

# The Trusted Professional

THE NEWSPAPER OF THE NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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## NYSSCPA survey: CPAs optimistic about economy, skeptical about tax reform

BY ROBERT BUSWEILER  
*Trusted Professional Correspondent*

New York CPAs see bright spots in the state's economy, but are skeptical about tax reform and frustrated by the impact that taxes are currently having on their clients, according to the results of an annual economic outlook survey commissioned by the NYSSCPA.

The survey, which the Society produced in partnership with the Siena College Research Institute during the fall and winter of 2014, was sent to NYSSCPA members who identified their job title as a director or above. Additional input was gathered from CPAs who received their licenses less than five years ago, in order to gauge how new members of the profession view the economy.

Of the more than 600 members who responded to this year's survey, 65 percent work for a public accounting firm, 24 percent work in private industry, 5 percent work for a non-profit organization and 2 percent each work for either a governmental agency or an educational institution.



The NYSSCPA channeled the feel of Monaco at its Dec. 11 "Casino Royale" member appreciation night. For more pictures of the event, turn to page 10.

All told, 46 percent of CPAs polled were optimistic about current business or economic conditions in New York state, saying they have improved over the last six months, either slightly (43 percent) or considerably (3 percent). However, 45 percent had not seen a change, and 8 percent said that business conditions have gotten either slightly (6 percent) or considerably (2 percent) worse. When asked to look ahead to 2015, 58 percent expect the economy in New York to be either slightly or considerably better, whereas 31 percent expect economic

conditions in New York state to remain the same; only 11 percent anticipate that the economy will decline slightly or significantly.

In regards to their clients, 83 percent of CPAs polled said that New York state taxes are having a noticeable impact on how they do business, either somewhat (44 percent) or significantly (39 percent). Further, it doesn't appear that CPAs in New York state are confident in any short-term relief in

*See Survey, on page 9*

## Looking to move past Lerner scandal, exempt orgs head touts successes

BY CHRIS GAETANO  
*Trusted Professional Staff*

Tamera L. Ripperda, who replaced Lois Lerner as the IRS's director of Exempt Organizations (EO) last January, said the division has "come a long way" since it set off a political firestorm in 2013 when it acknowledged that it had disproportionately targeted conservative

groups for special scrutiny. During a talk at the Foundation for Accounting Education's Exempt Organizations Conference on Dec. 9, Ripperda emphasized that "where EO is today is very different than a year ago."

At the height of the scandal, the division, and Lerner specifically, were accused of serial mismanagement, with the agency admitting that it had allowed "inappropriate shortcuts to be used to determine which cases

may be engaging in political activities." But Ripperda said that the IRS had taken steps to move beyond it, and has since been successful in meeting two big challenges in nonprofit organization oversight: launching its new 1023-EZ form and chipping away at its notorious backlog of applications.

Form 1023-EZ, a streamlined version of the traditional application for recognition as a nonprofit entity, made its debut last July.

Since that time, Ripperda said, the IRS has received more than 3,400 applications—a showing that was "pretty remarkable for a new product launch."

Those using the new form accounted for more than half of all 501(c)(3) applications over the past financial quarter, and the number may rise as high as 60 percent before

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# PRESIDENT'S COMMENTARY

## Adding value for our members

How can we serve you better? It's a question we pose often at the Society—and the theme of one of our very first communications to you in 2015. By Jan. 8, you will have received an email inviting you to participate in our comprehensive membership survey. We use the survey, which can be filled out online, periodically, to measure the usefulness and efficacy of NYSSCPA and Foundation for Accounting Education (FAE) services.

The importance of your input cannot be overstated, as we work to heighten the value of your membership and better address your professional needs and interests. In fact, several recent initiatives grew out of concerns that you voiced at chapter events, committee meetings and in one-on-one conversations with Society officers.

Many of you told us that you'd like to get to know each other outside our traditional lines of programming. We heard you and responded, with a flurry of new social events, many of which served as firsts for our organization. This includes our Yankee Stadium outing in September, a special benefit open to all members in good standing. More than 80 CPAs from across the state, along with their colleagues and spouses, joined us in the exclu-

sive Audi Yankees Club, where we witnessed Derek Jeter's last home run of his career. Our "Casino Royale" Member Appreciation Night, held at the NYSSCPA's Wall Street office in December, was also part of the Society's response to you. The event brought the spirit of Monaco to the Financial District (we have the pictures to prove it—turn to page 10 to see for yourself) and drew members from each of our chapter regions. So many of you told us that, not only did you have a great time, but that you were excited to meet new colleagues even beyond those in your chapters and on your committees. We'll be holding more events like this in upcoming months, so be sure to pay attention to Society communications so that you don't miss out.

Another desire that members have voiced is to have more formal opportunities for identifying possible mentors or mentees in the profession. As I mentioned last month, we'll soon be unveiling a new member benefit—Mentor Match—through the Society's online social networking platform, Exchange, that does just

what its name implies. A user-driven mentor matching resource, it will allow you to register as a mentor or find one for yourself, track your mentoring relationships, participate in discussion forums on mentoring topics and search for helpful mentoring resources.

Your feedback was also integral in the creation of our Members in Transition series—free workshops that offer CPAs who are out of work or searching for new jobs the tools they need to find success. At one session, for example, accounting job placement experts shared tips for utilizing social media to uncover new professional opportunities; at another, members received guidance on launching their own practices. If you're looking to make a transition yourself in 2015, I encourage you to take advantage of this ongoing series.

Our resolution at the Society is the same this year as it is every year—to maintain a high level of service and to exceed your expectations. I look forward to hearing from you as we work towards this goal.

*president@nysscpa.org*



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## Submit your nomination to become a FAE trustee

If you're interested in serving on the Foundation for Accounting Education's (FAE) Board of Trustees, now is the time to submit your nomination. As the educational arm of the NYSSCPA, the FAE is very important to the Society's membership because it administers the life-long learning program for New York state CPAs. The central importance of FAE's efforts to New York CPAs makes service as a FAE trustee a highly fulfilling activity for members interested in giving back to the profession.

The FAE has its own governing body—a 9- to 12-person Board of Trustees—9 of whom serve a three-year term. The trustees' three-year terms are evenly staggered, so three vacancies occur each year. According to its bylaws, the FAE's Board of Trustees acts to fill vacancies in the three-year positions on the FAE board, but its choice is limited to the six or more candidates identified by the Society's Board of Directors.

### Trustee responsibilities

FAE trustees typically meet four times a year to discuss the business of the Foundation. They are responsible for approval of the FAE budget, setting the general direction for educational programs and

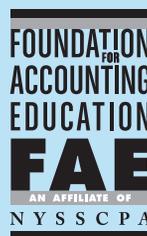
overseeing the scholarship program and Career Opportunities in the Accounting Profession (COAP), a week-long program geared toward encouraging minority high school students to enter the accounting profession. In November 2009, the Society's Benevolent Fund was merged into the FAE. If there is an application for benefits, FAE trustees would be responsible for evaluating such requests. There is no compensation for service on the FAE Board.

### Eligibility requirements

According to Foundation bylaws, to serve on the FAE board, a prospective candidate must be a CPA and a member in good standing of the NYSSCPA. Trustees are appointed based on their interest and ability to contribute to the educational goals of the Foundation. Trustee selection, to the extent possible, represents a cross section of the Society's membership, in terms of geography and areas of professional practice.

Over and above the Foundation's bylaw requirements, it is beneficial for candidates to have taken FAE courses or to have been responsible for sending others to FAE programs. In addition, candidates should be

familiar with the market for adult learning in a continuing professional education environment. The FAE primarily targets small and medium-sized CPA firms. The market is expanding into programs for industry CPAs as well.



### How to serve

Those interested in serving on the FAE Board of Trustees should send an email to the attention of NYSSCPA President-elect **Joseph M. Falbo Jr.** at [presidentelect@nysscpa.org](mailto:presidentelect@nysscpa.org) by Feb. 13. The email should include a résumé and a statement of interest and ability to contribute to the educational goals of the Foundation. Candidate information will be forwarded to the Selections Subcommittee of the NYSSCPA Board of Directors, which will propose to the Society's Board of Directors the names of individuals to fill the three FAE vacancies. The Society's Board will submit at least six nominees to the FAE Board of Trustees. The FAE Board then appoints three individuals from among the nominees submitted by the Society's Board to become FAE trustees.

Once again, please remember that if you are interested in serving on the FAE Board, a nomination must be submitted by Feb. 13.



# Newsmaker: SEC Chief Accountant James V. Schnurr

BY CHRIS GAETANO  
*Trusted Professional Staff*

In October, James V. Schnurr, a retired Deloitte LLP vice chair and senior partner, assumed his new role as chief accountant of the Securities and Exchange Commission (SEC). The office, which works closely with accounting bodies

the International Accounting Standards Board (IASB). And the third is a current concept release my staff is drafting around audit committee disclosures.

**You could have done any number of things in your retirement. Why this?**

I guess the primary motive in taking on the job at this point in my career was that it

**You come to the SEC from the private sector, vs. your previous two predecessors, who were brought into the chief accountant's office from within. How do you think an outsider's perspective will help, now that you're on the other side of the desk?**

Given my almost 40 years in the profession, I've had a lot of interaction with the various constituents the office deals with—standards

**participated in an SEC IFRS roundtable, and said, essentially, that generally accepted accounting principles (GAAP) and IFRS can coexist, and that investors would not be overly burdened by having to deal with two standards. Much has changed since then—do you still hold the same opinion?**

Well, as you've observed, the roundtable was many, many years ago; my understanding of

**"I have a much better understanding of what the commission is required to do in the context of rulemaking. This includes, first and foremost, considering the interests of U.S. investors."**

**—James V. Schnurr, SEC Chief Accountant**

such as the Financial Accounting Standards Board (FASB) and the Public Company Accounting Oversight Board (PCAOB), is tasked with setting and enforcing accounting and auditing policy, enhancing the transparency and relevancy of financial reporting, and improving the professional performance of public company auditors.

Though Schnurr spends much of his time in Washington, D.C., he has strong ties to the tri-state area, having grown up in Queens and earned his M.B.A. at Rutgers University. He recently spoke to *The Trusted Professional* about his background, his priorities and the role of International Financial Reporting Standards (IFRS) in the United States.

**What motivated you to become a CPA?**

After I finished my college career, I played basketball in France for a year. When I came back to New York, I took an accounting course at St. John's University at night and seemed to have an aptitude for it. As a result, I applied to some master's programs. I enrolled in one at Rutgers University and graduated first in my class there. As part of that program, I interned with, what was at the time, Haskins & Sells. I joined the company full time in September of 1976.

**You just recently started your position as SEC chief accountant. What are your immediate priorities, as you settle in?**

The top area I'm focused on is what, if any, incremental use should be made of IFRS for U.S. registrants. The second is the status of the implementation of the new revenue recognition standard issued by the FASB and

was tough to say no to someone like [SEC Chair] Mary Jo White. I also thought it was a good idea for me to give back to what I will broadly call the financial reporting community, which obviously includes preparers, users, regulators and the accounting profession. I did have some other opportunities to pursue—board work for some companies—but I decided I would put that on hold while I worked for the SEC.

