The NYSSCPA has thrown its support behind H.R. 1864, the Mobile Workforce State Income Tax Simplification Act of 2011.

The law would limit state taxation of the wages or other remuneration of any employee who performs duties in more than one state to the state of the employee’s residence, and the state in which the employee is present and performing employment duties for more than 30 days, according to the bill’s official summary, available at the Library of Congress legislative website, thomas.loc.gov. Professional athletes, entertainers and certain public figures, however, are not considered employees for the purposes of this law.

“Having a uniform national standard will simplify compliance with all of the different state laws,” wrote NYSSCPA President Richard E. Piluso, in a letter addressed to Jerrold Nadler (D-N.Y.) of the House Judiciary Committee.

Many CPAs have clients who work in multiple states and are thus subject to multiple withholding rules and exemption periods, Piluso wrote. CPAs themselves are also affected: A New York firm might send its CPAs to engagements in other states, and a CPA employed by a corporation may have to cross state borders as well. Because of differing state regulations, “compliance is extremely difficult and time-consuming,” Piluso wrote.

“The bill will mean most employers will be better able to judge which employees will need to withhold income taxes in states other than New York,” he wrote.

Alan J. Dlugash, a member of the NYSSCPA’s Taxation of Individuals Committee, echoed Piluso’s letter, saying the “current situation can be crazy and the compliance burdens are off the wall.” He said he knows of corporate directors who are taxed for crossing a state border a few times a year for corporate board meetings.

To illustrate his point, Dlugash said one of his out-of-state clients travels to New York City a few times a year to take in a Broadway show or two and meet with Wall Street analysts.

“New York decided he was working here,” Dlugash said.

The Society believes this change in the law will have a negligible effect on New York state revenues. Currently, the bill remains in committee.

By RICHARD J. KORETO
Trusted Professional Staff
By Richard E. Piluso, CPA
NYSSCPA President

During the holiday season, we often look for ways to give back to our communities, particularly to help provide for those who are less fortunate than ourselves. Page 16 of this issue features an article full of examples of Society members doing just that—taking time from their own lives to give to others. It’s a wonderful feeling to know that you’ve provided some support or aid to someone in need. But members of the NYSSCPA community are uniquely qualified to share their experience and wisdom in a volunteer capacity year-round.

Many Society members count themselves among the baby boomer generation, or even “pre-boomers,” and are already enjoying (or quickly approaching) retirement—at a time when the abrupt absence of a professional routine can result in an overwhelming amount of spare time. Those members whose children have grown and ventured off to college or to start their own careers and families may also recognize the feeling of suddenly having an excess of free time.

Both of these life changes present excellent opportunities to channel your time and devotion into the community. All of our members possess at least one of the “Three Ts”: time, talent, and treasure, all qualities ripe for sharing through volunteerism.

Often, retired members take advantage of their newly flexible schedules to join one or more Society committees, of which there are 67 statewide and many more on the chapter level. (For more information about Society committees, visit www.nysscpa.org or contact Nereida Gomez, manager of committees and administrative services, at 212-719-8358 or ngomez@nysscpa.org.) And our young CPAs throughout the state are particularly active with volunteering activities, of which all our members should be proud.

The CPA profession centers around protecting public interests and providing professional services. If specific professional advice is sought, a CP A, which was supported by what I would deem incontrovertibly cogent evidence, I received a mechanically issued closing letter stating that “We did not find evidence sufficient to support taking action against the subject.” I was never once contacted by anyone from the OPD to inquire about the facts and circumstances that prompted the filing. I strongly encourage the OPD to more closely examine the facts when a complaint is submitted to the office. If the public at large cannot be adequately protected against rogue licensees, the standing and value of our services to the public as CPAs will decline and be subjected to corrosive reputational risks.

S o the rule is: Be very careful in your audits. …You should be aware that if there’s an ethics violation, you could be prosecuted … under that moral unfitness charge.”

In response to my recent complaint against a CPA, which was supported by what I would deem incontrovertibly cogent evidence, I received a mechanically issued closing letter stating that “We did not find evidence sufficient to support taking action against the subject.” I was never once contacted by anyone from the OPD to inquire about the facts and circumstances that prompted the filing. I strongly encourage the OPD to more closely examine the facts when a complaint is submitted to the office. If the public at large cannot be adequately protected against rogue licensees, the standing and value of our services to the public as CPAs will decline and be subjected to corrosive reputational risks.

Brian S. Aryai, CPA
Albertson, N.Y.
State board Secretary Dustin leaves NY for NASBA role

By RICHARD KORETO and AMI OLSON
Trusted Professional Staff

ew York State Board for Public Accountancy Executive Secretary and NYSSCPA member Daniel J. Dustin was hired by the National Association of State Boards of Accountancy as its vice president of state board relations after 13 years in his state post.

In his new position, he will serve as an advocate for state boards of accountancy and find new ways and opportunities to provide support and service to its member boards, according to NASBA.

Dustin’s move to NASBA was effective Jan. 1. upon the retire- ment of NASBA president and CEO David A. Costello, and the succession of Ken L. Bishop to president and CEO, NASBA said in a press release.

For Bishop, Dustin’s arrival was more of a reunion than an intro- duction. Bishop was executive director of the Missouri State Board of Accountancy while Dustin was working for the New York board, and the two worked together on committees, addressing issues like the computerization of the CPA Exam.

“I’ve always been aware of his capabilities,” Bishop said. “He’s a very hard worker.”

Bishop said Dustin was a perfect candidate primarily because “Dan didn’t drink the NASBA Kool-Aid.” For example, although Bishop said NASBA has made great strides in recent years, some state boards still didn’t feel fully aligned with the group, and believed that NASBA had drifted away from its mission.

One of Dustin’s top priorities in the coming weeks will be to evaluate NASBA’s relationship with the different state boards, particularly those that don’t participate extensively in NASBA initiatives.

