MINUTES

FB13 — A — 0
Call to Order

President John Kearney noted that a quorum was present and called the meeting to order at 9:06 a.m.

FB13 — A — 1
Minutes

a. Approval of Minutes of December 6, 2012

Mr. Kearney asked the Trustees to approve the minutes of the December 6, 2012, FAE Board of Trustees Meeting. Mr. Piluso moved to approve the minutes, and Mr. Hegt seconded the motion. The motion passed without objection.

b. Approval of Minutes of December 13, 2012
Mr. Kearney asked the Trustees to approve the minutes of the December 13, 2012, FAE Board of Trustees Meeting. Mr. Piluso moved to approve the minutes, and Mr. Adair seconded the motion. The motion passed without objection.

President’s Report

Mr. Kearney announced that, from a financial perspective, the FAE and the NYSSCPA were doing well, in spite of the disruptions caused by Hurricane Sandy. He added that the FAE Business Plan is starting to take effect and thanked Messrs. Adair and Payano for their work.

Mr. Kearney stated that the preliminary results of the new FAE Value Pass (VP) were promising. Ms. Osorio added that the first month of sales of the FAE VP were almost equal to the sales for the entire 2011–2012 fiscal year.

The Trustees discussed CPE delivery methods and topics.

Committee Chairs’ Reports

Mr. Piluso presented the Investment Committee report. He announced that an Investment Committee had been formed and that Merrill Lynch and the Investment Committee will be at the next Trustee meeting.

Mr. Piluso raised two questions. First, should the FAE use the scholarship fund for scholarships? Second, is it necessary to discuss the options with the NYSSCPA Board of Directors, since the NYSSCPA has ultimately been subsidizing the scholarships? Mr. Piluso stated that a decision was required by the end of April 2013.

Mr. Piluso explained to the Trustees that if the FAE uses the scholarship fund, the fund will be liquidated in approximately 10 years. He announced that the Merrill Lynch representatives will present different portfolio options at the next Trustee meeting.

The Trustees agreed that the NYSSCPA Board should be a part of the decision-making process. The Trustees further decided that the Scholarship Committee should be tasked with creating a budget for scholarships that the Investment Committee can use to build a portfolio. The Trustees discussed prior practices regarding the issuing of scholarships, and Ms. Barry recommended putting a formal policy in place in order to clarify the FAE’s policy for future members of the Scholarship Committee. The Trustees discussed whether the policy should be put in writing by the Society, since the FAE only administers the program. The
Trustees further discussed the proposed scholarship policy.

Ms. Aboyoun presented the Curriculum Committee report. She announced that the committee completed its work as of their last meeting.

Ms. Johnson presented the Scholarship Committee report. She stated that the scholarship applications had gone out and that she hoped they would be approved at the April FAE Trustees meeting.

Mr. Hegt presented the Governance Subcommittee report. He stated that the subcommittee was setting up a conference call for the end of February.

Mr. Kanan presented the COAP Subcommittee report. He announced that recruiting is up. Mr. Kanan explained that the St. John’s University COAP program had raised concern regarding setting up a database to track the achievements of COAP graduates, and is discussing the possibility of a graduate research project.

Ms. Barry added that she and Mr. J. Michael Kirkland, NYSSCPA President-elect, had lunch with former Governor Paterson, and that the Governor had agreed to spearhead a fund-raising campaign, with the aim of raising $100,000.00.

Ms. Osorio announced that June 1 through October 31, 2012, represents only 30% of the FAE’s CPE business. She added that the FAE started working under the new business plan on June 1, 2012, and that they are already seeing results. Ms. Osorio then gave the Trustees a line-by-line overview of the Flash Report.

She noted that webcasts are continuing to grow, but that on-site training was slightly down, as compared to the previous month. Mr. Payano noted that offering fewer seminars resulted in higher profits for the FAE. Mr. Kearney stated that May 2013 will be a good month to look at to see the progress of the new business plan, as the plan will have been in effect for a year.