**In what way would you like to improve things at the Office of the Chief Accountant during your tenure?**

Well, I'll admit that I'm actually very happy with the way things are currently structured. It's not a big group—about 45 people in total. There are four deputies who report to me—one focuses on accounting and financial reporting, one focuses on auditing and independence, a third is the general counsel who gets involved in a lot of different aspects of what we do, and the fourth oversees our international activities. I was fortunate in that I knew each one of those individuals before I came here and had a very high regard for them. I've been very pleased with their assistance and support in the areas we talked about earlier.

We also have a significant number of people in the office who are fellows with two-year commitments. Most of them come directly out of the large accounting firms. I do think that one thing we might be able to focus on is how we can enhance their experience when they're down here, in terms of developing their leadership skills and interpersonal skills. They're typically senior managers on track to becoming a partner.

setters, regulators, people in the profession, preparers and, to a more limited extent, investors. I spent about nine years of my career working in Deloitte's mergers and acquisitions group, so I spent a lot of time with private equity investors, as well as companies looking at potential takeover targets from a financial reporting and accounting standpoint.

Having those pre-existing relationships, I think, is going to be very beneficial in terms of trying to consider various initiatives that the commission might undertake, from a rulemaking standpoint.

**How do you envision your role—and the SEC's role—in relationship to the PCAOB? Are you satisfied with the existing relationship?**

Legally, the commission has oversight responsibility over the PCAOB—by law, we are required to approve any standards that it would propose. We are also responsible for appointing the chair and the other four board members; a U.S. Supreme Court case several years ago clarified our relationship. [*Ed. Note: In 2010, a 5-4 decision by the Supreme Court made it possible for PCAOB members to be removed at will by the SEC, rather than only for good cause.*] To be more specific, I would view our relationship as a good working relationship. My personal experience in terms of dealing with various constituents, whether they've been a client or a regulator or a standards setter or preparer, is to have very open lines of communication and to be candid in terms of your views with regard to whatever the topic is.

**IFRS has been a major debate within the community for a number of years. In 2007, you**

legal, statutory and other factors that need to be considered is very different now than it was when the roundtable occurred. I have a much better understanding of what the commission is required to do in the context of rulemaking. This includes, first and foremost, considering the interests of U.S. investors and, secondly, conducting an economic impact analysis. These are two major factors that are important when looking at the various alternatives one might consider.

**It's been reported that you're currently weighing the options regarding IFRS and hoping to see movement within the next few months. What sort of developments would you like to see on this front?**

I'm not prepared to talk about what alternatives I may suggest to Mary Jo White and, ultimately, to the commissioners. I'm working with my staff and others to better understand research and analysis completed to date, and that will inform any next steps I suggest the chair and commission consider.

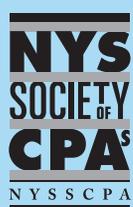
**During this exploration period, are there any options that are completely off the table? For example, is full-scale adoption a nonstarter?**

As I said, I haven't reached judgment about any particular alternative. The answer, I guess, would be 'no.'

**For our final question, what was the last really good book you read?**

*Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System—and Themselves* by Andrew Ross Sorkin.

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# F&E Speaker: 2015 to be a good year for U.S. real estate deals

BY CHRIS GAETANO  
Trusted Professional Staff

**W**hat does 2015 have in store for the real estate industry? According to Scott A. Shay, chairman of the board of Signature Bank and the keynote speaker at the Foundation for Accounting Education's (FAE) Real Estate Conference on Dec. 4, there's reason to be optimistic. Thanks to a number of structural economic factors working in the United States' favor, he predicted that, in the year ahead, "a lot

is cash yield real estate," he explained. "Trophy real estate in particular, but all sorts."

This will translate into job growth on top of the roughly 200,000 new jobs per month that are already being added to the economy, which means the economic momentum will continue, even to the point where young people who had been affected by the financial crisis can "finally" move out of their parents' home.

"This is it," he said. "Almost century-high levels of adult children are living with their parents, but the good news is they can increasingly get jobs."

## SPECIAL CONFERENCE COVERAGE

While the state of the U.S. economy doesn't sound impressive on its own, it's much better than what its rivals will face in the coming year.

of deals will get done" both in the country at large and here in New York.

One development that bodes well for Americans, Shay said, is that the United States is in a good position, relative to many of its competitors in Europe and Asia. Europe, he said, is still mired in what seems to be a "never-ending recession," while the Japanese economy, which he described as having "the worst demographics one could imagine," is "ever sinking." Meanwhile, though the much-vaunted BRICS (Brazil, Russia, India, China and South Africa) had shown strong growth before, Shay noted that almost all of them are experiencing some degree of economic slowdown. While the state of the U.S. economy doesn't sound impressive on its own, with a predicted 3 percent growth in 2015, it's much better than what its rivals will face in the coming year, Shay said.

"Three percent growth will probably be three times the growth [of] the rest of the developed world," he said.

What's more, falling oil prices are expected to have a positive effect on the U.S. economy. "We experienced it as a sort of gift, like a massive tax cut, one you would never get Congress and the White House to agree on," Shay said. The downward pressure on oil prices has already had an impact, especially in consumer-related businesses, which, he said, are providing some real tailwinds to the economy.

With all these factors in place, "we're going to see more money leaving European debt securities and seeking a higher yield here, and one of the ways they will seek that

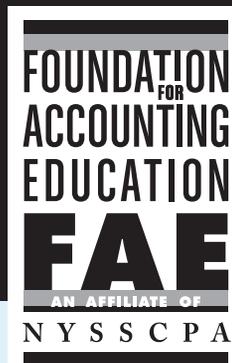
When they do, he said, they'll need workstations in a building. Even though companies use 15 percent to 20 percent less space per employee these days, they still need offices, he added. Moreover, he said, when those young people do move out of their parents' homes, it creates a demand for multifamily [homes] "here and across the rest of the country."

The effect of this for real estate, he said, is that capitalization rates are going to decline, especially for New York City. He noted that if "you look at every cap rate except for hotels in New York City, they're down dramatically, [by] at least 100 basis points than before the economic collapse in 2008 and, in many cases, more than that."

What this means, according to Shay, is that "waves of cash coming from Europe, Asia and South America looking for a relatively safe environment, which they perceive the U.S. and particularly New York to be, those flows are going to have an impact on cap rates and valuations."

The upcoming year will bring effectively lower loan-to-value (LTV) ratios [which can be used as an indicator of risk—the higher the ratio, the higher the risk, generally], as capitalization rates decline. Shay said that he recently saw a loan in southern Manhattan where the buyer purchased the property under 3 percent, which was market. He warned his audience that "no one ever paid back a loan with LTV."

Cash, he said, pays back loans. So, those who continue to focus on cash and debt ser-



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# IRS associate chief counsel: partnerships challenging to audit

BY CHRIS GAETANO  
Trusted Professional Staff

With the number of businesses that are classified as partnerships growing rapidly, the Internal Revenue Service (IRS) has had to confront new challenges to its policies and procedures for these entities—all amid an environment of dwindling budgetary resources—stated Curtis G. Wilson, the associate chief counsel of the IRS, at the Society's Partnership Taxation Conference on Dec. 17.

Wilson, who led a session on IRS trends, pointed out that, between 2002 and 2011, the number of businesses characterized as partnerships—including LLCs—has increased 43 percent. Conversely, the number of C corporations declined by 22 percent. What's more, he added, 90 percent of business in the United States today is now conducted through pass-through entities such as partnerships and S corporations, while the share of business receipts from traditional C corporations has declined from 90 percent in 1980 to 60 percent today.

This, Wilson said, is almost assuredly due to the tax environment: According to the Treasury Department's Office of Tax Analysis, the effective marginal tax rate for new investments on C corporations is 32 percent, but for pass-through entities, it's 22 percent.

"I know there are other things that drive people toward choosing a pass-through as their choice of entity, but obviously, tax does make a difference and is a significant factor in most choice-of-entity decisions," he said.

While someone might expect such a rise in pass-through entities to be accompanied by a corresponding rise in audit resources devoted to them, Wilson said this has not been the case: The audit rate in 2012 for large traditional corporations was more than 27 percent, but the rate for large partnerships was less than 1 percent. Partnerships are also less likely to need to make changes as a result of those audits—while 27 percent of audited C corporations end in a proposal for no changes, almost 67 percent of partnerships get the same result.

"In other words, the service is auditing less than 1 percent of large partnerships and, of those, only one-third result in changes from the audit," he explained.

While there are many reasons for this low audit rate, Wilson did note that large partnerships present a particular challenge for IRS auditors. There are some partnerships, for example, that have literally tens of thousands of partners or even hundreds of thousands, in some cases. Further, some of these partnerships, in turn, own other partnerships, each with thousands of partners of their own. This can lead to a long, complicated audit that "does not produce much tax on a partner-by-partner basis."

He asked the audience to consider a part-

nership with 25,000 partners that the IRS has determined has a \$10 million increase in income. While that sum might seem substantial, he said, it ultimately just works out to about \$400 per partner, each of whom has

of time and resources."

Still, he said the IRS is hoping that new legislation will make auditing large partnerships easier. Rep. Dave Camp (R-Mich.), the chair of the House Ways and Means Com-

mittee, and Sen. Carl Levin (D-Mich.) have both made recommendations for legislation that would amend the rules allowing for adjustments at the partnership level, as opposed to the individual partner level, which Wilson said would make auditing these entities much

Camp and Levin are set to retire, Wilson said "there is a fairly good chance legislation of some sort of this point will pass."

"That is something I hope is coming," he added.

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Curtis G. Wilson, the associate chief counsel of the IRS, at the NYSSCPA's Partnership Taxation Conference on Dec. 17. According to him, while the audit rate in 2012 for large traditional corporations was more than 27 percent, the rate for large partnerships was less than 1 percent.

to be linked within the service's Partnership Control System (an IRS information database) so the service can locate their individual returns and calculate the tax due. And that can take a while, he said.

"People think we just punch a button, but that's not the case," he said. "It takes a lot of time and resources, even if you assume the \$400 adjustment is just taxed at a 36 percent rate."

In that case, he said, one might assume that the IRS will only go after larger interests to make it more worthwhile—for example, someone with a \$100,000 adjustment because he or she owns a full 1 percent of partnership interest, which comes to about \$35,000 in tax, plus interest, depending on the marginal rate.

"But then ask whether it's fair to assess the tax [for] someone who has 1 percent, but not the person who has .99 percent," he said. "Or flip the situation. Instead of having a deficiency, there is a refund due to the partners—we won't have the luxury to say, 'your refund is only \$25 or \$100, so we won't bother.'"

These factors, he added, all go into the challenges that the service faces in auditing large partnerships. "There are a lot of other reasons the audit rate is so low, but that's one of the big reasons."

And this is all happening, he said, at a time when the budget for the IRS is becoming increasingly strained—indeed, at press time, Congress had reduced the service's fiscal year 2015 budget by 3 percent.