Back in New York, replacing Dustin will likely take months. Mary Beth Nelligan-Goodman, assistant of professional education with the New York State Education Department, will serve as acting board secretary until the vacant position is filled, which might not occur until May, said Douglas Lentivech, New York’s deputy commissioner for the Office of the Professions.

“Fortunately, Dan leaves us with a very solid board office staff and a very good state board, so we will be in good shape during the short (I hope) time while we reﬁt,” Lentivech said, adding that Nelligan-Goodman “has a great deal of experience in that oﬃce.”

Q&A with Daniel J. Dustin

During the week of the announcement, we interviewed Dustin about his accomplishments in New York and his goals for NASBA.

Q: How do you feel about your tenure at the state?
I’ll tell you, I had an opportunity a couple of weeks ago in Long Island to speak, and I described the executive secretary of the State Board for Public Accountancy as one of the best jobs in the world. I work with a 22-person board of people who are certainly very knowledgeable and professional in their approach to what they do, and are very dedicated to public protection and integrity of the profession. And beyond that, you work with certain interested parties, like the State Society and the National Conference of CPA Practitioners.

I think much of the success we’ve had over the last 13 years has been collective success by having all the interested parties get together and share their thoughts or concerns on matters and then try to find some common ground to move things forward in a positive manner. We’ve had some successes—the accountancy law was the first major update in over 60 years, and that really speaks to the successes of all the party and working together collectively.

Q: Other feathers in your cap?
Mobility was something that a lot of folks thought it was time to happen. I spent a lot of time on the computerization of the CPA examina- tion, and NASBA accountancy licensing and computer-based testing.

Q: Anything you had hoped to accomplish or address in your tenure in New York?
I think certainly a lot of things have been accomplished, a lot of positive things—it wasn’t easy.

We have some regulations that need to be finalized with respect to mobility, some other rule amendments that need to be ﬁnalized. With the accountancy law, we need to update the rules.

Q: After a long career in New York, will you be keeping an eye on any state issues out of personal curiosity?
I’ll be reading E-zine every Thursday to keep track of what’s going on, and hopefully I’ll continue to read The Trusted Professional, and have opportunities to speak with board members as well. And certainly my new position at NASBA will provide me the opportunity to work with state boards, so certainly I’ll be listening intently to what’s going on.

Q: Will this new role present new and different challenges?
It’s a broader perspective. Working in New York, you learn over time the key issues that everybody has and you learn how to move things forward in a collective manner. With respect to NASBA, the real interesting thing is that it’s 55 licensing jurisdictions, all with different nuances to what they do and what assistance they need, and I’m really looking forward to jumping in and getting involved with that.

Q: Any words of advice for your successor?
I don’t know that I have words of advice. I think the state board ofﬁce staﬀ is a very strong staﬀ. I’ve been very lucky to work with the staﬀ over the years, same with the state board—the state board members have done a phenomenal job.

As long as my successor has the ability to listen to the different points of view and understand the position and policies of the Board of Regents and the department, then certainly he or she will be able to work with all these constituencies.

As told to Ami Olson.
Klein warns conference-goers: Look out for sales tax traps

By CHRIS GAETANO
Trusted Professional Staff

New York state is out of money, said Mark S. Klein, an attorney who specializes in tax issues and a speaker at the FAE’s Nov. 9 Restaurant & Hospitality Breakfast Conference. As a result, businesses need to adapt to a much more aggressive regulatory and tax environment, since the state is doing everything in its power to collect as much tax revenue as possible, he said.

“New York is doing audits like never before—particularly sales tax audits,” Klein said.

This is especially true for those in the hospitality sector, since much of their income is cash, which raises the suspicion of evasion, he said. Cash is more difficult to track. Therefore, he advised the audience to be extremely careful when it comes to staying in compliance with state sales tax regulations. Given the complexity of sales tax laws, this is easier said than done, and proprietors are already having trouble complying, Klein conceded.

Klein used caterers to illustrate his point. Who is a caterer and who is not? It depends on how important the food is, he said. Someone holds a conference at a hotel and only serve coffee, then the hotel does not count as a caterer for New York sales tax purposes. But if someone holds a conference at the same hotel and serves lunch, then the hotel is considered a caterer, which means that the entire bill is subject to sales tax. “Everything a caterer does is taxable,” Klein said.

Or, take pumpkins. Klein said that retailers have become very careful about who buys which pumpkins, and from where. Some pumpkin sellers have begun asking their customers for what, exactly, they intend to use the pumpkin. If it will be used for food, the pumpkin’s not subject to sales tax, but if it’s destined to become a jack-o’-lantern, then the pumpkin counts as decoration and is subject to sales tax, Klein said.

Limited liability companies present another area where people can get tripped up on sales tax liability, he said. In New York, LLCs are taxed as partnerships—which means that individual partners are liable for sales tax, whether or not they have a direct hand in running the business, Klein said. He noted that he represented a celebrity who wanted to open a restaurant and simply paid the money to make it happen. However, as a member of the LLC that was running the restaurant, the unnamed star eventually found that he was liable for $2 million in sales taxes.

“He’s an LLC member, end of story. He was, per se, liable,” said Klein.

If you own more than 51 percent of an LLC, you’re in control of the company, but Klein said that if you own less than 51 percent it was, per se, liable. It all could be avoided if the owner had chosen to structure the company as an S corporation instead of an LLC, as they are subject to much less scrutiny, he added.

Klein noted that the state recently amended the law governing LLCs to make sales tax liability dependent on the individual partner’s interest multiplied by the liability itself, provided that partner owns less than 51 percent of the LLC.

If you own more than 51 percent, “You’re in the soup,” Klein said. “The relief doesn’t apply.”

Careless businesses could be subject to a very rigorous state sales tax audit, said Klein. Business owners need to keep meticulous records of every single sale, and he warned that if the proprietor doesn’t have full details of every day of every month for the last three years, the state could deem those records inadequate and could begin drawing upon its own information and knowledge to complete the audit. Klein said he has seen auditors examining restaurants with incomplete information refer to a study showing that similar restaurants generally make a certain amount in sales. So, the state just assumes that this establishment makes the same amount.

