<table>
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<th><strong>Minutes of:</strong></th>
<th>Foundation for Accounting Education, Inc., Board of Trustees Meeting</th>
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<td><strong>Date &amp; Time:</strong></td>
<td>Thursday, September 22, 2016, 2:01 p.m. to 5:14 p.m.</td>
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<td><strong>Location:</strong></td>
<td>Hilton Albany, 40 Lodge Street, Albany, New York</td>
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<td><strong>Presiding Officer:</strong></td>
<td>David Evangelista, President</td>
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| **Trustees Present:** | Steven S. Mezzio, President-elect  
Lori Jansen, Secretary  
John J. Lauchert, Treasurer  
Frieda T. Aboyoun  
Anthony S. Chan  
Sidney Kess  
Kevin Matz  
Steven M. Morse  
Stephen T. Surace  
Raynard Zollo  
Joanne S. Barry, Executive Director/CEO |
| **Trustees Participating via Conference Call:** | Johanna M. Richman |
| **Trustees Absent:** | None |
| **Staff Present:** | Jalissa Brown  
Denise Osorio  
Patrick Payano  
Joanne Thelmo  
Ed Fortune |
| **Guests Present:** | CJ Orr |
| **Guests Participating via Conference Call:** | Richard E. Piluso, Chair — Investment Committee |
## MINUTES

### B16 – D – 0

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<tr>
<td><strong>a. Call to Order</strong></td>
<td>Mr. Evangelista noted a quorum was present and called the meeting to order at 2:01 p.m.</td>
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<td><strong>b. Open Remarks and Introductions</strong></td>
<td>Mr. Evangelista welcomed everyone, and introductions were made.</td>
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### B16 – D – 1

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<td><strong>Action Items</strong></td>
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<td><strong>a. Approval of Minutes</strong></td>
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<td>(i) <strong>April 26, 2016, FAE Meeting</strong></td>
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<td>The Board of Trustees minutes from its last meeting of the fiscal year were approved. Mr. Matz stated that revisions were needed on page 4. He then moved to approve the April 26, 2016, minutes, as amended. Ms. Aboyoun seconded the motion. Mr. Surace abstained from voting due to his absence. The motion passed.</td>
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<td>(ii) <strong>May 20, 2016, FAE Meeting</strong></td>
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<td>Mr. Matz moved to approve the FAE Board of Trustees meeting minutes held via conference call on May 20, 2016. Ms. Aboyoun seconded the motion. Mr. Lauchert, Mr. Morse, and Mr. Surace abstained from voting. The motion passed.</td>
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<td>(iii) <strong>June 2, 2016, FAE Meeting</strong></td>
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<td>Mr. Surace moved to approve the FAE Board of Trustees organizational minutes from its meeting held on June 2, 2016. Mr. Chan seconded the motion. Mr. Morse and Mr. Lauchert abstained from voting due to their absence. The motion passed.</td>
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<td><strong>b. Vote to Change Investment Strategy – Max Block Fund</strong></td>
<td>Mr. Evangelista introduced Mr. Piluso, Chair of the Investment Committee. Mr. Piluso stated that the investment policy needed to be updated. He recommended that the committee create three separate investment policies to correspond to the three investment funds. A lively discussion followed.</td>
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<td>Mr. Evangelista asked that Ms. Thelmo provide a recommendation as to whether or not MIFA is applicable. Ms. Thelmo agreed.</td>
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<td></td>
<td>Mr. Zollo moved to approve the Max Block Investment Policy. Mr. Morse seconded the motion. Ms. Jansen and Mr. Surace opposed the motion. Mr. Evangelista then tabled the motion to allow for more discussion among the Trustees.</td>
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A lively discussion followed.

Mr. Evangelista provided clarification regarding the motion. He asked the Trustees to consider and vote on an amended motion. Specifically, this motion includes that (i) each investment policy be named after its respective investment fund; (ii) the Investment Responsibilities section within each investment policy should be relocated in its entirety into a separate FAE standing rule, and this standing rule should mandate that the FAE President appoints the Chair of the Investment Committee; the Chair then works with staff to designate appropriate members for the Investment Committee. Mr. Surace motioned to approve the motion. Ms. Jansen seconded the motion. The motion passed without objection.

Mr. Zollo motioned that the investment policy regarding the Benevolent funds be renamed as The Benevolent Fund and that the following be removed: (1) the Investment Responsibilities section removed and relocated to a FAE standing rule and (2) the removal of the objectives located in the Risk Determination and Asset Allocation Policy section; however, this section would be reviewed by the Trustees at a later date. Ms. Jansen seconded the motion. The motion passed without any objections.