According to Wilson, this has had an impact on the number of IRS employees, which, he said, decreased by 9 percent between 2010 and 2013. At the same time, he noted, the service is being asked to take on more responsibilities, such as administering the Affordable Care Act and implementing the Foreign Account Tax Compliance Act, both of which "take up considerable amounts

of time and resources."



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# NYC follows Society's recommendations, revises Form TC309

BY CHRIS GAETANO  
Trusted Professional Staff

After two years of discussion and negotiation with the New York City Tax Commission, the NYSSCPA's Real Estate Committee has succeeded in getting the city to modify a key real estate form—TC309, Accountant's Certification—and make it compliant with generally accepted

report, which the auditor uses to express an opinion on TC201. However, Real Estate Committee members said, this put CPAs in an awkward position.

Why? According to **Abraham E. Haspel**, who serves as the committee's vice chair and was directly involved in talks with the Tax Commission, in 2012, the AICPA issued its clarified auditing standards, which required certain language changes in audit reports. Be-

mission, and under a compromise that was eventually reached, CPAs were allowed to attach a GAAS-compliant opinion to the non-GAAS-compliant TC309. However, since the noncompliant portion would still need to be fully completed and signed, the solution was an imperfect one.

The Society continued to press the city, with members of the task force working to convince Tax Commission President Glenn

interested in working with the profession," Haspel said.

**Michael J. Giglio**, the Real Estate Committee chair, called the changes "a remarkable achievement," and praised task force members for their hard work and persistence.

"This team's perseverance in pursuit of the timely completion of this project is a prime example of how generous contributions of a volunteer's time can lead to valuable solutions

## CPAs would not have been able to offer an opinion without violating professional ethics standards. But the city required they do just that in order to file the TC201.

auditing standards (GAAS). The revised form is available for download at [www.nyc.gov/html/taxcomm](http://www.nyc.gov/html/taxcomm), the Tax Commission's website.

The committee announced the news during the Foundation for Accounting Education's (FAE) annual Real Estate Conference on Dec. 4.

TC309 must be submitted with TC201, the city's schedule of income and expenses for rent-producing properties, when a lot has a tentative actual assessed valuation of \$1 million or more and income exceeding \$100,000. The form consists of an independent auditor's

cause the TC309 wasn't itself updated, wording on the form became inconsistent with GAAS, meaning CPAs would not be able to offer an opinion without violating professional ethics standards. But the city required they do just that in order to file the TC201.

The Real Estate Committee created a special task force that included Haspel, **Grace G. Singer**, **Ahava Z. Goldman**, **Santa J. Marletta**, **Evan J. Della Valle** and **Harry Dublinsky** to address the issue. Working with the AICPA's Auditing Standards Board, they entered into talks with the Tax Com-

Newman that it was important to adopt a permanent fix: a fully revised form. After a series of talks and emails, the committee drafted a compliant form that Haspel then shared with Newman, who ultimately accepted it.

"He came back to us on Dec. 3 and said, 'OK, I'll make the changes you requested,'" Haspel said.

Newman, who spoke at the FAE's Dec. 4 conference, commended committee members for working "diligently to explain the need for the revisions and ensure that the updated form complies with AICPA standards."

In a separate statement, he added that the new TC309 form should "eliminate the confusion and clarify what the certification means, so the Tax Commission can rely on the income and expense statements required to be filed."

Haspel remarked that he was gratified that the city made the necessary changes to the form, and noted that the Society's long-time relationship with Newman had proven beneficial.

"He has always been very helpful and

achieved through the joint efforts of private and public industry," he said.

Going forward, Haspel said, the Real Estate Committee will continue to focus on real estate forms that present similar problems for CPAs, including 423-A and J-51, which are required for certain New York City tax abatement programs. In October, the NYSSCPA sent a strongly worded letter to the city's Department of Housing Preservation and Development (HPD), voicing concern that the forms require the certification of information that doesn't necessarily comply with generally accepted accounting principles (GAAP), GAAS or Statements on Standards for Attestation Engagements (SSAE). When reached for comment, an HPD representative said that the department is reviewing the matter.

Haspel promised that the committee would stay on top of the matter.

"We'll keep raising the issue and following up with them," he said. "Hopefully, we will have a good result there as well."

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## NYSSCPA comment letters

The following list includes all comment letters released by the NYSSCPA between Dec. 1 and Dec. 31. To read all comment letters published by the Society, visit [nysscpa.org/page/society-comment-letters](http://nysscpa.org/page/society-comment-letters).

**Comments to the FASB on a Proposed Accounting Standards Update—Interest—Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Cost:** Released Dec. 11 —Comments on a proposed accounting standards update, the objective of which is to simplify presentation of debt issuance costs by requiring that they be presented in the balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums.

# Doing the Right Thing

## When is a contingent fee arrangement considered an act discreditable?

BY VICTORIA L. PITKIN, CPA

There are two questions that often arise within the profession: When is a CPA prohibited from accepting a contingent fee? And where can one find the

compilation report and the compilation report does not disclose a lack of independence; or

- performs an examination of prospective financial information.

On first glance, one might think that a

to be achieved, the arrangement is not a contingent fee. For example, quoting a client a fee in a range for performing an audit of a financial statement is not a contingent fee because, in this instance, what the client pays is dependent on how the audit goes, how clean

matters can be found in Section 1.510.010 of the Code. Please note that the IRS and/or other governmental agencies may have rules regarding contingent fees that are more prescriptive than those in the AICPA's code.

Hopefully, this has cleared up some of the

## Whether or not accepting these fees constitutes an act discreditable depends, in part, on what services the CPA is performing for the client and how the result is determined.

rules regarding it? The answers to both, however, are fairly straightforward.

A contingent fee is a fee arrangement in which the amount of the fee is dependent on the attainment of a specific result for the client—for example, a fee based on the amount of a client's tax refund, or the amount of loan a client receives from a bank. Whether or not accepting these fees constitutes an act discreditable depends, in part, on what services the CPA is performing for the client and how the result is determined.

The rule and interpretations regarding contingent fees can be found in Section 1.510 of the AICPA's revised Code of Professional Conduct, which became effective Dec. 15, 2014. (Prior to that, Rule 302 governed contingent fees.) Since the NYSSCPA adopted the AICPA's code as its own conduct code in May 2013, all Society members are subject to it.

Under the code, a member in public practice is proscribed from performing any professional services for a contingent fee when the member or the member's firm either:

- performs an audit or review of a financial statement for the client;
- performs a compilation of a financial statement for which there is an accountant's

member who is the VP of finance at a company or a college professor would be exempt from the contingent fee rules—the first is a member in industry and the latter falls into the “other” member category. But this would only be true so long as they aren't performing any professional services for a client, which includes, among other things, accounting, attest, bookkeeping, tax or valuation services that require accounting and related skills. As soon as a member performs professional services for a client, he or she is a member in public practice regardless of how he or she makes a living. In other words, that college professor who prepares tax returns for a handful of clients is subject to all of the rules in Section 1 of the revised code, which covers members in public practice, including the rule pertaining to contingent fees.

On the tax side, a member who prepares a tax return, amends a tax return or a prepares a claim for refund for a client is proscribed from doing so for a contingent fee.

It is important to note here, that not all fees which are unfixed as to the amount are contingent fees. CPAs will often quote a client a fee within a range. So long as the nature of the fee is determined based upon the effort to be expended and not the result

the client's records are, etc., and not on the issuance of an unmodified opinion.

In addition, fees that are set by a court or other public authority or based on the results of judicial proceedings or the findings of governmental agencies are not contingent fees. This would include, for example, a fee established by a bankruptcy court for professional services rendered by the member on behalf of a client. Fees for representing a client in an IRS examination that are based on the result of the examination are not contingent fees. Other examples of exceptions to the contingent fees rule as it relates to tax

more troublesome questions regarding the topic of contingent fees. I strongly urge anyone who hasn't done so already to check out the revised Code of Professional Conduct, which can be viewed on the NYSSCPA's website at [http://www.nysccpa.org/prof\\_library/ethicsregulation.htm](http://www.nysccpa.org/prof_library/ethicsregulation.htm).

*Victoria Pitkin, CPA, CGMA, has more than 20 years of experience in providing accounting, auditing, tax and consulting services, and is a member of the NYSSCPA's Professional Ethics Committee.*

## Real Estate

Continued from page 4

vice coverage ratios, he continued, will do fine, while those that lose this focus “will have some issues.” Even though he doesn't believe that 2015 will be the year interest rates will rise, “there will come a day, can't tell you when, when rates go up,” and when that happens, so will capitalization rates and loan-to-value ratios.

Nonetheless, the coming year's favorable conditions will lead to some interesting phenomena, he said. For example, a number of companies are starting to buy

single-family homes and rent them out—big players such as Blackstone, Home Partners and American Residential Properties. Shay said he believes this will start creeping into New York City. He added that with investors abroad putting so much money into the system, people will also start seeing a willingness to expand below 96th Street, into the boroughs, “and I think that will help continue to drive growth there.”

Though it's important to keep a level head, despite the good signs, “I think you're going to see that 2015 will really be a banner year,” he said.

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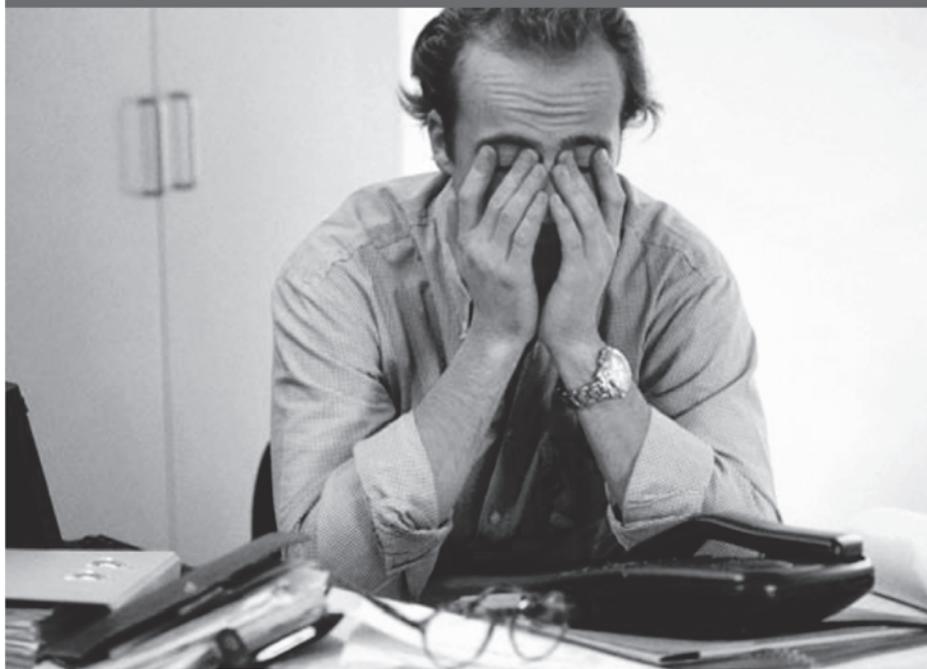
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# Warning businesses about their embezzlement risks

## A reasonable course of action for CPAs

BY RON KLEIN, J.D., CFE

The following small business embezzlement scenario has occurred so many times over the years that loss prevention and claims specialists have it memorized.