New York has also been leaning heavily on third parties to fill in missing information as well, Klein said. For example, an auditor may walk into a pizzeria and ask what it does with the pizza boxes. If the owner answers that he puts the pizzas he sells into the boxes, the auditor could retort with information from the pizzad box manufacturer.

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By CHRIS GAETANO
Trusted Professional Staff

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ublic Company Accounting Oversight Board representatives discussed two of the board’s recent efforts to expand its role in audit supervision both in the United States and overseas at the FAE’s SEC Conference on Oct. 4.

Increasing concern about multinational audits—some of which are performed outside PCAOB standards and specifications—has already prompted the PCAOB to issue a staff alert informing auditors about the matter and instructing them on how to deal with potentially increased audit risks, said Helen A. Munter, the new director of the board’s division of registration and inspections, during her speech. A letter from SEC Chair Mary Schapiro to Rep. Patrick T. McHenry (R-N.C.) in April revealed that, as early as two months into 2011, more than 24 China-based companies filed Forms 8-K to report auditor resignations, accounting irregularities or both.

The PCAOB has been working to better understand how such audits are performed and has prioritized working out agreements with regulators from other countries in order to do so, she said.

“We want to be able to see all aspects of multinational audits,” Munter explained.

Audit quality is of particular concern when engagements are performed, not only across national borders, but also through third-party affiliated firms outside the U.S., Munter said. For example, the PCAOB has observed some registered U.S. auditors issuing audit reports on financial statements of entities operating mostly outside the U.S., and basing those reports on work performed by non-PCAOB registered auditors in countries that don’t follow board standards, she said. This issue is mostly associated with developing economies and poses increased audit risk that the PCAOB seeks to address, Munter added.

“Work done in emerging markets, particularly China, do contain more risk. … We will tend to select some of those audits to look at and we would expect to see the work that was done,” she said.

PCAOB Chief Auditor Martin F. Baumann, during his own presentation at the conference, agreed that there has been increased audit risk associated with emerging markets, since it can be tough to assess the accuracy of information that comes out of them.

“Fraud can occur in any market … but in emerging markets, we do see some difficulty in getting accurate information,” Baumann said.

He pointed to the case of reverse mergers, a practice that the PCAOB is “looking deeply” into. Reverse mergers allow a company to go public just by being acquired by a publicly traded U.S. company—usually a shell company set up for the sole purpose of engaging in the merger.

The board released a staff audit practice alert in July 2010, informing practitioners of some of the more problematic aspects of reverse mergers. It followed up with a PCAOB research note on March 14, which revealed that reverse mergers involving Chinese companies from January 2007 to March 31, 2010, were almost triple the number of initial public offerings conducted in the U.S. by Chinese companies during that time. The PCAOB, in the research note, said that while reverse mergers aren’t “inherently inappropriate,” they can result in a company that has all of its operations based in China, its securities traded in the U.S., and financial statements prepared by U.S. auditors who may not be conducting their work in accordance with PCAOB standards. In such cases, the U.S.-registered firm may have provided auditing services of which most or all of the work was done by another company, possibly located in another country.

To address this, the PCAOB is working with foreign regulators to conduct international inspections of international audits, Munter said. In 2012, the PCAOB expects to increase the number of international audit inspections it conducts, she said. The board has already conducted 290 inspections of non-U.S. firms in 35 different jurisdictions, she said.

The PCAOB has also established cooperative agreements with several countries, including Israel, Norway, Switzerland, Taiwan and, most recently, Dubai, which allow its inspectors to share information and conduct joint inspections with regulators in each country. Forging a similar arrangement with China “is one of our highest priorities,” Munter said. But China has concerns about what such an agreement might mean for its own sovereignty and has been reticent so far, she said.

“Which is especially troubling” in the context of China’s rapid economic growth, she pointed out.

During the question-and-answer period, one audience member asked whether the PCAOB would consider deregistering Chinese companies that don’t allow American inspectors to examine their audits.

Munter said the board is still working hard to reach an appropriate agreement and that she still thinks that inspections are the best way to address the concerns the board has about Chinese audits. “If we can’t make progress, we will have to deal with that” and look into other options, she added.

But the PCAOB isn’t only focused on international affairs. Baumann said that the board is working to expand the use of its auditing standards in the U.S. as well, by taking on a pilot program for broker-dealer auditor inspections.

Under the Dodd-Frank Act, the PCAOB is vested with oversight authority of the audits of SEC-registered broker-dealers, which means the board is capable of inspecting the work of broker-dealer auditors—similar to how it inspects audits of public companies. The board has already adopted an interim program to begin inspecting auditors of broker-dealers in order to identify and address significant issues it finds with these audits. However, unlike the public company inspection program, the board will not issue firm-specific reports for broker-dealers. The initiative will inform the PCAOB’s efforts to eventually adopt a permanent program expected to be proposed by 2013, according to the PCAOB’s website.

Baumann was confident that the PCAOB had the capabilities to properly inspect broker-dealer auditors. “By and large, audits of broker-dealers are not that much different than other financial institutions, like a bank,” he said.

Baumann said broker-dealer audit inspections would emphasize the testing of assets, noting that the PCAOB’s expanded jurisdiction was in direct response to the Bernie Madoff scandal.

“Those assets, your assets … I want to know that those assets do, in fact, exist,” he said.

Munter, who also discussed the initiative, said that the PCAOB hopes to inspect five or six firms this year as part of the interim inspection program. They’re not looking at large numbers because the board is currently in the information-gathering stage, and wants to gain a better understanding of who these firms are and how they operate, she said.
It’s January: Do you have a CPE strategy for 2012?

By AMI OLSON
Trusted Professional Staff

For New York CPAs, the New Year means the start of another CPE year: All licensed CPAs in New York, including those in industry, government and academia, have 12 months to complete either 40 or 24 hours of continuing professional education credits. Ultimately, CPAs are required to complete a minimum of 120 CPE hours every three years (or 72 hours in one specialized area) to be eligible for triennial registration of their licenses.

