

The New York State Society of Certified Public Accountants Strategic Policies

SP- 5 Society Comment Process

An important function of the NYSSCPA and its committees is participation in the public exposure process of regulators (such as the New York State Board of Regents and the IRS) and standard-setters (such as the FASB, GASB, GAO, PCAOB and AICPA). To ensure that the committees speak with one voice, the voice of the Society as a whole, the Executive Committee has approved the following process by which comments emanating from the Society or its committees are to be developed and approved.

1. As documents are published that would benefit from Society comment (exposure drafts, proposed legislation, regulations, etc.), the chairperson of an interested committee first will obtain the approval of his or her oversight committee ("OC") chair before proceeding to draft Society comments. In the alternative, an OC chair may direct one or more of its constituent committees to develop comments, or the Board or Executive Committee may charge a committee or task force to do so. The committee (or committees) charged with developing comments is referred to here as the "responsible committee."

In the event the project would benefit from the input of several committees, the OC chair may establish an ad hoc task force composed of the chair of all interested committees (or his or her designee) plus any additional Society members deemed advisable by the OC chair. The task force in such a situation will operate as the responsible committee.

The responsible committee is empowered to determine its own processes and voting procedures for the development and approval of comments.

2. At the time the comment project is approved or assigned, the OC chair will appoint one or more OC members ("Ad Hoc Subcommittee") to review the comments of the responsible committee. The Ad Hoc Subcommittee may communicate and otherwise work with the responsible committee as the comments are developed.

3. As soon as the comment project has been approved or assigned, the chair of the responsible committee will notify the Society's President and Executive Director, who will in turn assign the project to a Society director, normally the Director of Quality Enhancement or the Legislative Counsel, who, in turn, will

- Assign supporting technical staff, and
- Work out a specific timeline for the responsible committee and the OC based on the general timeline described below.

In the event the Executive Director in consultation with the President determines that the proposed legislation, regulation, standard, etc. involves basic Society policy matters, the project may be removed from the responsible committee and OC and presented to the Board of Directors or the Executive Committee to be addressed outside this procedure. (When acting as an OC, however, the Executive Committee will follow this procedure.)

4. The chair of the responsible committee is hereby empowered to determine the appropriate drafting and approval process for his or her committee. For example, the comments may be drafted by a subcommittee or the entire committee. The responsible committee's approval may be at a meeting, via conference call, facsimile, or email. However, the approval process may not wait for scheduled committee meetings if that would delay the responsible committee's approval beyond the date specified in the timeline.

5. Upon completion of the comments, the responsible committee will submit the comments to the Ad Hoc Subcommittee for review. In the event the Ad Hoc Subcommittee suggests changes to the comments, the chair of the responsible committee is hereby empowered to act on behalf of his or her entire committee to either accept or reject the suggested changes.

A. If the Ad Hoc Subcommittee approves the comments without change, the comments shall then be submitted to the Vice President for Professional Issues and the President for final approval and transmittal.

B. If the Ad Hoc Subcommittee makes changes and the chair of the responsible committee agrees to those changes, the document shall be edited to incorporate the agreed-upon changes and then shall be submitted to the Vice President for Professional Issues and the President for final approval and transmittal.

C. If the Ad Hoc Subcommittee makes changes, to which the chair of the responsible committee does not agree, the matter will be referred to the entire OC, generally via fax or email, which shall make the final decision, subject to the referral process noted in the following paragraph 6. The package sent to the OC will normally include the comments, background information, and the Ad Hoc Subcommittee's review notes. OC approval or disapproval shall be by affirmative vote of the majority of OC members, with nonresponding OC members considered to be disapproving votes. Approval or disapproval by the OC members generally will be required between two and five business days. OC-approved Comments shall then be submitted to the Vice President for Professional Issues and the President for final approval and transmittal. In those situations where comments do not receive a majority vote of the OC, the President and the Executive Director shall be notified that consensus could not be reached, and no comments will be submitted on behalf of the Society.

6. The OC chair may, in his or her sole discretion, refer the matter to the Executive Committee, or if the OC is the Executive Committee to the Board, for final determination.

7. After processing on NYSSCPA stationery, the President, will provide a final review and he or she will sign the transmittal letter. The chair of the OC or the responsible committee, or both, may also sign the transmittal letter. The President's review authority includes the power of outright veto of the comments, but does not include the ability to make substantive changes without OC approval. In the event the President decides to exercise the veto described in this paragraph, he or shall immediately notify the Executive Director of such veto decision. The Executive Director shall arrange for a conference call or other meeting of the Executive Committee to occur within 48 hours of such notification. The purpose of such conference call or meeting shall be to finally dispose of the matter.

8. The Board and the Public Relations Department shall be notified of the final comment document at this point.

GENERAL TIMELINE

The following general timeline for the comment process is described in terms of the business days preceding the due date (DD). Occasionally, a regulator or standard-setter will set an unrealistically short response period. The committees and staff will do their utmost to meet such a deadline, and the timeline will be shortened accordingly or to the extent practical some steps in the process will be executed simultaneously rather than sequentially.

Approval obtained by responsible committee chair, or assignment made by OC chair.	DD – 40
Executive Director notified and the director assigned. The President will be notified.	DD – 38
OC Ad Hoc Subcommittee identified and communicated to responsible committee chair.	DD – 38
Technical staff assigned, specific timeline developed.	DD – 35
Comments submitted to Ad Hoc Subcommittee for review.	DD – 20
Responsible committee chair notified of review results.	DD – 15
Responsible committee chair modifies comments in response to review or notifies OC chair of disagreement.	DD – 12
If changes not agreed upon, comments submitted to OC for final determination.	DD – 10
Comments together with transmittal letter e-mailed/overnighted/delivered to President and appropriate committee chair(s) for final review and signature.	DD – 5
Comments e-mailed or overnighted to regulator or standard setter and public relations staff notified.	DD – 2

Approved: Board of Directors, February 4, 2000, Agenda Item 00 – A – 2b. Updated: Board of Directors, September 19, 2007, Agenda Item B07 – D – 11.