The client is a small business owner who is too busy running the company to supervise its bookkeeping and banking activities. On top of that, there aren't enough employees to properly distribute the cash and checking-related functions. The duties of receiving and disbursing funds and reconciling bank accounts are all handled by one trusted staffer who uses an accounting software program in order to stay on top of the business's financial activities.

The client somehow thinks that the off-the-shelf accounting program contains safeguards to help protect the business from fraud, but just the opposite is true: The program enables one person to control all of the business's funds and bank accounts, thereby facilitating the perpetration of fraud.

The client engages a CPA to prepare tax returns and to compile financial statements, and when the CPA offers to perform bank reconciliations as well for a nominal fee, the client accepts the offer. The CPA's engagement letter addresses the tax work and compilations, but not the bank reconciliation services. The CPA performs standard bank reconciliations but does not do "proof of cash" or other internal-control types of procedures.

The client then discovers that the trusted employee has embezzled funds and is extremely disappointed that the CPA did not uncover the fraud when performing the bank reconciliations. Since the CPA's engagement letter does not define the scope and limits of bank reconciliations, the client appears to be justified in the expectation that the CPA was examining the bookkeeping and bank records for fraud.

### Loss prevention

Jury studies show that most jurors will agree with such client expectations. Indeed, client, jury and public expectations of CPAs have increased over the years to the point where CPAs are expected to 1) always detect fraud, and 2) advise and warn clients about their fraud exposures.

The expectation to always detect fraud

can be quite difficult to meet, but the expectation to advise and warn is much more manageable. By advising and warning clients of their defalcation exposures, clients are better able to prevent defalcation. If it's not prevented and is later uncovered, the CPA has documented evidence of the warning, thereby reducing the liability exposure.

Advice to clients about their exposures to defalcation is best provided in an advisory letter that 1) warns about the general risks, 2) suggests the steps that clients can take to reduce the risks and 3) offers annual CPA services to help reduce the risks.

Clients also need to be notified of "loose ends," such as sloppy bookkeeping and late bank reconciliations. By offering additional services, CPAs can assist with client responsibilities to establish adequate internal controls.

### Service options

CPAs who perform bank reconciliation services should consider offering two service options as a method of clearly separating the client's responsibilities from the practitioner's:

**Option One**—a standard monthly service in which the CPA performs bank reconciliations solely to compare the amount of cash in bank on the books with the amount of cash in bank shown on the statement. This service is *not* designed or intended to deter or discover fraud, and the engagement letter should clearly communicate that. CPAs can perform normal bank reconciliation services quickly and at lower cost.

**Option Two**—an expanded service that might be labeled "bank reconciliation plus." The CPA must not guarantee that embezzlement or other irregularities will always be uncovered, but can state that the consistent and timely application of this expanded service can provide additional protection to the client. In this service, the CPA performs additional, specific activities such as—

- examining individual checks, the signatures on each check, the payee on the check and the signature cards on file with the bank; and
- providing the client with a written report, detailing all checks posted against the account and appearing on the bank state-

# IRS

## Continued from front page

things begin to level off, Ripperda said. She added that it takes only about 90 days to process the application, sometimes less, and only 4.5 percent are rejected. Even then, she said, “rejection does not equal denial of exempt status,” but, in most cases, points to the fact that the applicant needs to use the longer, more detailed form, instead of the streamlined one.

According to Ripperda, the new form is part of a risk-based approach that the IRS is embracing. Organizations that apply for tax-exempt status, she said, are mainly compliant but can face problems with reporting requirements that “are not always easy to understand.” As a result, the division felt that it didn’t need to treat each applicant with the same level of detailed scrutiny and subject them to a back-and-forth of multiple correspondences. The new form is truly “a new way of doing business for us,” she said.

Though the compliance division did offer some pushback over the decrease in the amount of information being requested, Ripperda commented that “we saw the prudence of trusting, but verifying.” To this end, she said that 3 percent of applications are randomly selected for a predetermination review, which, among other things, is meant to gauge the effectiveness of the new form and learn more about those who use it. Postdetermination reviews will begin in 2016, giving organizations time to get some operations under their belt and complete Form 990, Return of Organization Exempt from Income Tax, which will be used during the follow-up.

“We’re going to be checking the data very carefully as time goes on,” Ripperda said.

In terms of making headway on the backlog of applications that had been accumulating, Ripperda pointed out that when she was first appointed, she set a goal for the division: that

the average amount of time people must wait for action on their applications not exceed 270 days. After she put streamlining processes in place to expedite application reviews, Ripperda said the average age of an application fell to 157 days, prompting her to tell conference attendees that “we have succeeded.”

## Looking ahead

Even as the division claims progress in these two areas, Ripperda noted that much work remains. In the coming year, she said, the IRS will identify more opportunities to further streamline both the application and exam processes.

She added that the division is also working on “knowledge management,” that is, the use and distribution of information internally. Ripperda explained that her team is creating a resource repository for employees in order to ensure that the division takes consistent positions on behalf of the U.S. government, with plans to eventually make this system available to the public as well.

The division, much like the IRS as a whole, will also be placing greater emphasis on data-driven decision making, which, Ripperda said, will give them “better capabilities in using and analyzing the data we have in a wide strategic move.” Moreover, she said, the service will be actively soliciting employee feedback in discussions about enterprisewide risks before problems spiral. This, she added, would become a regular part of an operational review that will be worked into all of the division’s decision making.

A new data-driven approach will also inform the division’s exam strategy going forward, with the division making greater use of Form 990 data and public data. Ripperda described a strategy that is more purposeful in its approach, vs. a wide net, comparing it to how the Transportation Security Administration handles airport security, which, she

added, has shifted into a more risk-based approach that does not assume everyone is a potential terrorist.

“I see us applying that thought process to our own exempt organizations,” she said.

In general, according to Ripperda, rather than focusing on, for example, someone who simply made a mistake on a form, the department will focus on areas where there is the most potential damage, which she expects to be more efficient for the IRS and

less burdensome for the taxpayers. Some of these areas, she said, include the protection of assets, where there is noncompliance in terms of diversion or asset benefit transactions; tax gap, where there are cases of unrelated business income or employment tax issues; and international activity that could indicate the financing of terrorist activity, as well as Foreign Bank and Financial Accounts compliance.

*cgaetano@nysscpa.org*

# Survey

## Continued from front page

the near future, as nearly half of the respondents said they felt the impact of the state’s Tax Relief Commission would be minimal. The commission, formed by Gov. Andrew M. Cuomo in 2013, was charged with creating \$2 billion worth of targeted tax relief proposals that, according to the state itself, would “alleviate the burden on individuals, families and businesses of New York’s most onerous taxes.” But nearly half of respondents, 46 percent, report no change in the tax burden of their business clients, while 22 percent have seen a slight alleviation of their clients’ tax burden; 32 percent of CPAs reported a worsening of the tax burden of their clients.

Moreover, 61 percent of respondents felt that Gov. Cuomo’s corporate tax reform package, which was enacted in March and is generally effective for tax years beginning on or after Jan. 1, 2015, will not have any effect

on their clients.

When asked to identify the top issue they would like Gov. Andrew Cuomo to prioritize, the respondents chose tax reform (24 percent), spending cuts (21 percent), infrastructure development (19 percent) and business development incentives (15 percent).

In terms of growing and shrinking economic sectors in New York state, CPAs identified several clear winners and losers. When asked to identify sectors in which they see potential for growth, CPAs ranked the financial (47 percent) and medical (45 percent) industries as the top choices.

Conversely, CPAs named manufacturing and retail as the industries they expect to struggle to attain profitability in the coming years.

For more about the survey, see [nysscpa.org/CPAsurvey2014](http://nysscpa.org/CPAsurvey2014).

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# Embezzlement

## Continued from page 8

ment or the client’s books for the time period covered by the service.

Under Option Two, the CPA communicates that the client also has specific, clearly identified responsibilities, and that the fees will be higher in order to cover the additional steps involved.

All engagements require an understanding between the CPA firm and the client, and the best way to document the understanding is with an engagement letter, signed by the client. Clearly spell out the nature of the work that you and others will perform. Describe the limitations of the

work, the client’s responsibilities and what you expect from the client. If the client is unwilling or unable to meet its responsibilities, it may be time to disengage.

*Ron Klein is loss prevention vice president—risk management counsel at Camico ([www.camico.com](http://www.camico.com)). In his current role, he leverages his extensive knowledge and expertise of CPA professional liability issues in order to help policyholders practice sound risk management.*

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## UPCOMING INDUSTRY COMMITTEE MEETINGS

Emerging Tech Entrepreneurial	Wed., Jan. 7
Real Estate	Wed., Jan. 7
Small Business Outreach	Wed., Jan. 14
Internal Audit	Thurs., Jan. 15
Construction Contractors	Thurs., Jan. 22
Entertainment, Arts and Sports	Tues., Jan. 27

This is a partial listing, which is subject to change. For a complete and updated listing of meetings, visit [www.nysscpa.org](http://www.nysscpa.org), click on “About Us,” and choose “Committees” from the drop-down menu.

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## UPCOMING CONFERENCES

Family Office Conference	Tues., Feb. 3
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# Let the good times roll! Society holds first-ever “Casino Royale”

BY N. SHEREE SAUNDERS  
*Trusted Professional Staff*

For NYSSCPA members like **Janet Oberstein**, it was a gamble that paid off. Though Oberstein, a Manhattan/Bronx Chapter member, had made an effort to become more active at the Society within the past year, joining her chapter’s executive board and several statewide committees, most of the events she’d attended were for CPE credits. But that changed on Dec. 11, when, along with 150 other CPAs and professionals from across the state, she participated in the organization’s first ever “Casino Royale” Member Appreciation Night.

The event, held at the NYSSCPA’s 14 Wall Street office, was a first for the Society, featuring Monaco-styled casino games, music by award-winning Frank Sinatra tribute artist James Anthony and prizes from Apple, Samsung and Waterman, among others. It was one of several new events that the Society has rolled out in recent months to provide members with opportunities to network with their colleagues in a more relaxed setting. In October, for example, the NYSSCPA hosted an Oktoberfest Networking Night; in May it held a whiskey tasting; and in September it organized an outing to Yankee Stadium where members took in one of Derek Jeter’s final home games. Each event drew members from across the NYSSCPA’s 15 chapter regions.

Donning one of the colorful masquerade

masks given to Casino Night gamblers, Oberstein said she had decided to go to the event because she “thought it would be fun to mingle with people and not just see a lecture.”

“The Society, on so many levels, offers a lot of great networking opportunities and this was a chance to take one,” she added.