New York State Education Department regulations require CPAs to complete 40 hours of continuing professional education courses every 12 months in one or more of the following subject areas: accounting, advisory services, attest, auditing, specialized knowledge and applications related to specialized industries, taxation, or another area approved by theSED.

CPAs who choose to earn all of their CPE credits in one concentrated subject area are required to complete 24 CPE hours annually. Four hours of professional ethics courses are required for all CPAs during every triennial registration period. And licensees who supervise attest or compilation services, or sign the accountant’s report on financial statements (or authorize someone to sign them), must have completed 40 hours of CPE in audit, accounting and/or attest during the three years immediately prior to performing such services.

As of Jan. 1, CPAs applying to reregister with New York state must have completed at least four hours of ethics CPE in the prior three-year period.

What if you don’t fulfill your annual CPE requirement? Possible fines and penalties

The SED requires licensees to maintain records of completed courses and credits earned (including program title, number of credits awarded, the sponsor’s name and state sponsor number, and the program date and location) for a minimum of five years after completing the course, and to make such records available for review upon request.

A CPA who fails to meet the annual mandatory CPE requirements is in a state of noncompliance with state law.

— Tom Dunn, State Education Department spokesman

Many statewide NYSSCPA committees frequently offer free CPE opportunities. While these sessions are typically worth one to two credit hours, they’re typically held during regularly scheduled committee meetings or as breakfast or evening technical sessions, and can be made available via webcast for those unable to attend in person.

But if you’re still looking for ways to rack up the coveted credits, consider these additional methods buried in the CPE regulations issued by the SED:

• Teach a CPE course. Teaching a course offered by an approved sponsor can earn a CPA up to two additional credit hours for each hour taught (a nod to the time spent preparing the class). That means teaching a CPA course worth three credit hours could earn the instructor up to nine total hours—nearly one quarter of the annual requirement. Preparing such a class may be even more time-consuming than sitting through a course, but significant revisions to the lesson plan would allow you to teach it again the following year (with approval from the SED).

• Take a credit-bearing course from an accredited college or university. Any courses taken for credit at a regionally accredited college or university can earn you CPE, as long as those courses fall under one of the state-approved CPE subject areas and are not already required for licensure. Whether you’re already enrolled in a program of study or considering taking classes part-time, keep your CPE in mind when you register for classes next semester.

• Teach a credit-bearing course in one of the approved subject areas at a regionally accredited college or university will garner the teacher 15 credit hours per semester (or 10 per quarter semester).

• Author a book or an article published in a peer-reviewed journal, such as The CPA Journal. The weight-loss blog you’ve been working on won’t cut it, but if you author a book or an article published in a peer-reviewed journal that addresses one or more CPE subject areas, you could earn some extra CPE. The number of credit hours your book or article will earn you is subject to the state’s discretion, so notify the SED as early as possible to verify that the topic is credit-worthy.

Note: The above methods can only be used to earn half the total number of annual CPE credits. Contact the SED to find out if a course you intend to take for CPE credit is approved.

• Ethics credits are double-duty. Think you have to tack on an additional four credit hours to satisfy the state’s ethics education requirement? Not quite. When you complete the mandatory four CPE hours of ethics, they’re rolled into your overall CPE total for the calendar year in which they were completed. So get your ethics courses out of the way as early as possible, and knock this year’s remaining required hours down to 36 (or 20, as long as the ethics course selected is in a specialized area).

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Statewide committee membership tops 1,800

By CHRIS GAETANO
Trusted Professional Staff

As of Nov. 30, NYSSCPA statewide committee membership was at its highest in recent history, with 1,800 members participating in at least one of the Society’s 67 committees. Members fill 2,450 different committee positions, accounting for a large portion of members who serve on more than one committee. The growth is thanks to a concerted effort on the part of the Society that has resulted in steadily increasing committee membership over the past two years.

The drive to increase committee participation was a multifront affair, said NYSSCPA President-elect Gail M. Kinsella, who last year served as vice president of committees.

One focus was to build relationships at the firm level with supervisors and managing partners whom Kinsella said could give guidance and direction to others at their firms. This was how Peter DiPaola, who recently became an active and enthusiastic member of the New York, Multistate and Local Taxation Committee, joined the ranks of those 1,800 committee members. He did so at the recommendation of one of his partners at his firm and so far, he said, it’s been a positive experience.

“It’s been a very good experience for me. Just last week I was the webcast moderator for [the] annual tax conference,” DiPaola said. “I assisted with developing the self-study questions for the webinar. [I’ve] definitely gotten to meet some people I would have never gotten the opportunity to, had I not joined the committee.”

DiPaola has been working on a lot of accounts with heavy regional, state and local tax implications, sometimes needing to file returns in 20 different states, making him feel that the New York, Multistate and Local Taxation Committee was a natural choice.

Kinsella said that were also outreach efforts conducted by the Tax Division Oversight Committee, made possible by its many connections with chapter-level committees. Members of state-level tax committees connected with their chapter-level counterparts by speaking at events and acting as liaisons during meetings, which increased people’s awareness of the statewide committees, she said.

“People in many cases tend to start at the chapter level,” said Kinsella, who also served as Syracuse Chapter president in 2006. “So it gives them a bit of a broader oversight and, from my perspective, if you can get more touch points with an individual, you’re more likely to keep them. … It improves their knowledge and their understanding and commitment to the Society, and proves what the Society can do for them.”

Scott M. Cheslowitz, chair of the Tax Division Oversight Committee, added that the various tax committees are always working to increase membership and participation. For example, he said, the committee often discusses mentoring newer members to get them more involved, as well as bringing in members from their own firms to attend a meeting or two and see what Society committee membership can offer.

“We all feel it’s vital to the future. We feel it keeps us dynamic,” said Cheslowitz. “It’s good for the young people to understand what they can do in terms of giving back, because it’s gratifying. It’s a good feeling when you can be respected and contribute.”

