MINUTES

FB13 — A — 0
Call to Order

President John Lauchert noted that a quorum was present and called the meeting to order at 9:00 a.m.

FB13 — A — 1
Approval of Minutes of December 12, 2013

Mr. Lauchert asked the Trustees to approve the minutes of the December 12, 2013, FAE Board of Trustees Meeting. Mr. Evangelista moved to approve the minutes, and Ms. George seconded the motion. The motion passed without objection.

FB13 — A — 2
President’s Report

Mr. Lauchert provided a report on the FAE activities and noted that FAE continued to increase the product offerings for on-demand self-study classes. Mr. Lauchert announced that Mr. Piluso, along with Messrs. Robert Sohr and Elliot Hendler, had formed a committee to assist FAE in creating exam questions for these courses. The Trustees further discussed the pricing strategy and course offerings for on-demand self-study classes.

Mr. Lauchert stated that FAE had engaged AURA Innovative Technologies to create a new e-store platform effective May 1, 2014. He added that under the new arrangement, costs related to the e-store platform should be cut by more than half, and that FAE would have the capability to track outside CPE for Society
members.

Mr. Lauchert noted that FAE had participated in various member recruitment and retention programs, including a free CPE technical session. He announced that the Young CPAs Conference would be held in both Long Island and Rochester this year in order to increase participation from around the state.

a. COAP Program Update

Mr. Kanan stated that he had discussed the proposed research project and funding with Ms. Barry, and that the next step was to schedule a conference call with the Society staff who will be working on the project.

b. Scholarship Committee Update

Ms. Johnson stated that the Scholarship Committee was looking forward to the applications being made available online, and noted that due to a new process, the scholarship applications were a little behind schedule. She asked for clarification of the scholarship fund restrictions. The Trustees discussed NYPMIFA requirements and the 7% rule under the FAE Investment Policy. The Trustees further discussed the availability of scholarship funds and ways to raise money for scholarships in the future.

c. Curriculum Committee Update

Ms. Aboyoun announced that the Curriculum Committee met on January 14, 2014, to look at topics for the 2014–2015 fiscal year. She stated that the committee sent their suggestions to staff for their review and consideration. Ms. Aboyoun then outlined some of the suggested topics for the Trustees.

Mr. Lauchert thanked Ms. Aboyoun and the Curriculum Committee for their work.

d. Emerging Leaders Task Force

Mr. Piluso announced that the Task Force met on January 14, 2014, and summarized the meeting discussion for the Trustees. He stated that the Task Force wanted to get input from staff and the chapter presidents regarding whether there is a demand for the program. Mr. Piluso added that the Marketing Department is preparing talking points for discussions with chapter presidents and managing partners.

e. Governance Subcommittee

To be addressed at a future meeting.

Ms. Osorio presented the FAE Flash Reports. The Trustees further
discussed the details of the Flash Report.

Mr. Payano presented the financial statements for the seven months ending December 31, 2013.

Staff presented the 2014–2015 FAE budget. Mr. Zovistoski noted that the Finance Committee had met and reviewed both the Society and FAE budgets. He added that the Finance Committee recommended approving the FAE budget as written and noted that the budget allows for flexible pricing and reduced conference costs. After further discussion, Mr. Zovistoski moved to approve the 2014–2015 FAE budget, and Mr. Hegt seconded the motion. The motion passed without objection.

Ms. Aboyoun thanked staff for their work on the budget.

Mr. Lauchert briefly summarized the discussions from the Trustees’ last meeting regarding the Governance/Operations Policies. The Trustees then discussed the following proposed changes to the Governance/Operations Policies (changes shown with underline):

1. FAE Bylaws, Article II, Section 2(c) –

   (c) Nine Trustees shall be divided into three groups of equal number and shall have staggered terms of three years, unless a current standing Trustee is selected as President-elect during the Trustee’s third year of service, in which case said Trustee will serve a four-year term. Up to three additional Trustees shall serve at the pleasure and appointment of the Society’s Board of Directors for one-, two- or three-year terms as designated by the Society. Any trustee referred to under this paragraph shall be a voting member in good standing of the Society. [Should term limits/ability to serve consecutive terms be addressed? YES - needs further discussion]

After further discussion, Mr. Piluso moved to reject the proposed changes and leave the original language, and Mr. Kanan seconded the motion. Mses. Aboyoun and George, and Messrs. Hegt, Hoffman, and Lauchert opposed. The motion was approved.

2. FAE Bylaws, Article II, Section 4(a) –

   (a) Appointments by the Board of Trustees. The Trustees shall appoint individuals to fill vacancies of Board-appointed trustees occurring annually on the Board from among nominees made by the Society’s Board of Directors, provided the number of such nominees shall be at least twice the number of vacancies needing to be filled [what if Society Board does not provide 2x the number of vacancies to be filled?]. Should the Society’s Board of Directors fail to provide the required number of nominees under this Section, the Trustees, individually or jointly,
may solicit and nominate enough additional nominees required under this Section. Any Trustee appointed to fill the unexpired term of a Trustee shall hold office until the next Annual Meeting and until his or her successor is appointed and qualified.

After further discussion, Mr. Evangelista moved to accept the changes, and Mr. Hegt seconded the motion. The motion passed without objection.