Since members were encouraged to bring a guest, colleagues who may have only known the organization from afar also got an opportunity to become better acquainted with it. Max Rubin, an associate at Goetz Fitzpatrick LLP who specializes in commercial litigation, said that until Casino Night, he hadn’t been to a Society event, though he had been interested in attending one. “[With the event] being relatively close to where I live, I said, ‘why not?’ ... You never know who you will meet so that you can expand your professional contacts.”

The night also benefitted the NYSSCPA’s Career Opportunities in the Accounting Profession (COAP) program, which introduces high school students, particularly those from underrepresented communities, to the profession. Attendees donated more than \$1,000 to the initiative.

In the end, **Louis E. Feinstein**, who said he’d decided to go to the Casino Night after attending the Society’s other recent social events, captured the sentiment of the evening: “It’s not the kind of thing you expect at the NYSSCPA, but I’m all for it.”

[nsaunders@nysscpa.org](mailto:nsaunders@nysscpa.org)



1. Members take in a game of Craps; 2. Carol A. Brunsden strikes a pose; 3. Scott D. Hosler, David J. Wojnas and Stephen T. Surace; 4. Janet Oberstein, Lorna Malone and Rumbi Bwerinofa-Petrozzello; 5. Dishes prepared by Chef Chris Barbier of Nova Catering helped attendees keep their strength up for gambling; 7. Vocalist James Anthony gets help in belting out Sinatra hits; 8. Mark Weg, Cynthia Scarinci, Gerard LoVerde, Rosemarie Giovinazzo-Barnickel and Patrick J. Monachino; 9. Linda York; 10. Joseph M. Falbo Jr. and Suzanne M. Jensen; 11. Dan and Jacqueline E. Miller; 12. Theresa Steinkamp and Erika Bialek; 13. Barbara Marino and Elysa K. Dauerman; 14. Kabita Shah and George Kaniarasseril; 15. Members used gambling chip winnings to purchase raffles for prizes; 16. A game of Blackjack in full swing



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JOEL LANZ



## Required reading

Resources to help you better manage IT risks in the new year

BY JOEL LANZ, CPA/CITP, CFF, CISA, CISM, CISSP, CFE

The year 2014 was quite a challenge for those managing technology risks, with back-to-back disclosures of serious cyberattacks in the news. The drumbeat started as authorities gained a clearer picture of the massive breach that crippled Target; continued as hackers attacked other major retailers, including Home Depot and Kmart, in addition to JPMorgan Chase and the U.S. Postal Service; and ended with, perhaps, the most dramatic breach of all at SONY Pictures Entertainment. Unlike the other attacks, in which hackers appeared to have set their sights on customers' financial data, SONY hackers also released embarrassing corporate emails and proprietary information, further underscoring the need to protect trade secrets.

But the start of a new year brings with it new opportunities to better manage IT risks—both from a personal and practice development perspectives. You can begin to take steps in that direction with this list of recommended readings. [Ed. Note: Lanz's product selections are his own and should not be viewed as endorsements by the NYSSCPA.] Each selection can help practitioners to fill in their knowledge gaps, keep up

with new developments or think more strategically about risk management.

**The ABA Cybersecurity Handbook: A Resource for Attorneys, Law Firms, and Business Professionals**, by Jill D. Rhodes and Vincent I. Polley

I wish there was a similar book for our profession, but in the meantime, we'll need to leverage what the lawyers have. Clients often entrust practitioners with sensitive data, which not only includes tax return information (i.e., Social Security numbers and other private information), but business strategies, potential mergers and other key details that require protection. Though this handbook targets those in the legal field, CPAs will find in its pages much needed guidance about defending against and responding to a cyberattack that they can implement in their own practices.

**Framework for Improving Critical Infrastructure Cybersecurity (Version 1.0)**, by the National Institute of

**Standards and Technology (NIST)**

Released last February, this publication has played an important role in helping organizations of all types to enhance their cybersecurity postures during the past year. Issued in response to calls by President Obama and various legislatures to protect the nation's cybersecurity infrastructure, it provides the most critical control recommendations from a combination of sources, including the NIST; COBIT 5, a framework for the governance and management of IT; and the Council on CyberSecurity's Top 20 Critical Security Controls, Version 5.0. Of particular note with the latter: An accompanying Excel spreadsheet facilitates an organization's ability to assess its cybersecurity strategy.

**Cybersecurity Fundamentals Certificate Exam Study Guide**, by ISACA

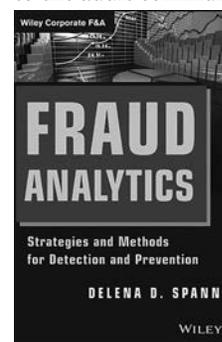
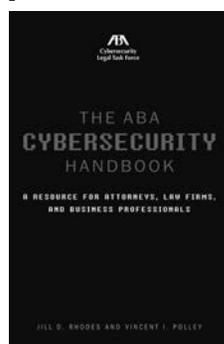
This guide, primarily intended as a study aid for those preparing for a Cybersecurity Fundamentals Certificate, provides an excellent foundation needed to participate in conversations related to this important area—and it's available at a very reasonable price. Although it's assumed that readers have some knowledge of technology, the 150-page guide highlights key

areas of focus that can be used as a springboard for further investigation of various issues.

**Fraud Analytics: Strategies and Methods for Detection and Prevention**, by Delena D. Spann

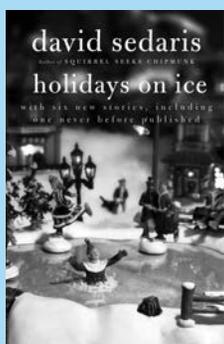
There have been a number of books recently published on applying analytical procedures to fraud investigations. Rather than focusing on pure analytics, this book concentrates on using automated tools available to the audit community. Each chapter summarizes one of the primary tools used by the profession, including the more popular IDEA and ACL audit software packages, as well as specialty analytic tools such as SAS (Statistical Analysis System) and i2 Analyst's Notebook.

Joel Lanz, CPA/CITP, CFF, CISA, CISM, CISSP, CFE, is the sole proprietor of Joel Lanz, CPA P.C., and an adjunct professor at SUNY-College at Old Westbury. He is a member of the NYSSCPA's Technology Assurance Committee and The CPA Journal Editorial Board.



## What else should you be perusing this year?

In addition to my picks above, my colleagues, and fellow former chairs of the NYSSCPA's Technology Assurance Committee, recommend the following reads:



**Holidays on Ice**, by David Sedaris  
I know—this book isn't related to the accounting profession. But it's hilarious, and who doesn't need comic relief during busy season? Plus, CPAs

will appreciate the short essay style, which makes it easy to get through an entire story in about an hour or less. —Karina Pinch

**Choose Yourself: Be Happy, Make Millions, Live the Dream**, by James Altucher  
This is an excellent book about finding ways to better yourself personally and professionally in a changing economy where the workforce is increasingly replaceable, downsized and outsourced. With easy-to-employ examples and instructions, it leaves a reader feeling inspired and empowered. —K.P.



**2014 Business Reference Guide: The Essential Guide to Pricing Businesses and Franchises**, by Tom West

The book summarizes some business ratios in a quick and easy way, which could be very helpful in financial auditing. CPAs, however, should avoid using it as a primary source for a back-of-the-envelope valuation. Rather, it's more like a reality check on business ratios, by industry. —Yigal Rechtman

**Statistics for Business and Economics**, by James T. McClave, P. George Benson and Terry Sincich

I love statistics and look up concepts and ideas in this textbook, which I acquired in graduate school. The good news is that statistics rarely change, so almost any example in this textbook is as applicable today as it was when I first read it. The bad news: It turns out that most people do not use statistics as an opening line at parties. I learned this the hard way and am better for it! —Y.R.

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## For NYSSCPA chapters, 'twas the season to support local charities

BY JASON WONG  
*Trusted Professional Staff*

The holiday season was a bit brighter for needy families across New York state, thanks to NYSSCPA chapter members, who ended the year with a series of campaigns to help those less fortunate. Here's a look at some of their efforts.

### Buffalo

Buffalo Chapter members participated in a gift-wrapping drive at the Walden Galleria Mall for Autism Services, Inc., an organization that offers educational and quality-of-life programs for people with autism. More than 25 members participated in the initiative, which ran from Dec. 1 through Christmas Eve. "It's a quick way to give back," said **Amelia Wright**, chair of the Buffalo Chapter's NextGen Committee.

### Mid Hudson

On Dec. 4, the Mid Hudson Chapter hosted a Toys for Tots gift drive, collecting two truckloads of toys for underprivileged children. In addition, the chapter presented a check to the Toys for Tots Foundation, using money raised during the raffle at its Bankers, Attorneys and CPAs networking event in October.

### Northeast

The Northeast Chapter held a Toys for



Mid Hudson was one of several NYSSCPA chapters throughout the state to host a Toys for Tots gift drive. It collected two truckloads of toys for children and presented the Toys for Tots Foundation with a monetary donation.

Tots gift drive at the Recovery Sports Grill in Albany on Dec. 16. Admission, which was open to chapter members as well as local professionals, was free with the donation of an unwrapped toy. Nearly 30 toys and \$100 in cash donations were collected, all

of which went to the Albany Toys for Tots. "With everyone's busy work schedule, family life, holiday shopping, etc., it's really important that people take a minute to step back and think about people who are less fortunate, especially at this time of year,"

said **Nia N. Forshee**, one of the event's coordinators.

### Southern Tier

The Southern Tier Chapter held a food drive to support the Community Hunger Outreach Warehouse (CHOW), which distributes more than 130,000 pounds of food each month to 30 food pantries and more than 30 soup kitchens and community meal programs. Cash and food donations were collected at the Southern Tier Tax Conference on Oct. 23 and at the chapter's Annual Ethics Session and Town Hall Meeting on Oct. 30, both of which were held in Binghamton and drew large crowds. The efforts raised more than 40 pounds of food for CHOW. "We're striving to collect more [in 2015] to help this worthy organization, as the community's needs seem to grow each year," said Southern Tier Chapter member **Marisa Colonna-Garrow**.

### Syracuse

As they have for many years, members of the Syracuse Chapter's NextGen Committee collected donations from members and local firms for the Elmcrest Children's Center, a residential agency that provides care and treatment for children with emotional and developmental issues or physical disabilities.

*See Charity, on page 17*

## Suffolk celebrates 20th anniversary of Toys for Tots gift drive

For the NYSSCPA's Suffolk Chapter, the easiest way to measure the success of its annual Toys for Tots gift drive—which turned 20 years old last month—is in boxes. There was a time when the local unit of Marine Corps Reserves, who collect and distribute the new, unwrapped toys, would come to the chapter's pickup point with a two ton truck. But in December, when the Marines arrived at the offices of Sheehan and Company CPA, PC in Brightwaters, to collect the chapter's haul, they were equipped with two seven ton trucks—and greeted with more than 150 boxes of toys, more than 10,000 in total.