Participation perks

Members who join a Society committee have the opportunity to meet and work with other CPAs who share their interests—whether it’s taxes, audit, accounting policy or practice management issues. These connections not only create networking opportunities that can help build a career, but they also present an opportunity for members to enrich the profession as a whole by sharing their experiences and engaging in a dialogue. Additionally, committee meetings frequently feature free continuing professional education opportunities, and travel reimbursement is available.

Kinsella said that the Society’s efforts to grow committee membership focused on recruiting “quality members” who would be active participants in the committee process.

“Part of that growth in membership is getting members to not just ‘be a member,’ but to also be engaged, and committee service is one of the really great ways to do that,” she said. “So if you have someone who has a very specific technical area, they can feel that they are giving something back [through committee membership]. The other piece of it is they have a chance to work with other experts in a noncompetitive way.”

That committee link can be especially valuable where geographical distances make it difficult to connect with other professionals, she added.

To find out more about how to join an NYSSCPA statewide committee, visit www.nysscpa.org or contact Nereida Gomez, manager of committees and administrative services, at 212-719-8358 or ngomez@nysscpa.org.

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See Committee, on page 8
Committee

Continued from page 7

investigation in which a letter of required corrective action is accepted, as well as matters that are resolved via a settlement agreement, at which point the state may decide to undertake its own investigation. Society suspensions and expulsions are also listed in The Trusted Professional.

Cutler recognized that most members wouldn’t know what’s involved in the process of a PEC investigation unless they’d faced one—which can be unsettling. But in most cases in which offenders committed a code violation that is not severe, “the idea is, we give you education so in the future you’ll be more informed and won’t get yourself in the same situation,” Cutler said. “The whole concept . . . is from a remedial standpoint and not punitive.”

The committee has experienced a decline in membership recently, and difficulty recruiting new members. There are currently fewer than 30 members on the PEC; by comparison, some others, like the Not-for Profit Organizations Committee, boast an average of 90 members.

Although the work is demanding, the experience is rewarding, said Cutler, who’s served on the PEC since 2003. The committee meets every other month in New York City for four-hour meetings, during which the committee provides ethics education to members and maintains the Society’s code of conduct. With mandatory conference calls during “off” months. On top of investigating complaints, the PEC is charged with maintaining the Society’s Code of Professional Conduct—and proposing interpretations of the code for Board approval, as it did last month—promoting and educating members about ethical behavior and standards, and commenting on ethics conduct rules proposed by national or state regulatory bodies. Added to this is the work members are expected to complete outside of meetings, on their own time, investigating complaints. Cutler estimated that members easily spend a total of 60 hours annually working for the committee, but that the number may sometimes creep closer to 80.

But for Cutler, the rewards of serving on the PEC keep her committed.

“It’s a rewarding experience when you feel that you can make a difference,” she said. “But I also feel very connected to our membership, and I think it’s a service to our membership that we provide them guidance in how to practice. It’s really giving the membership tools to practice by having a meaningful code of conduct.”

It’s a sentiment echoed by Jack M. Carr, one of two PEC assistant chairs who is in his eighth year on the committee.

“What you get is a ‘feel good,’ really, that you are putting forth that time, effort and energy, and you are helping the profession overall to live up to the respect that’s put on us,” Carr said. “That’s the main thing, I think, with any committee. And it actually has enhanced my knowledge, too.”

“I think the reward to me is that we’re there to be of service to the public,” Cutler said. “So members with at least a decade of experience, specifically in tax and governmental accounting or auditing, as well as members in industry.

“This is the reason we need a diversity of members on PEC. Obviously, CPAs practice in many different areas,” Cutler said. She added that the committee handles about 100 investigations annually, and since “complaints come in all shapes and sizes,” having a well-rounded committee is critical, she said.

Potential PEC members must have three things, Carr said: “Time, effort and energy. If you don’t have all three to give, then you should not step forward to that committee.”

He added that candidates should have a “sound background of integrity,” and be open-minded.

Cutler and Carr both recognize the importance of adding members to the PEC, but they won’t sugarcoat the responsibilities of PEC membership.

“How we derive an outcome could impact that CPA’s ability to make a living,” said Carr.

Even though the majority of cases result in milder consequences, like mandatory education, Cutler said that not everyone is cut out to conduct investigations involving their peers.

“I’ve had a few people interested who, at the end of the day, just didn’t have the personality to judge a peer,” Cutler said. “This is the uniqueness of wanting to do this.”

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I really feel that, for the public who has complaints against our members, there’s a forum in which they can air it out, and we resolve their issues.”

But both Carr and Cutler were confident that a better understanding of the PEC’s practices and goals would help smooth the process and diminish the fear.

And what better way to get to know how the PEC operates than serving on the committee, Cutler said.

Cutler would like to hear from potential members with at least a decade of experience, specifically in tax and governmental accounting or auditing, as well as members in industry.

“Th...
FASB, IASB release revised revenue recognition proposal

By CHRIS GAETANO
Trusted Professional Staff

An amended exposure draft released by the Financial Accounting Standards Board and the International Accounting Standards Board in November, as part of an ongoing convergence project between the FASB and the IASB, simplifies revenue recognition into a contracts-based model focused on the identification and fulfillment of various performance obligations.

The exposure draft, Revenue Recognition (Topic 606): Revenue from Contracts with Customers, was made available on Nov. 14 and incorporates more than 1,000 public comments submitted in response to the initial draft, released in June 2010. The Society issued a comment letter on the initial draft in October 2010, expressing “general agreement with the direction taken” by the FASB; the letter is available online at www.nysscpa.org/page/society-comment-letters.

The Society plans to issue a comment letter examining the most recent proposal, according to Renee M. Cassidy, chair of the International Accounting and Auditing Committee.

The proposed model is intended to solve issues presented by differences between U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards, which were laid out in the November draft. On the U.S. GAAP end, revenue recognition was previously industry- or transaction-specific, and could result in different accounting for economically similar transactions, the draft said.

Similarly, most revenue recognition could utilize two different IFRS standards: IAS 18, Revenue, and IAS 11, Construction Contracts.

