that the staff was moving toward an evolutionary transformation of FAE programs that maintain quantity while increasing the quality of the products that FAE provides. FAE has increased the number of vendors and is developing the content and position of a product in order to achieve more attendance by offering more CPE-quality courses.

Mr. Mammadli continued by stating the importance of introducing signature programs in schools like NYU and Columbia University and do things in conjunction with these universities, so that the FAE name will be known to participants from the student level.

Ms. Frizzell introduced the new marketing and promotion projects that FAE is pursuing. The overriding objective is to develop precision on how FAE sells its products and the promoting of innovation. Ms. Frizzell shared the idea of a new system of referrals for members to earn discounts based on the peers they bring to the FAE courses.

Another aspect of marketing and promotions is customizing the customer services system at the Society. Ms. Frizzell wants to ensure that every member and client is provided with personalized service of the product from the moment of registration.

A discussion followed the presentation. Mr. Matz liked the approach of personal branding to elevate FAE to a premium product. He suggested that the top 10 conferences be identified.

Mr. Mammadli noted that merging certain products will generate more attendance than having smaller conferences. This way, we have more innovation, better speakers, and better timing and planning to make sure that FAE’s product is of the utmost quality. Ms. Frizzell noted that FAE has an upcoming meeting to connect with The CPA Journal and plan how to adequately present the new strategy.

Ms. Frizzell also spoke to the Trustees about the role that social media will have in this new marketing approach. Marketing wants to make sure that FAE is targeting topics that are of interest to the Society members.

Mr. Stanziale asked why FAE was using last year as a baseline for the allocation pricing. Mr. Mammadli responded that FAE is still budgeting how the programs will be developed, which programs will be merged, and which programs FAE will offer. The courses will be based on the customer satisfaction rate and the evaluations of the events. FAE has to take into account expenses, specifically, of programs that need technological intervention.
Mr. Mammadli pointed out that positive comments in the feedback from courses are few. The most common responses FAE receives are complaints. The approach is to fix the bad and listen to the positive.

Ms. Frizzell noted that FAE has an interest in promoting speakers within the Society. Mr. Renick suggested encouraging the committee chairs to speak on their specialties. In that way, FAE uses homegrown speakers.

Ms. Brennan stated that FAE is working on developing a training program for potential speakers and future trainers so that we can develop local speakers and provide our members with the opportunity to hone their presentation skills, if they are interested.

Mr. Matz thanked everyone for being patient with the discussion. He then made a motion to adjourn the meeting. The motion passed without objections or abstentions. The meeting adjourned at 5:41 pm.

Respectfully submitted,

Anthony Abboud

Treasurer

Approved at the November 7th, 2018 FAE Board of Trustees meeting.
Agenda Item FB18-E-1.