Ms. Barry added that she wanted to focus on creating “FAE Stars” to present popular topics. She also commented that the Big Four firms made a very large commitment for technology upgrades at the new office location.
Mr. Payano announced that the FAE investments were performing well. He added that expenses were down and that the FAE was becoming more profitable. Mr. Payano then gave the Trustees a line-by-line overview of the financial statements.

Mr. Kearney stated that he has always valued the close relationship between the FAE and the NYSSCPA, with the FAE responsible for delivering education to Society members and the public. He explained that chapters are a part of the Society and have to follow FAE guidelines for CPE. Mr. Kearney noted that there seems to be a disconnect between the chapters and the FAE, with respect to CPE administration policies. He expressed the need to eliminate the issue by restructuring the way chapters pay for CPE administration.

The Trustees discussed the history of the relationship between the FAE and the chapters concerning CPE administration. Mr. Kearney stated that the FAE needs to focus on how to better serve the members and revise chapter CPE administration policies.

Ms. Barry announced that the Nassau Chapter of the National Conference of CPA Practitioners (NCCPAP) has been pursuing the FAE to cosponsor an event. She stated that the NYSSCPA’s Nassau Chapter has been in discussions with the NCCPAP regarding a proposed tax symposium. Ms. Barry added that although the symposium would be a CPE event, whether or not to cosponsor with the NCCPAP should also be discussed by the Society, as the issue involves a Society chapter.

The Trustees further discussed the event and the history of the Nassau Chapter’s own tax conference. Ms. Barry stated that she would take the issue to the Society’s Board of Directors for discussion.

Mr. Adair commended Ms. Barry, Mr. Payano, and staff for their work on the budget. He explained that the Finance Committee had reviewed the budget, and that the NYSSCPA Executive Committee had also discussed the budget. Mr. Adair stated that this budget is for the second year of the FAE’s new business plan and that it includes very conservative revenue projections. Mr. Payano then gave the
Trustees a line-by-line overview of the budget.

Mr. Kearney noted that having the same person serve as Treasurer for the FAE and the Society has been helpful and has opened the lines of communication between the two organizations. The Trustees discussed whether the FAE or the Finance Committee should review the financials first.

Ms. George moved to approve the budget, and Mr. Piluso seconded the motion. The motion passed without objection.

FB13 — A — 9
Approval of Benevolent Fund Requests

Mr. Kearney explained that the Benevolent Fund Committee reviews applications for aid, which are periodically submitted by members. Mr. Pryba explained that the applications must be treated confidentially.

The Trustees discussed the application presented for approval. Mr. Pryba outlined the basic details of the application for the Trustees, and explained that the applicant had sustained losses after Hurricane Sandy.

Mr. Kearney announced that the Benevolent Fund Committee’s recommendation was to give the applicant a grant of $6,000.00. Ms. George moved to approve the recommendation to give the member a $6,000.00 grant, and Ms. Aboyoun seconded the motion. The motion passed without objection.

FB13 — A — 10
Appointment of FAE Scholarship Committee Members

The Trustees discussed the following candidates, who were recommended to be appointed as members of the Scholarship Committee:

Kathleen G. Brown (Chair)
Ann Burstein Cohen
George T. Foundotos
Patricia A. Johnson
Robert Kawa
Carol L. Moretti
Nancy A. Platoni-Poli
Jeffrey I. Rosenthal
Priscilla Z. Wightman
Philip Wolitzer

The Trustees added Laurence Keiser to the committee.
Mr. Lauchert moved to approve the members of the Scholarship Committee, and Mr. Hegt seconded the motion. The motion passed without objection.

FB13 — A — 11
Future Meetings

Mr. Kearney announced that the next meeting would be held on April 25, 2013, at 9:00 a.m., at the Society’s offices.

FB13 — A — 12
Adjournment

Ms. George moved to adjourn the meeting at 1:30 p.m., and Mr. Hegt seconded the motion. There being no objection, the meeting was adjourned.

Respectfully submitted,

Patricia A. Johnson
Secretary