William M. Stocker III, a member of the International Accounting and Auditing Committee, made a similar assessment of the two sets of standards, noting that their approaches to revenue recognition could both be problematic, but in different ways.

“The purpose is to make industry consistent and have one set of rules that do not mention any particular industry, which is the way it was in IFRS already, for the most part,” Stocker said. “Though the problem was, in doing that, the guidance was so general that it was sometimes a problem. Whereas—as is typical with this sort of rules-based situation with GAAP—there were so many different rules for so many different industries.”

The initial draft was meant to address these issues by aligning both reporting languages into a common, broad-based methodology, centered primarily on reducing transactions into a series of performance obligations, with revenue being recognized once these obligations are completed. Both the June and November texts said the proposal would provide a robust framework for comparability of practices across industries, jurisdictions, entities and capital markets, and would simplify the preparation of financial statements by reducing the number of requirements to which entities must refer when determining how to recognize revenue.

Stockel felt that the new performance obligation-based model moved both sets of standards forward in achieving this.

“What I like is having one model,” he said. “From an IFRS standpoint, it adds more and makes it more explicit, more rules-based … [and] somewhat tightened up from what it was. And on the U.S. side, it sort of simplifies things.”

If implemented, it would go into effect for reporting periods beginning on or after Jan. 1, 2015.

Step-by-step revenue recognition

Like its previous incarnation, the November proposal breaks revenue recognition down into five distinct steps, based on the identification and fulfillment of contract-based performance obligations.

The first step is identifying the contract with the customer. During his presentation on the topic at the FAE’s Dec. 13 Professional Issues Update, J. Roger Donohue, chair of the Financial Accounting Standards Committee, boiled the concept down to simply identifying the customer.

Second, the entity identifies within the contract each separate performance obligation, or promises in a contract with a customer to transfer a good or service to that customer. If there is more than one good or service being transferred, each distinct good or service is counted as a separate performance obligation, according to the new draft.

In the third step, the entity determines the transaction price of each separate performance obligation, taking into consideration factors like variable consideration, the time value of money, noncash considerations and consideration payable to the customer, the draft said. In the June 2010 exposure draft, transaction price was defined as the amount that the entity expected to receive; the latest version...

They want to know, what is your price and is there going to be a change in that, are there discounts—things like that.

— J. Roger Donohue, Financial Accounting Standards Committee chair

At the request of nonpublic companies the commented on the first exposure draft, the November draft includes a number of carve-outs and exemptions for private entities, mainly centered around disclosures of contract balances, price allocations, balance reconciliations and explanation of judgments.

“What they’re essentially doing is saying ‘OK, private non-SEC company, you can eliminate these things,’” said Financial Accounting Standards Committee member and former NYSSCPA President Jo Ann Golden, adding that the exceptions for nonpublic entities within the larger standard as a whole are in line with the Financial Accounting Foundation’s approach to establishing a separate, independent private company board.

Public comments on the exposure draft are being accepted until March 13, 2012.

See Revenue, on page 13

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The NYSSCPA made a series of recommendations to the IRS in an Oct. 21 comment letter intended to simplify estate tax regulations to protect a surviving spouse following the death of a second spouse, in the case of a second marriage.

The letter was in response to an IRS request for comment on Notice 2011-82, Guidance on Electing Portability of Deceased Spousal Unused Exclusion Amount, which notified executors of the estates of decedents who died after Dec. 31, 2010, that in order to allow the decedent’s surviving spouse to take advantage of the deceased spouse’s unused exclusion amount, the executor was required to file a Form 706, United States Estate and Generation-Skipping Transfer Tax Return, even if the executor would not otherwise be obligated to file a Form 706.

The IRS notice contained some problematic ambiguities, said Kevin Matz, a member of the Trust and Estate Administration Committee and the letter’s principal drafter, particularly in a case in which someone who remarried after the death of a first spouse for whom a portability election had been made, has a second spouse die without having made a portability election. The comment letter notes that it is not clear what the widow or widower’s exclusion amount would actually be in this case, or whether there would be any deceased spousal unused exclusion amount at all.

“The primary objective for the comments is to address and propose solutions to eliminate the high uncertainty in a situation that a surviving spouse would face, considering the application of portability rules in the case of remarriage,” said Matz.

The Society’s recommendations were made with a specific situation in mind—in which the executor of an estate may dislike the surviving spouse, such as in the case of a child from a previous marriage, and may work against him or her, Matz said.

“The key concern is what happens when there is as second marriage and the executor of the estate is a child of the first marriage who greatly dislikes the surviving spouse, and is not inclined to help him or her out by making a portability election, and may not even be required to file an estate tax return,” said Matz.

In order to eliminate this uncertainty—and protect the surviving spouse, in the event that the estate’s executor did not have his or her best interests in mind—the letter recommended that a failure to make a portability election by the executor should not cause the surviving spouse to lose the exclusion amount that he or she already received for the first spouse. The letter also said it is unclear whether a surviving spouse would only receive exclusion amounts from his or her most recently deceased spouse, or whether an unused exclusion amount from a previous deceased spouse could also be used.

The Society’s letter recommended the surviving spouse be treated as using his or her own exclusion amount first. It also recommended further protections for the surviving spouse by clarifying that neither estate tax nor gift tax can be incurred through clawbacks of any deceased spousal unused exclusion amounts.

Matz noted that under the IRS notice, as well as the current statute, the surviving spouse “is left without remedy.”

“Our position is that there ought to be some sort of mechanism to protect the surviving spouse from being held hostage like this, that the purpose of portability is to make estate planning easier,” said Matz.

— Kevin Matz
Trust and Estate Administration Committee member

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The Trusted Professional / January 2012

War story: responding to subpoenas

BY RONALD C. PARISI, CPA, J.D.

Editor’s Note: “War Stories,” drawn from Camico claims files, illustrate some of the dangers and pitfalls in the accounting profession. All names have been changed.

