

October 2, 2017

Ms. Suzanne Jolicoeur  
Senior Manager  
State Regulatory Outreach  
AICPA  
220 Leigh Farm Road  
Durham, North Carolina 27707-8110

By e-mail: [Suzanne.Jolicoeur@aicpa-cima.com](mailto:Suzanne.Jolicoeur@aicpa-cima.com)

**Re: Exposure Draft, Proposed Update to Section 14 of the Uniform Accountancy Act (UAA) As It Relates to the Use of Management Accounting Designations by Non-CPAs**

Dear Ms. Jolicoeur:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 26,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

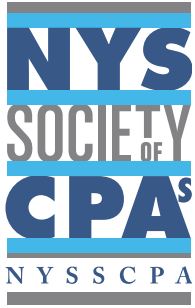
The NYSSCPA's Ad Hoc Committee on the UAA deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Kevin McCoy, Chair of the Ad Hoc Committee, at (518)-785-0134 or Joanne Thelmo, General Counsel at (212)-719-8364.

Sincerely,

A handwritten signature in black ink that reads "Harold L. Deiters III". The signature is written in a cursive style and is positioned over a faint, semi-transparent watermark of the NYSSCPA logo.

Harold L. Deiters III  
President

Attachment



**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMENTS ON**

**EXPOSURE DRAFT, PROPOSED UPDATE TO SECTION 14 OF THE UNIFORM  
ACCOUNTANCY ACT (UAA) AS IT RELATES TO THE USE OF MANAGEMENT  
ACCOUNTING DESIGNATIONS BY NON-CPAS**

**October 2, 2017**

**Principal Drafters**

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Charles Abraham  
Elliot Lesser  
Kevin J. McCoy  
Brian K. Pearson  
Robert M. Rollmann**

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**NYSSCPA Staff**

Joanne Thelmo

New York State Society of Certified Public Accountants

Comments on

**Exposure Draft, Proposed Update to Section 14 of the Uniform Accountancy Act (UAA) As It Relates to the Use of Management Accounting Designations by Non-CPAs**

The New York State Society of Certified Public Accountants (NYSSCPA) appreciates the opportunity to provide comments on the joint AICPA NASBA exposure draft of proposed changes to Section 14 of the Uniform Accountancy Act (UAA) that would allow non-CPAs to assume or use management accounting designations with certain caveats or restrictions.

With respect to the specific language in Section 14(q) we have the following comments:

(q)(1) **“Notwithstanding any other provision of law to the contrary, an individual may use an accounting designation that includes the word "management", conferred by a bona fide nationally recognized accounting organization such as the American Institute of CPAs, the Chartered Institute of Management Accountants or the Institute of Management Accountants, provided the designation does not purport to confer the right to perform audit, attest or compilation services as defined by any state or foreign jurisdiction.”**

The comma should be removed after the word “management.” We suggest clarification as to what is considered “a bona fide nationally recognized organization.” As an example, organizations such as the Internal Institute of Auditors and the Association of Certified Fraud Examiners issue special management certifications and were not listed in this paragraph. Are they regarded as bona fide nationally recognized accounting organizations? Further clarification is also suggested as to when a designation other than CPA might “purport to confer the right to perform audit, attest or compilation services as defined by any state or foreign jurisdiction.”

(q)(2) **“An individual using an accounting designation in accordance with the provisions in Section 14(q)(1), who does not also maintain a license or practice privilege shall not:**

**(A) offer or render audit, attest or compilation services for the public, except under the supervision of a licensee operating within a CPA firm that holds a permit issued in this state or another state.**

Part (A) should read as “offer or render audit, attest or compilation services *to* the public...” “Licensee” should be changed to “license holder.” Further clarification is

sought to determine if “maintain” is defined as “active.” If it is not, we recommend the language in the last line of the preamble be edited to read “MAINTAIN AN ACTIVE LICENSE.”

**(B) offer or render tax services to the public, while using such a designation, except within a CPA firm that holds a permit issued in this state or another state.**

We believe part (B) is problematic because management accountants can prepare tax returns. There is no requirement, especially in New York State, that says an individual cannot prepare tax returns if the individual is not such an accountant. Furthermore, we seek clarification as to whether or not an individual can sign tax returns as both a CPA and a CGMA if the individual has both designations and is not in a firm.

**C) establish, participate in, or promote a business that markets itself by reference to a designation in 14(q)(1) and is not also a CPA firm that holds a permit issued in this state or another state.**

We suggest further clarification as to the requirements of this provision and the wording of this paragraph. Currently, there is no such entity as a CGMA firm, but there could be, and a restriction such as this would be punitive to potential businesses rendering a variety of consulting services. Furthermore, we suggest clarification as to whether this is similar to the tax service issue in Paragraph (q)(2)(B).

**3) The Board may take such actions as authorized in this Act, to prohibit the use of any accounting designation in this State that does not meet the criteria of this section.**

We saw no issue with this paragraph.