Mr. Zollo motioned that investment policy regarding the Moynihan funds be renamed as The Moynihan Fund, that the Investment Responsibilities section be removed and relocated to a standing rule, and that the objectives include COAP [Career Opportunities in the Accounting Profession]. Ms. Jansen seconded. The motion passed without objection.

c. Approval of the Investment Policy Statement

Mr. Evangelista stated that the removal of the Investment Responsibilities section within the Investment Policy would be added to FAE’s standing rules and reviewed at the next meeting.

d. Approval to add Joanne Thelmo as a Check Signer

Mr. Matz moved to add Joanne Thelmo as a check signer, and Mr. Kess seconded the motion. The motion passed.

e. Chapter/FAE Relationship

Ms. Aboyoun discussed this issue below in the FAE Strategic Planning, B16 – D – 3-e.

f. Cost and Resource Sharing for Chapter CPE

Ms. Aboyoun discussed this issue below in the FAE Strategic Planning.
### B16 – D – 2
#### Operational Report

**a. President’s Report**

Mr. Evangelista stated that a written report containing updates and recommendations from FAE’s Strategic Committee was provided for the September 23, 2016, Society Board of Directors meeting. The report also states how FAE is determined to realign its marketing process. He then noted that several recommendations from the Strategic Committee would require the Trustees' approval. He expressed his appreciation to those who served on the Strategic Committee.

### B16 – D – 3
#### Committee Chairs / Liaisons Report

**a. Fundraising Committee**

Mr. Evangelista introduced Mr. Orr who assisted with the Society’s 2016 gala, a fund-raising event. Mr. Orr provided an overview of Orr Associates’ fund-raising experience and its 25–year history. He stated that his company is in the process of being retained, as well as the goals for this year’s fund-raising efforts.

A lively discussion followed.

Mr. Evangelista proposed creating a Fundraising Committee. Mr. Mezzio made a motion to create the Fundraising Committee, and Mr. Matz seconded the motion.

After the motion passed without any objections, Mr. Evangelista appointed Mr. Chan as the Chair of the Committee. Mr. Chan accepted the position as Chair. Also, Mr. Kess and Mr. Matz agreed to be members of the Fundraising Committee.

**b. COAP Program**

Mr. Morse provided the trustees with a historical overview of the COAP program. He stated that COAP was created in 1987 to provide underrepresented high school students professional development opportunities in the field of accountancy. Over the years, COAP has had as many as 11 locations. This year’s COAP program was hosted by 8 colleges and universities in New York, with 163 high school students in attendance. He explained that COAP is funded by The Moynihan Fund. In addition, he noted the challenges the program is facing, such as program cost, oversight, and student recruitment.
Ms. Barry explained the application and interview process the students undergo to participate in COAP. She also outlined the critical aspects to ensure a successful COAP program, such as recruitment of volunteers including Society staff, curriculum development, and the wide range of events.

Ms. Barry proposed reducing the number of programs from 8 to 5 or 6, to ensure the highest-quality program possible. She noted that locations could be rotated or regionalized, to avoid strain on hosting institutions and staff.

Mr. Kess noted the importance of COAP and shared examples of what other states are doing to provide development opportunities for underrepresented minority students.

Mr. Morse stated that Ms. Barry will be providing, at a later meeting, additional suggestions on more effective ways for cohesion and the tracking of COAP alumni. He mentioned that, to date, COAP has approximately 3,200 alumni, and efforts are being made to contact and reconnect these individuals. Ms. Barry acknowledged the importance and difficulties in reaching former COAP alumni, but added that technology—e.g., social media—enables better and easier tracking.

**Scholarship Committee**

Mr. Zollo announced that the Scholarship Committee has not yet met, but will meet Friday, September 30, 2016.

c. **Curriculum Committee**

Mr. Matz thanked Ms. Osorio for her efforts. He emphasized FAE’s mission statement and noted that the Committee would be reviewing it. He also encouraged Trustees to continue to spread the word to members about FAE’s offerings and their significant value. He noted that the next Curriculum Committee meeting is scheduled for October 26, and that the Committee’s role is to inform, education, and empower both members and the public. He stated that the Committee would meet as needed and present its recommendations to FAE.

d. **Investment Committee**

Ms. Richman briefly updated the Trustees on the previous meetings that the Investment Committee has had this fiscal year, and explained the amounts in each account.