"Marines walk into the conference room, and are so surprised by how much we'd been able to collect," said **Cynthia D. Barry**, a past Suffolk Chapter president and one of the event's coordinators. "It's nice to surprise [them]!"

Established as a grassroots effort in 1995, the Suffolk Chapter Toys for Tots program

has grown from a neighborhood effort into one that encompasses drop-off sites in Nassau, Queens, Brooklyn and Manhattan, as well as Suffolk.

The chapter's Toys for Tots campaign has also gained the support of a wide number of companies. In addition to Sheehan & Company and NYSSCPA member firms and their employees, Suffolk got volunteers from local businesses, The First National Bank of Long Island, Valley National Bank and the Stony Brook University Accounting Society. Moreover, Barry said, even as the chapter picks up new member volunteers, each year it also retains its old ones, so that first-time volunteers participate alongside veterans of the last two decades.

Though Barry said that the chapter was itself surprised by the exponential growth, she added, "It is incredibly satisfying to be able to help those less fortunate, especially to the degree we've been able to."

The success of the Suffolk Chapter Toys for Tots program is evident even beyond

the abundance of toys the chapter accumulates. According to Barry, the program helps chapter members to get to know each other outside of a stiff, professional setting, and allows student volunteers to do some networking, while engaging in community service.

"Toys for Tots is something that affects pretty much everyone, in some way shape or form," she noted. "It brings what is the true spirit of the holidays home for everyone."  
—J.W.



From left: Marines collected more than 10,000 toys for area children from the Suffolk Chapter, enough to fill two seven-ton trucks.

# CHAPTER EVENTS AND CPE

## BUFFALO

**NYS Update CPE Session**  
**When:** Jan. 15, 9 a.m.–12 p.m.  
**Where:** Millennium Hotel, 2040 Walden Ave, Cheektowaga  
**Cost:** \$30 members; \$60 nonmembers  
**CPE:** 3 (taxation)  
**Course Code:** 29016504  
**Contact:** Christine A. Learman at [chris@chrislearnmancpa.com](mailto:chris@chrislearnmancpa.com)

## MANHATTAN/BRONX

**Manhattan/Bronx Chapter's Billiards Tournament**  
**When:** Jan. 14, 6:30–8:30 p.m.  
**Where:** Slate Billiard's, 54 W. 21st St.  
**Cost:** \$25 members; \$30 nonmembers  
**Course Code:** 45150504  
**Register online or Call:** (800) 537-3635

### Generation A-Z – What You Should Know About Social Security

**When:** Jan. 22, 6–8 p.m. (check-in 5:30 p.m.)  
**Where:** FAE Learning Center, 14 Wall St., 19th floor, Classroom A  
**Cost:** Free  
**CPE:** 2 (specialized knowledge)  
**Course Code:** 29155507  
**Contact:** Shan Hicks at [shan.hicks@shancpa.com](mailto:shan.hicks@shancpa.com)  
**Register online or Call:** (800) 537-3635

## NASSAU

**Nassau Chapter CPA Ethics Update**  
**When:** Jan. 14, 5:30 p.m. dinner; 6:45–8:45 p.m. ethics  
**Where:** Chateau Briand, 440 Old Country Road, Carle Place  
**Cost:** \$70 members; \$80 nonmembers  
**CPE:** 2 (general ethics)  
**Course Code:** 42032515 (ethics only); 42032525 (ethics and dinner)  
**Register online or Call:** (800) 537-3635

### CFD Best Practices – Budgeting and Performance Measurement

**When:** Jan. 15, 8–10 a.m.  
**Where:** Law Office of Meltzer Lippe & Goldstein, 190 Willis Avenue, Mineola  
**Cost:** \$10 per person  
**CPE:** 2 (accounting)  
**Course Code:** 29031525  
**Contact:** Anthony Aronica at [aaronica@graphicpaper.com](mailto:aaronica@graphicpaper.com)

### Nassau Chapter All-Day Estate and Personal Financial Planning Conference

**When:** Jan. 17, 9 a.m.–5:15 p.m. (check-in 8:30 a.m.)  
**Where:** Long Island Marriott, 101 James Doolittle Blvd, Uniondale  
**Cost:** \$175 members, \$250 nonmembers  
**CPE:** 8 (taxation)  
**Course Code:** 28603526  
**Register online or Call:** (800) 537-3635

### Annual Joint Nassau/Suffolk Chapter Meeting An Evening of Networking

**When:** Jan. 29, 6–8:30 p.m.  
**Where:** Crest Hollow Country Club, Woodbury  
**Cost:** \$60 per person (cash or check – only); \$70 at door  
**RSVP by January 22, 2015**  
**Course Code:** 45030513  
**Contact:** Carol Pinto at (516) 937-9500 or [cpinto@ck-co.com](mailto:cpinto@ck-co.com)

## NORTHEAST

**Northeast Chapter CPA-Banker Cocktail Reception and Town Hall Meeting**  
**When:** Jan 15 — NYSSCPA local and statewide officers to address regulatory and Society matters, 5–5:30 p.m.; Cocktail reception, 5:30–7:30 p.m.  
**Where:** The Desmond Hotel, 660 Albany Shaker Rd., Albany  
**Cost:** \$50 per person  
**Course Code:** 45040502  
**Contact:** Christopher Cannucciari at (518) 783-7200 or [cmc@lcszcpa.com](mailto:cmc@lcszcpa.com)  
**Register online or Call:** (800) 537-3635

## ROCHESTER

**Before the Software: Training on 1040 Preparation by Hand**  
**When:** Jan. 9, 8:45 a.m.–3 p.m.  
**Where:** Rochester Brainerdy, 274 N. Goodman St., Ste. B134  
**Cost:** \$40 per person  
**CPE:** 3 (taxation)  
**Course Code:** 29056503  
**Contact:** Michelle Towner at [michelle@townertaxes.com](mailto:michelle@townertaxes.com)

## SOUTHERN TIER

**Young CPAs, Young Lawyers and STYP Group Hockey Game and Mixer**  
**When:** Jan. 16, 5:30–7:05 p.m.  
**Where:** Galaxy Brewing Company Mixer, 41 Court Street, Binghamton  
**Cost:** \$17 per person for Hockey Game  
**Course Code:** 45060504  
**Contact:** Jacqueline McDonnell at [jmcdonnell@davidsonfox.com](mailto:jmcdonnell@davidsonfox.com)

### CPAs, Attorneys and Bankers Networking Dinner

*Sponsored in part by Cliff Olin from Olin Capital Advisors, Inc. and IBISWorld, Inc.*

**When:** Jan. 22 — 5:30 p.m. open bar; 6:30 p.m. presentations; 7:15 p.m. dinner  
**Where:** Traditions at the Glen, 4101 Watson Blvd., Johnson City  
**Cost:** \$35 per person  
**Course Code:** 45060503  
**Contact:** Santo D. Caracciolo at [Santo@vappc.us](mailto:Santo@vappc.us)

## SUFFOLK

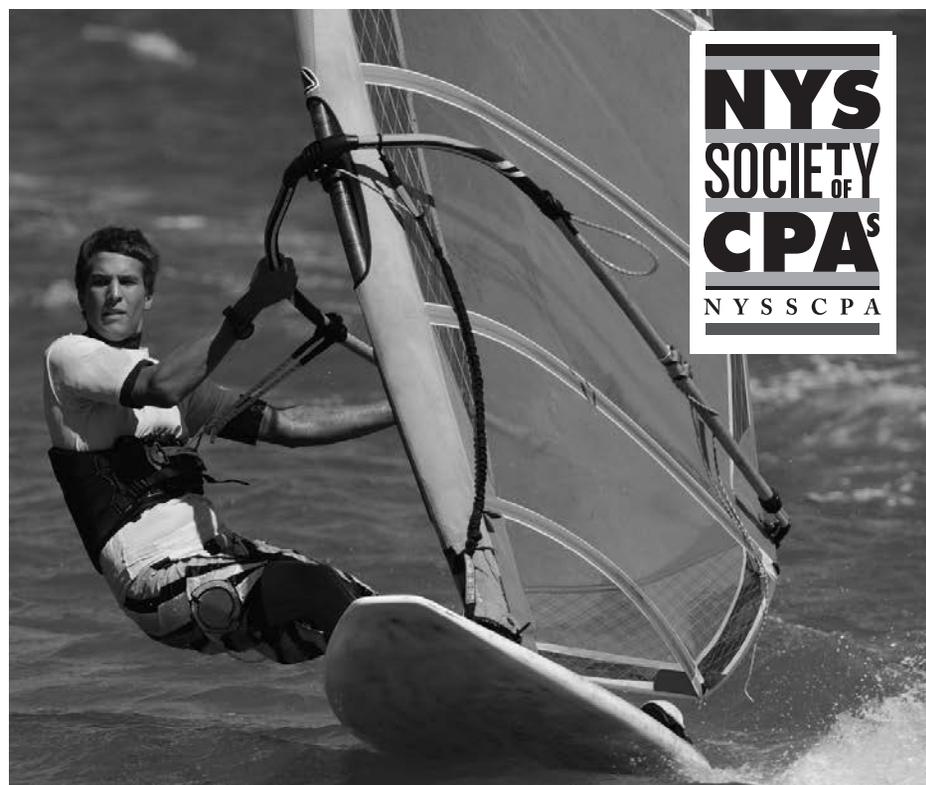
**Updates on Economy and Tax Law Changes**  
**When:** Jan. 14, 8–10 a.m.  
**Where:** Empire National Bank, 1707 Veterans Highway, Ste. 8, Islandia  
**Cost:** Free  
**CPE:** 2 (taxation)  
**Course Code:** 29086518  
**Contact:** Janet Verneville at [jverneville@empirenbank.com](mailto:jverneville@empirenbank.com)

### Return to Network in the Tropics (a.k.a. Hauppauge)

**When:** Jan. 15, 6–8:30 p.m.  
**Where:** Albrecht, Viggiano, Zureck & Company, 25 Suffolk Court, Hauppauge  
**Cost:** \$25 per person  
**Course Code:** 45080511  
**Contact:** Susan Berger at (516) 510-5324 or [spbcpa21@gmail.com](mailto:spbcpa21@gmail.com)  
*Visit the chapter webpage to register.*

### Annual Joint Nassau/Suffolk Chapter Meeting An Evening of Networking

**When:** Jan. 29, 6–8:30 p.m.  
**Where:** Crest Hollow Country Club, Woodbury  
**Cost:** \$60 per person (cash or check – only); \$70 at door  
**Course Code:** 45030513  
**Contact:** Carol Pinto at (516) 937-9500 or [cpinto@ck-co.com](mailto:cpinto@ck-co.com)  
**RSVP by January 22, 2015**



## Start the New Year Right with the NYSSCPA

### Resolutions:

1. **Enhance your career**
  - ✓ Join a Technical Committee
  - ✓ Get active with your Chapter
  - ✓ Attend an NYSSCPA event
2. **Get healthy**
  - ✓ Come to an NYSSCPA Health & Wellness event
  - ✓ Park farther from your office to get a daily walk
3. **Save time**
  - ✓ Take advantage of your complimentary CCH TaxAware subscription to check tax updates
  - ✓ Use the Member's Technical Hotline for the really tough questions
4. **Save money**
  - ✓ Use your Member Benefits to save on everything from car rentals to FedEx. (Details at [nysscpa.org/benefits](http://nysscpa.org/benefits))
  - ✓ Members always save on FAE CPE courses—In-Person, On Demand, and via Live Webcast
5. **Go windsurfing**
  - You're on your own for this one!