Walter Waverly, CPA, had been engaged for a few years by the trustee of a substantial family trust. While preparing tax returns and compiling financial statements for the trust, Waverly found evidence indicating that the trustee was probably misappropriating trust funds. The CPA requested more information from the trustee but received nothing.

What was Waverly to do? By whistleblowing and disclosing confidential client information to the trust beneficiaries—who were considered third parties to the trust—he would have violated confidentiality rules. Waverly decided to wait for more information to develop before taking any action.

Meanwhile, a special agent from the criminal investigations unit of the Internal Revenue Service made a surprise visit to the CPA’s office. The agent flashed her badge, handed Waverly a subpoena and requested an interview regarding the trustee in question. Waverly felt somewhat intimidated and wanted to cooperate, especially in light of his own concerns about the trustee. He agreed to the interview and decided to blow the whistle by divulging information about the trustee’s suspicious financial dealings.

Several weeks later, the attorney for the trustee filed a complaint against Waverly with the State Board for Public Accountancy for improperly disclosing confidential client information to the IRS agent, whose subpoena called for documents—not for interviews or depositions. The complaint included criminal and civil allegations of misconduct and negligence, and Waverly spent many work hours responding to the state board’s requests for information. When it was revealed that the trustee was indeed misappropriating trust funds, the complaint was withdrawn.

This case is instructive on several points. Seeking written advice from legal counsel or a risk adviser could have provided Waverly with a certain degree of protection from complaints that he violated client confidentiality rules. If counsel decides that the best course of action is to blow the whistle on a client in order to protect third parties or the public from potential fraud, the CPA can assert that he or she was acting on the advice of counsel, with the intention of preventing the further defrauding of third parties.

Responding to subpoenas

Although CPAs should indicate their interest in cooperating with subpoenas and other requests for information, it is appropriate to defer any comments or release of records until you receive advice from an attorney or your professional liability insurance risk adviser. Reasons to do so include the following:

- Some subpoenas require documents, some require testimony and some require both. Some guidelines:
  - Do not volunteer information. This violates rules of the Internal Revenue Code and the AICPA, if you provide more than what is requested in the subpoena.
  - Under no circumstances should you give interviews to an agent when the subpoena requests documents only, nor should you ever give an interview without first seeking legal guidance.
  - Be sure that the documents being produced fit the description of the documents requested in the subpoena.
  - Never volunteer documents or other information before the due date stated on the subpoena without first consulting a qualified attorney or your professional liability insurance risk adviser.

- Not all subpoenas or requests for information are valid and enforceable, and it can be difficult to determine from their face whether they are valid or enforceable.
  - Do not assume that the subpoena is proper just because it appears to be legal. You could be responding to an invalid subpoena.
  - Always ignore a subpoena. Failing to respond can result in court-imposed penalties or fees.

- Even if the subpoena is valid, it might not meet IRC requirements for the release of client tax information. Simply complying with a subpoena could result in fines or penalties and may expose a CPA to liability from the client.

These are practical guidelines only, not legal advice. Seek legal advice before taking any action or making any related decision. It is also important for CPAs to notify their professional liability insurance company to assure their coverage in the event of a claim.

By working closely with attorneys, insurance carriers and other risk specialists to determine whether and how to respond, a CPA is more likely to avoid complaints and emerge from these challenging situations intact.

Ronald C. Parisi, CPA, J.D., is executive vice president of risk management for Camico (www.camico.com). In that capacity, he is responsible for executive oversight of the company’s underwriting and claims functions.

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The Mandatory Quality Review required under NYS law became effective January 1, 2012.

- Effective Jan. 1, 2012, most CPA firms that provide attest services in New York State must undergo quality review every three years.

- Sole proprietorships and firms with two or fewer CPAs that do not perform attest services for state or municipal governments or perform attest services pursuant to NYS law may qualify for exemption from the mandatory quality review (MQR).

- Sole proprietorships and firms with two or fewer CPAs that qualify for exemption may also voluntarily undergo a quality review.

- A firm that is subject to the MQR requirements must provide the State Education Department (SED) a copy of the report and acceptance letter for an acceptable quality review conducted within the prior three years, each time the firm registers with the SED, beginning with the firm's registration application for any registration period that begins on or after January 1, 2012.

- If you’re wondering what you need to do to comply with the new law, The New York State Society of CPAs Is Here to Help.

- The NYSSCPA has applied for and expects to be approved by the SED as a sponsoring organization to administer quality/peer reviews in NY State.

- To enroll for MQR, firms not currently enrolled in a peer review should submit a Peer Review Program Enrollment Form to the NYSSCPA, indicating the firm agrees to have a peer review of its accounting and auditing practice completed once every three years. Contact the NYSSCPA Peer Review Program at 212-719-8300 or peerreview@nysscpa.org for an enrollment form.

- In most cases, firms already in the AICPA peer review program will satisfy the MQR requirements for an acceptable review.

Contact the NYSSCPA Peer Review Staff at 212-719-8300 or visit www.nysscpa.org/page/government-affairs/mandatory-quality-review for additional resources.

Look for an article in February's The Trusted Professional for details on MQR requirements.
Today, CPAs are discovering that they have to involve themselves in a wider range of issues than ever before. Members of the NYSSCPA’s Family Office Committee discovered just how wide-ranging those issues are when they invited Paul C. Guidone, chief investment officer of wealth management firm Fieldpoint Private Bank & Trust, to make a presentation.

Guidone discussed international financial trends “to provide a more macro view of some of the underlying economic dynamics that lead to some of the seemingly bizarre political behavior,” he said.

The presentation provided members “with a perspective that went beyond the day-to-day trading considerations and delved into the deeper historical and geopolitical factors behind today’s events,” said Family Office Committee Chair Mark B. Rubin.

The Family Office Committee is one of the newer NYSSCPA committees, dating only to 2010, with a mission to help CPAs who work in or lead a family office or other family-run entities. Family Office Committee member Lawrence E. Kraus explained that in order to succeed in this niche, “family office CPAs must be knowledgeable in many disciplines beyond the traditional accounting and tax functions, such as insurance, investments, art, private aircraft, international wealth transfers and charitable foundations.”