3. FAE Bylaws, Article IV, Section 2–

SECTION 2. Appointment and Term of Office. The officers, except the President and the Executive Director, shall be appointed by vote of the Board from among their current number, or in the case of President-elect as in Section 4 below, any prior member of the Board, and except that no Society officer, with the exception of the Treasurer, shall serve as a Foundation officer. Nothing in this provision shall prohibit the Board from appointing an officer from among those Trustees directly appointed by the Society under Article II, Section 4 paragraph (b) of the Bylaws. The President-elect shall automatically assume the office of the President at the beginning of the fiscal year next following becoming President-elect. The Executive Director of the Society shall serve as the Executive Director of the Foundation. All officers shall have a term of one year, provided, however, that if the President-elect should become President as a result of the failure of the President to complete a full term of office, such President-elect shall serve as President for the unexpired term of the predecessor and for an additional one-year term thereafter, and the Executive Director who shall serve as long as he or she is Executive Director of the Society.

After further discussion, Mr. Piluso moved to reject all changes except the Treasurer exception, and Mr. Hegt seconded the motion. The motion passed without objection.

4. FAE Bylaws, Article IV, Section 4–

SECTION 4. President-Elect. The President-elect shall perform all executive and other duties ordinarily pertaining to the office of a Vice President and such other duties as may be delegated to the President-elect by the Board or the President. The President-elect shall automatically be deemed to have been elected President at the beginning of the fiscal year next following becoming President-elect. Any Trustee presently serving on the Board of Trustees shall be eligible to be selected by the Board of Trustees for the position of President-elect, without regard to the three-year term limit. In addition, any person who has previously served as a Trustee of the Foundation shall also be eligible for nomination by the current Trustees for the position of President-elect, and will fill one of the vacant 3-year Trustee eligible to be filled for the subsequent term.

After further discussion, Mr. Piluso moved to reject the proposed
changes, and Mr. Hegt seconded the motion. The motion passed without objection.

5. FAE Disclaimer –

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After further discussion, Mr. Hegt moved to approve the changes, and Ms. George seconded the motion. The motion passed without objection.

6. NYSSCPA/FAE Affiliation Agreement, Exhibit A –

Mr. Piluso moved to approve the changes made to Exhibit A of the NYSSCPA/FAE Affiliation Agreement, and Ms. George seconded the motion. The motion passed without objection.

7. OP-3 – Contract Approval Policy –

Mr. Piluso moved to strike the last paragraph of the policy, “RESOLVED, FURTHER, that staff shall issue a monthly report of all FAE contracts to the FAE Board of Trustees,” and Mr. Hegt seconded the motion. The motion passed without objection.

8. LP – 6 – Travel Reimbursement Policy

Transportation – Personal auto use is reimbursed at business rate currently in effect under U.S. Treasury guidance, plus tolls with original receipts. Ground transportation, including bus, train, and local taxi are reimbursed for full fare. The use of a private car service, costing $40 or more, must be first approved by your Seminar Coordinator. Car rental should be used only when public transportation is not available and must be approved in advance by your Seminar Coordinator. Use coach air transportation only when personal auto or ground transportation is not available or when the distance to course location prohibits use of ground transportation. When traveling by air, every effort must be made to obtain the lowest coach fare possible. Please contact FAE’s travel agency, Robustelli & Company, at 1-877-309-6126, to make all travel arrangements. Charges will be billed to the Foundation upon approval. It is important to have your COURSE CODE ready when making your reservation.
After further discussion, Mr. Levitin moved to approve the change, and Ms. Johnson seconded the motion. The motion passed without objection.

Mr. Lauchert thanked Mr. Hegt for his work.

Ms. Johnson asked the Trustees to approve the appointment of the following people to the Scholarship Committee for the 2014–2015 fiscal year:

Kathleen G. Brown
Ann Burstein Cohen
George T. Foundotos
Patricia A. Johnson
Robert Kawa
Jeffrey I. Rosenthal
Priscilla Z. Wightman
Philip Wolitzer
Digant Bahl

Ms. George moved to approve the Scholarship Committee members, and Mr. Hoffman seconded the motion. Mr. Piluso abstained. The motion passed without objection.

Ms. Aboyoun stated that the Curriculum Committee had worked with staff and provided some comments on the QC review process. She added that the Curriculum Committee feels that the guidelines are comprehensive and should be made operational.

Ms. Osorio explained that NASBA requires that FAE have formal QC standards, and that staff developed a comprehensive policy to meet both SED and NASBA requirements.

The Trustees discussed the policy and noted that it should specify what “achieving satisfactory evaluation ratings” means.

After further discussion Mr. Hoffman moved to approve the policy with the addition of the specification regarding evaluation ratings, and Mr. Piluso seconded the motion. The motion passed without objection.

Ms. Aboyoun thanked everyone for their work and support. Mr. Lauchert thanked Ms. Aboyoun and staff for their work.

Mr. Lauchert announced that the next meeting would be held on April 24, 2014, at the NYSSCPA offices.
Mr. Hoffman moved to adjourn the meeting at 11:43 a.m., and Ms. Aboyoun seconded the motion. There being no objection, the meeting was adjourned.

Respectfully submitted,

Frieda T. Aboyoun
Secretary