To learn more about your benefits or how you can join the NYSSCPA, contact Alex Metz, Manager of Membership and Chapter Engagement, at 212-719-8420, or [amet@nysscpa.org](mailto:amet@nysscpa.org).

Find out more @ [nysscpa.org/JoinUs](http://nysscpa.org/JoinUs)

# The new year brings new opportunities to set and meet goals

BY IRALMA POZO

Manhattan/Bronx Chapter President

In this profession filled with deadlines, meetings, conference calls and new projects, it's easy to become so busy that you lose track of time or get thrown off course. Add in personal obligations, family, friends, pets and hobbies, and before you know it, you've lost sight of the goals you set out to accomplish last New Year's Day. That's why, as we head into 2015, I'd like to encourage you all to stay focused on the goals that you set out to achieve. At the same time, we all need to be flexible and accept that, in some cases, life is out of our control. Last year was particularly tough for me, as I lost a beloved family member in January. While I didn't accomplish all that I had planned for 2014, I did learn a lot about myself, this profession and what's most important in life.

I am confident that 2015 will be one of my best years ever—both personally and as your chapter president. I'm ready to work with the Manhattan/Bronx Chapter Board and our members to finish my term strong

and serve you to the best of my abilities. Below are just a few thoughts on what we can do to make the new year a bright one:

**1. Stay current.** Through its website, publications, committees and conferences, the Society is a great resource for learning about current developments in the profession. There are also many other resources available online that can send you news updates on a daily or weekly basis, whether you want to learn more about revenue recognition, NPRA, CCAR, IFRS, or any other topic.

**2. Understand that a career is more than just a job.** The NYSSCPA offers a number of opportunities for becoming involved in the profession at large and giving back to the CPA community. The time to become active is now—if you'd like to join a Manhattan/Bronx Chapter committee or have ideas for upcoming events, please contact me at the email address below.

**3. Tell colleagues about the Society.** If you appreciate the benefits of your NYSSCPA membership, don't keep it a secret. Invite your nonmember colleagues to one of the Society's statewide or chapter events today.

**4. Remember that you are in charge of managing your career and your life.** Status quo thinking may help you to keep your current job, but it won't get you to the next level. Commit to lifetime learning and professional growth.

**5. Make sure your actions speak louder than your words.** If you have goals you want to reach this year, make a plan and take steps toward achieving them.

**6. Assess where you stand.** They say that when you love what you do, you'll never work a day in your life. Take the time to assess yourself—what your strengths are, what you bring to the table, the types of roles and companies that best suit your skills and personality. Then, see if your current job is in alignment with your self-evaluation. If it's not, consider what changes might be necessary. It's better to be busy and happy than to be getting by and miserable.

**7. Work smart and make healthy choices during busy season.** You'll be no good to anyone if you're too drained to function!

**8. Never be afraid to think outside the**

**box or to rock the boat.** But make sure you do it at the right time and place.

**9. Extend a hand.** They say that helping others succeed is the best way to ensure that you yourself succeed. Think about how you can offer greater support to colleagues, or how you might mentor younger professionals or accounting students.

Please take note of the following upcoming events:

• **Jan. 22**—Generation A-Z: What You Should Know About Social Security, FAE Learning Center, 14 Wall Street.

The chapter board is finalizing several other exciting programs as well. Stay tuned for more technical and social events and check our web page, [www.nysscpa.org/ManhattanBronx](http://www.nysscpa.org/ManhattanBronx), regularly for updates, as well as our Facebook page, <https://www.facebook.com/ManhattanBronxChapter>. If you aren't receiving the chapter's weekly digest, contact Lelia Dickenson, Manager of Chapter Relations, at [ldickenson@nysscpa.org](mailto:ldickenson@nysscpa.org).

[pozo.iralma@gmail.com](mailto:pozo.iralma@gmail.com)



IRALMA POZO  
Manhattan/Bronx  
Chapter President

## Northeast Chapter hosts Biz Industry Conference webcast

BY BETH VAN BLADEL

Northeast Chapter CFO Committee Chair

On Oct. 30, the Northeast Chapter CFO Committee served as one of six webcast satellite locations throughout the state to stream the NYSSCPA's Business and Industry Conference for members.

The conference, which was held at the Albany office of the Business Council of New York State, Inc., was a great opportunity for our members in industry, ed-

ucation, government and not-for-profit to earn eight hours of CPE, network and receive timely updates on relevant technical matters.

Many thanks to **Suzanne Jensen**, the Business Council's CFO, who has hosted the conference for the past three years.

Here are a few of my notes from the conference and some follow-up research:

### Employment law essentials

If you do not have an in-house human resources or legal department, consider asking a payroll provider or law firm to supply those services.

New York State Department of Labor wage and hour guidelines are available at <http://www.labor.ny.gov/workerprotection/laborstandards/workprot/lshmpg.shtm>.

Compensating nonexempt employees for "off the clock work" has increasingly become a workplace issue. If your hourly employees have remote access, be aware of potential wage liability.

### Handling tax audits for your company

CPAs who need to prepare for an IRS audit can make use of the following resources on the service's website:

- IRS Audit Revenue Manual (IRM)—<http://www.irs.gov/irm/>
- IRS Audit Techniques Industry Guides—<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Audit-Techniques-Guides-ATGs>
- Circular 230 – Regulations Governing Practice before the IRS—[http://www.irs.gov/pub/irs-utl/Revised\\_Circular\\_230\\_6\\_-\\_2014.pdf](http://www.irs.gov/pub/irs-utl/Revised_Circular_230_6_-_2014.pdf)

See *Northeast*, on page 16

## With the chapter year more than halfway over, SI reflects on its successes

BY SOPHIA FARAJ

Staten Island Chapter President

I hope everyone enjoyed the holiday season! So far we've had a great chapter year. Below is a recap of all the events we've held during the first half.

We started the year with our very successful Career Opportunities in the Accounting Profession (COAP) program, chaired by **Tiffany Montaruli**. During June 28–July 2, we hosted 18 high school students at the St. John's University Staten Island campus. The students gained valuable experience throughout their stay. Several of our chapter members asked their clients to support

the program by allowing COAP participants to visit them onsite. All told, we went to New York Fragrances, Inc. (a perfume and cosmetics company) and Supreme Chocolates (a chocolate factory). We also took in a Staten Island Yankees game and visited Roc Nation, an entertainment company founded by rapper Jay-Z.

As the fall approached, we hosted two events for local students: our annual World of Accounting and Accounting Education Night, both chaired by **Cynthia Scarinci**. The World of Accounting program, which introduces high schoolers to life in the profession, drew more than 275 students. Guest speakers included local sole practitioners,

a rep from a Big Four firm and employees of the Drug Enforcement Administration (DEA) and the Federal Bureau of Investigation (FBI). The students asked insightful questions and learned about some of the many areas of potential practice for CPAs. Accounting Education Night drew more than 100 college students and professors. Attendees were able to network with different members of the Staten Island chapter throughout the evening. (See Cynthia Scarinci's report on the event on page 16 for more details.)

**Jerry LoVerde** hosted the chapter's 13th annual Bowl-a-Thon to help support Batten Disease research on Nov. 1. The event

was very successful, raising \$14,000 to help continue the fight against this rare, neurodegenerative disorder. Many chapter members came out to show their support, and we also got to meet some of the families of children who are fighting the disease.

Our annual holiday party on Dec. 17 at La Strada was a lot of fun. There was much to celebrate and, in addition, the event offered 2 CPE credits.

The chapter will be hosting some events in January, so please check our chapter web page, [nysscpa.org/statenland](http://nysscpa.org/statenland), for updates.

Thank you to all of our members for making the Staten Island chapter such a success!

[SFaraj@clarkest.com](mailto:SFaraj@clarkest.com)

# Annual event helps to support drive

BY DAVID PURCELL  
Mid Hudson Chapter President

On Dec. 4, our NextGen committee hosted our chapter's annual holiday event, where we collected two truckloads of toys for the Toys for Tots gift drive, a job well done! In addition, we presented the Marines with a check for the Toys for Tots Foundation.



DAVID PURCELL  
Mid Hudson Chapter President

This money was raised from our raffle during our Bankers, Attorneys, and CPA networking event in October. Hope you enjoyed the holidays and a happy New Year to everyone—we look forward to more great chapter events in 2015.

Again, please visit our chapter webpage, [nysscpa.org/midhudson](http://nysscpa.org/midhudson) for our upcoming events.

[dpurcell@live.com](mailto:dpurcell@live.com)



Mid Hudson Chapter members used their annual holiday event to collect gifts for the Marine Corps Reserve Toys for Tots program.

# College students learn about career options at SI's Accounting Education Night

BY CYNTHIA SCARINCI  
Staten Island Chapter Member

On Nov. 13, the Staten Island Chapter held its annual Accounting Education Night at the Staaten Catering Hall. The event, which Dennis Annarumma and I organized and moderated, drew more than 100 students from the College of Staten Island, Wagner College and St. John's University. Board members from the Staten Island Chapter, as well as faculty members from all three colleges, were also present.

After we welcomed attendees, Rosemarie Giovinazzo-Barnickel discussed the importance of NYSSCPA membership for future and aspiring CPAs, and Annarumma touched upon his career at Ernst and Young and the various types of opportunities available to individuals in the profession.

James Arroyo, a special agent for the Drug

Enforcement Administration (DEA) and Daniel Auciello, CAMS, the deputy head of U.S. Financial Security at BNP Paribas, served as guest speakers. Both gentlemen gave presentations about the role of accountants in their respective organizations and discussed the variety of positions available in the form of both internships and full-time employment. They also shared their personal career highlights and answered student questions. After the event, Arroyo and Auciello took the time to speak to students individually, and encouraged the crowd to contact them with any additional questions.

The evening was rounded out with a rousing game of Jeopardy, conducted by Becker CPA Review. Students from each of the three colleges formed teams of 10 and answered questions about the CPA exam and New York State licensure requirements. The College of Staten Island team won,



Photo: Josef Zapotoka

Cynthia Scarinci (far right), one of the organizers of the chapter's annual Accounting Education Night, was joined at the event by fellow members (from left) Gregory Cicero, Rosemarie Giovinazzo-Barnickel and Gerard LoVerde.

with team members receiving review course prizes provided by Becker. In addition, Becker raffled off tuition vouchers for review courses to some lucky student winners.

Roger CPA Review also participated in the event and closed out the evening with tuition voucher raffles for their course, as well.