e. **FAE Strategic Planning**

Ms. Aboyoun explained that, to date, there have been three meetings and that the Strategic Planning Committee was comprised of Society
Ms. Aboyoun encouraged the Trustees to continue being change makers and to assist in the brainstorming efforts to enhance FAE and chapter alignment. She announced that by the end of today’s meeting, a plan on how to move forward with a goal to increase FAE’s users and redefine the pricing structure would be decided upon. She briefly explained the transformation of FAE’s business model that was implemented in 2010. She mentioned that the Committee’s purpose is multipronged: to grow new users, to increase the benefit to committees and increase the benefit and value of FAE to members, as well as to enhance collaboration.

Ms. Osorio announced that a new marketing initiative began on Monday, September 19, 2016, that offers members 40 hours of CPE credit for the price of $349. Mr. Fortune briefly explained the marketing strategy and this initial soft rollout to test the response for this product and price.

Ms. Aboyoun announced three major areas, which are to work closely with expert committees and non-CPA advisory experts to provide content and to assist with CPE courses, to educate members about the new FAE through various outlets, including *The CPA Journal* and *The Trusted Professional*. Lastly, Ms. Aboyoun proposed a new CPE model to provide increased accountability to align with the rules and regulations. She emphasized the new FAE business strategy, and briefly explained its operational alignment and how it better serves members in providing quality CPE.

Ms. Aboyoun motioned to accept the Strategic Planning Committee’s two recommendations: (1) to centralize all CPE functions so that all CPE courses will be managed by FAE and (2) FAE management will determine and introduce a new fee structure starting June 1, 2017, utilizing a fee-per-credit-hour rate, with both being in effect for the fiscal year 2017–2018. Mr. Evangelista seconded the motion.

The motion to approve the Strategic Planning Committee’s recommendations passed, with Mr. Zollo abstaining from the vote.

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**B16 – D – 4**

**Flash Report**

a. **FAE Flash Report as of May 31, 2016**

Mr. Evangelista asked the Trustees to review the flash report and provided an update.
| B16 – D – 5 | **b. FAE Flash Report YTD**  
Ms. Osorio provided an update on FAE’s biggest products, partnerships, conferences, and seminars. She stated that fewer conferences were held, but attendance increased. A lively discussion followed.  
Ms. Osorio agreed to provide Flash Reports between FAE Trustees meetings and also at the end of the month. |
| B16 – D – 5 | **a. FAE Statement of Activity as of May 31, 2016**  
Mr. Lauchert briefly discussed the items from the Statement of Activity.  
**b. Draft Audited Financial Statement for Year Ending May 31, 2016**  
Mr. Lauchert announced that tomorrow, September 23, 2016, at the Board of Directors meeting, there will be a full presentation regarding the Audit. |
| B16 – D – 6 | **Other Matters**  
**Fund-raising Effort for Moynihan Fund 2016 and 2017 Galas**  
Mr. Orr briefly explained a timeline and process for having a successful event. Mr. Evangelista appointed Mr. Chan as chair of the Fundraising Committee, with Mr. Matz, and Mr. Kess as members of the Committee. A lively discussion followed. |
| B16 – D – 7 | **CPE Standards Accommodate New Forms of Learning**  
Mr. Evangelista briefly discussed NASBA and AICPA revisions and the approval processes for CPE standards for new forms of learning. He also noted NASBA’s new CPE structure that is under evaluation by the New York State Education Department (NYSED). He stated that FAE issued a comment letter about this topic. The comment letter focused on key areas including blended learning and nano learning, which would allow participants to receive credit in increments of 10 minutes. Mr. Evangelista announced that these changes are anticipated to be adopted by NYSED by the end of the year. |
| B16 – D – 8 | **Future Meetings**  
Mr. Evangelista proposed changing the normal start time of 9 a.m. to 10 a.m. for the December 15, February 9, and April 20 meetings. |
<p>| B16 – D – 9 | <strong>Audit Presentation Delivered Friday, September 23 at 8 a.m. as joint FAE/NYSSCPA Board Meeting</strong> |</p>
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<th>Mr. Evangelista reminded the Trustees that there would be an Audit presentation during the Society’s Board of Directors meeting tomorrow.</th>
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<td>Mr. Morse moved to adjourn, and Mr. Mezzio seconded the motion. No objections were made, and the meeting adjourned at 5:14 p.m.</td>
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Respectfully submitted,

Lori Jansen  
Secretary