[Cynthia.Scarinci@csi.cuny.edu](mailto:Cynthia.Scarinci@csi.cuny.edu)

## Northeast

Continued from page 15

- Taxpayer Advocate Services are the ultimate point of escalation and are available to assist with arbitration. Here are the websites for the IRS's Taxpayer Advocate Service (TAS) and the New York State Taxpayer Rights Advocate:
- IRS - <http://www.irs.gov/Advocate>
- New York State - <http://www.tax.ny.gov/tra/>

### Health Care Law – use of exchanges and penalties

The White House has delayed the health insurance mandate for medium-sized employers (50 to 99 FTE's) under the Affordable Care Act until Jan. 1, 2016. However, employers will be required to submit IRS Form 1094-C to certify that they meet certain requirements. You can find the form here: [irs.gov/pub/irs-dft/f1094c--dft.pdf](http://irs.gov/pub/irs-dft/f1094c--dft.pdf).

### Tax issues surrounding the purchase of software

- Ask your CPA and law firm if they have a state and local tax (SALT) team to help with establishing a tax policy for the purchase and/or sales of software. The law firm can also help with developing tax indemnity language in your contracts.

- The criteria for determining nexus—in other words, determining if a company is recognized as operating in a state—are not always the same for franchise and sales tax.

- Make sure the cost of canned software, customized software and maintenance services are listed separately on the invoice because each item may *not* be subject to sales tax.

### Upcoming Northeast Chapter events

The Northeast Chapter CFO Committee meets on the last Wednesday of each month. For more information, please contact Committee Chair Beth van Bladel at [beth@bvb-solutions.com](mailto:beth@bvb-solutions.com).

In addition, please mark the following conference on your calendar:

- **Jan. 15**—CPA-Banker Cocktail Reception, the Desmond Hotel & Conference Center, Albany. Contact [cmc@lsczcpa.com](mailto:cmc@lsczcpa.com) for more information.

- **May 11**—Financial Professionals Golf Open, the Edison Club, Rexford. Contact [fferrucci@wojeskico.com](mailto:fferrucci@wojeskico.com) for more information.

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# With a series of CPE events, Syracuse ends the year on a high note

BY TODD KLABEN  
Syracuse Chapter President

The holiday season has come and gone, and I would like to wish all Syracuse Chapter members a very happy and healthy New Year. The past few months were a busy time for our chapter, and there were a number of great events that occurred. We held three CPE events in October and November, which included:

- an 8-hour webinar for members in industry that reviewed current developments in the areas of accounting, auditing, taxation, advisory services and specialized knowledge and applications;

- a 3-hour Accounting and Auditing update that provided a look at accounting and auditing standards that were issued in the past year and are applicable in the forthcoming year; and

- an 8-hour Annual Tax Conference, which had a strong agenda and provided an update on all things tax, including those at the federal and state level.

Our chapter was able to offer all of these CPE events at an affordable price. If there are any other areas of interest that you believe would be beneficial to our members and think we should offer, please feel free to contact me.

In addition, in November and December our chapter's NextGen Committee hosted

several events, including:

- the 14th annual Networking Cocktail Party, a long-standing tradition providing opportunities to network with fellow CPAs, as well as financial advisors, lawyers and other business professionals. We had another great turnout this year.

- the Annual Elmcrest Children Center Holiday Party, which was held in December. The chapter amassed collections for the event in November and December, with all proceeds used to purchase gifts for the children and organize the party.

- the Salvation Army's annual Christmas

Bureau distribution day, when a group of NextGen'ers served as volunteers. A big thank you goes out to those that donated their time to help make this day a reality for a number of low-income families in the Central New York area.

Make sure to visit the chapter's web page, [nysscpa.org/Syracuse](http://nysscpa.org/Syracuse), for information on future events that the chapter will be hosting. As always, the chapter continues to seek individuals who are interested in getting involved. Feel free to contact me at the email address below or any current officer if you are interested.

[tklaben@tmdcpas.com](mailto:tklaben@tmdcpas.com)



TODD KLABEN  
Syracuse Chapter President

# Food bank benefits as firms go head to head in chapter's Challenge Cup

BY WILLIAM H. ZEBORIS  
Westchester Chapter President

On Nov. 15, 25 members of our chapter donated their time as volunteers for the Food Bank for Westchester.

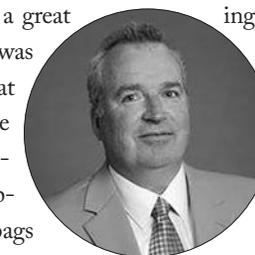
As you can imagine, Thanksgiving is one of the busiest times of the year for the organization, as it scrambles to make sure that all of its constituents have ample food for the holidays. Special thanks to **Spencer Barback**, a

former president of both this chapter and the Food Bank, for helping to arrange this event.

In addition to coming together as a chapter to do something good for our community, we also used the day to kick off the first event in our inaugural Challenge Cup. The idea behind the competition, which will be held over the next few months, is to bring Westchester-based CPA firms and their employees together for a friendly series of competitive events. Representatives from Citrin Cooperman, Marks

Paneth, MBAF and Pellegrino & Company contributed to making this date a great success. Our Challenge Cup task was to re-package the macaroni that the Food Bank receives in large bulk containers. (The bulk containers need to be manually separated out into individual 2-lb. bags and re-boxed for distribution to food banks and kitchens throughout Westchester.) Working together, our members parked themselves at one of three

stations for bag making, scooping and packing, and over the course of two hours managed to repackage more than one ton (2,340 lbs.) of macaroni. We hope to make this an annual event and to increase the number of members and firms participating next year. For more chapter updates, be sure to visit our web page, [nysscpa.org/Westchester](http://nysscpa.org/Westchester).



WILLIAM H. ZEBORIS  
Westchester Chapter President

[wzeboris@citricooperman.com](mailto:wzeboris@citricooperman.com)



The Westchester Chapter used the first event of its inaugural Challenge Cup to support the Food Bank for Westchester.

## Charity

Continued from page 13

Though their goal was to raise \$1,500, chapter members were able to bring in \$3,200—more than double the projected amount.

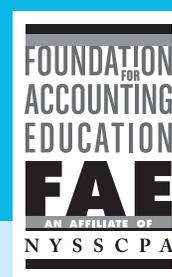
In addition, the chapter also participated in the Salvation Army's Annual Christmas Bureau Distribution Day on Dec. 22. Volunteers acted as personal shoppers for thousands of low-income families, parceling out toys, books and clothes, and a food basket that not only contained Christmas dinner, but additional food for children over the holiday break.

### Westchester

On Nov. 15, the Westchester Chapter incorporated community service into the first

installment of its four-part CPA Challenge Cup, a series of friendly competitions for local firms. CPAs who participated in the event were tasked with breaking down large containers of food into more convenient packages for the local food bank. What's more, entering the Challenge Cup requires a \$500 buy-in, and at the end of the series in May, the money will go to the George Mandel Scholarship awards, a chapter-sponsored scholarship fund named after a former Westchester Chapter president.

"It's a great way to get out of the office and have some fun and do some good," said **Heather M. Oboda**, the chapter's NextGen Committee chair. "You really get a feeling of who [the food bank is] servicing, and what great need we have in this area. Most people think Westchester is a very affluent community, but it's scary and shocking to see how many people are going to these facilities."



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# CPA ROUNDTABLE

Interviews by Chris Gaetano

## What lessons from the past year will serve you well in 2015?



Stephen P. Wood  
Firm Owner, West Chazy

In 2014, I got my first taste of business ownership after working at another firm for 15 years, so I learned several important lessons. For one thing, I learned all about the administrative side of a CPA firm and, because this was the first time I've ever employed someone, the finer points of human resources, like handling employee requests and navigating health insurance. I also developed an appreciation for how personalities on a staff affect things. At our firm, we have two employees with radically different personalities, so it was a unique challenge learning how to mesh them together to make the office work. Still, the lessons weren't all tough—I also learned how good it feels to own your own business. I was a senior accountant at my last firm and was under a lot of stress. The stress hasn't changed—in fact, it may have even grown—but I find that carrying my own stress is a lot less taxing than carrying someone else's. Beyond that, there's also something immensely satisfying about seeing the direct financial benefits of my work, versus being a straight-salaried employee. Finally, I have more direct contact with clients than I ever had before, which has been great for my extroverted personality. All in all, ownership has given me more of what I enjoy in the accounting profession than I would have gotten working for someone else.

swood@cbtt.net



Denise Finney  
Director, Iselin, NJ

Within the past year, I really learned the power of hospitality—please and thank you, I've found, can go a long way. I've been working to apply this to my interactions with my staff, from simply asking how their weekend was and what their holiday plans are, to occasionally taking them out for lunch, which has really helped to boost morale. I've also begun to offer creative incentives to keep them motivated. For one of our engagements, for example, we had to perform 10 employee benefit plan audits for a client, which is a very big job. The entire engagement team set a goal for themselves: to have the audits of the 401(k) plans ready by Sept. 1, and the defined benefit plans ready by Sept. 15. Their reward was dinner at a restaurant of their choice, which had a really positive impact. They were so excited about it, and it was a fun night out for the entire engagement team. There can be a lot of value in taking a personal touch with people—it helps remind everyone that we're all a team and we're in this together.

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Kristina Albarella  
Corporate Tax Manager, Melville

This may be because I'm getting older, but what immediately comes to mind is the importance of having a work-life balance. Of course, there are instances where work takes priority, especially when it's transactional, but for the most part I feel lucky to be able to work for a company where, as long as I service my clients properly, they let me manage my time. This has allowed me plenty of opportunities to give back to the community in different ways, like being involved with my church ministries, and means I'm able to spend time with my son. Thursdays are my flex days, so I can go to his school and do recess duty, which is priceless. If I'm going to think of the question

from a purely work standpoint, though, I'd say the past year has also brought to light how complicated the return process can be, with all the new obligations that have come about. The lesson here is that we must, as professionals, remain flexible in providing clients alternatives, especially in light of retroactive tax changes that may or may not occur.

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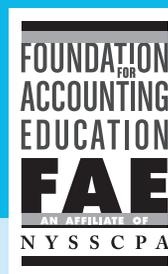


Robert M. Winton  
Partner, White Plains

One of the biggest lessons for me has been learning to deal with ambiguity—the inaction on the part of our representatives in Congress this year has made tax planning particularly difficult. Since they waited so long to pass the tax extender bill, it was hard to advise our clients on what they should be doing as they approached the end of the year. We wound up having to make some educated guesses as to what we thought might and might not be extended. This means, now that the bill has passed, that the ship has sailed on certain actions that we could have taken, though, thankfully, there are still things we can do at the last minute. While there's always

some ambiguity when it comes to tax planning, I think I'll always remember the last year as being particularly challenging in terms of dealing with uncertainty.

rwinton@citricooperman.com



JANUARY 28, 2015

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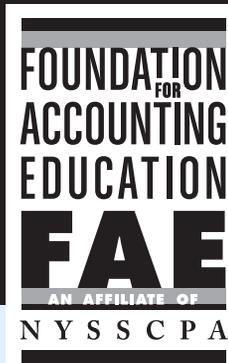
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