Among the issues Guidone addressed was a comparison between the United States and China, noting that trade imbalances are due largely to China’s per capita poverty, and that “by a country’s imports are directly proportional to its national income,” he said.

He also added Germany into the mix: a rich country, like the U.S., but with a major difference. “The country’s wealth is largely in private equity, not public,” he said. “So when we hear [Chancellor of Germany] Angela Merkel take a hard line with her eurozone partners and say, ‘We are not going to let the markets dictate our policy,’ she is not being tone deaf. She is simply saying, ‘My country’s wealth is insulated from the public markets, so I get to tell it like it is.’”

Although topics such as these might not directly relate to the work of the Family Office Committee members, Guidone pointed out that CPAs should care about them because the economy is global and interconnected.

“An excessively myopic view on parochial issues destroys confidence that our elected and appointed officials will know when to switch between a local and global focus to get the job done,” he said.

“Navigating the political, economic and investment market environments has always been tricky. Today is no exception. Leadership is often talked about, frequently misunderstood and truly seldom occurs. Let’s hope this time is different.”

To download a white paper based on Guidone’s presentation, view this story online at www.trustedprofessional.com.

Revenue
Continued from page 9
defines it as the amount to which the entity expects to be entitled. The November draft specified that the entity would not consider customer credit risk when determining the transaction price, though it would account for this risk through applying separate guidance, such as U.S. GAAP Codification of Accounting Standards Topic 310, Receivables, or IFRS 9, Financial Instruments.

“They want to know, what is your price and is there going to be a change in that, are there discounts—things like that,” Donohue said.

In the fourth step of revenue recognition, “you have to identify what you’re getting paid for,” Donohue said.

The entity allocates the transaction price to the separate performance obligations in the contract, in amounts reflecting how much the entity expects to receive in exchange for satisfying each of them by determining the stand-alone price for each good or service at the inception of the contract, according to the draft. If the stand-alone selling price can’t be observed, the entity would estimate. Although the June 2010 exposure draft would have technically allowed entities to estimate stand-alone selling prices in cases where the price of a good or service was uncertain or highly variable, the most recent draft explicitly allows price estimation.

In the final step, the entity would recognize the revenue once performance obligations are satisfied and the good or service has been transferred to the customer. The latest exposure draft, unlike its previous version, recognizes that not all performance obligations are satisfied at a specific point, such as where an entity enters a contract to sell a product that will be delivered over two years, and said that the entity would recognize revenue over time by measuring the progress toward the complete satisfaction of the contract, updating measurements as circumstances change.

“The bottom line? … Recognize revenue when, or as, the entity satisfies the performance obligation.”

— J. Roger Donohue, Financial Accounting Standards Committee chair

“The bottom line? … Recognize revenue when, or as, the entity satisfies the performance obligation.”

By RICHARD J. KORETO
Trusted Professional Staff

Family Office Committee goes global

Dustinsaid the two “key differences” between New York’s mobility law and “the law of every other jurisdiction” govern how the state will deal with practitioners who have failed to maintain good standing with their licensing jurisdiction, and the obligation placed on a CPA to report final disciplinary actions, licensure revocation or loss of good standing to New York.

“Somebody who is practicing in New York under a practice privilege, who no longer has a valid license or is no longer in good standing, or has had final disciplinary action, they need to cease practice in New York until they submit information to the department, and the department makes a determination that they can continue to work under practice privilege,” he explained.

“An out-of-state CPA practicing under mobility, who has had specific disciplinary action within the prior seven years preceding the date that he or she wishes to practice in New York, has to notify the department to get written permission to practice in New York,” Dustin said.

He walked the board through the other most significant changes to the law, which include the following:

• Any firm, including sole practitioners, practicing attest or compilation services in New York state under a license of registration or permit from another state must register with the New York State Education Department.

• Consistent with the previous rule, firms providing nonattest or noncompilation services in New York under an out-of-state license are not required to register with New York.

• As long as at least one partner is licensed in good standing in one or more states, a firm can be registered with New York under the mobility law, although the firm will be required to comply with the mandatory quality review program that went into effect Jan. 1.

• CPAs wishing to practice in New York, who are registered in one of the two U.S. jurisdictions recognized as non-substantial equivalent, fall into one of two categories: those who have qualifications considered substantially equivalent, and those who do not. To be deemed substantially equivalent, a CPA must be licensed in a state determined to have licensure requirements substantially equivalent—or virtually equal—to the nationally recognized CPA licensure requirements, or whose licensure qualifications are determined to be substantially equivalent to the nationally recognized CPA licensure requirements.

Two U.S. jurisdictions, the U.S. Virgin Islands and Puerto Rico, are not recognized as substantially equivalent, “mainly because they don’t have the same 150-hour education requirement,” Dustin said.

Practitioners hailing from those jurisdictions and who have met the 150-hour education requirement, have at least one year of experience and have passed the CPA exam would be able to register to provide attest services in New York. For those who fail to meet one or more criteria, the SED may make allowances on an individual basis, Dustin said.

“I don’t think it’s going to be a substantial number of people, given the small number of jurisdictions involved,” he added.

Dustin said that the state has sought input on any give the topic to the Society, and that it is “quite likely” the regulations would be republished in the future as additional changes and clarifications are made.

For additional information about the new mobility law, answers to frequently asked questions are available on the board’s website at www.op.nysed.gov/prof/cpa, under the “Temporary Practice Permit” link.

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“This bottom line? … Recognize revenue when, or as, the entity satisfies the performance obligation.”

— J. Roger Donohue, Financial Accounting Standards Committee chair
IN MEMORIAM

The Society salutes the following members who have passed, but will live on in our memory.

Information is presented here according to what is on file in the Society’s database. The names below are of those members whose profiles were updated with their passing between May 4, 2011, and November 29, 2011.

Harry Ackerman, Retired, Flushing, N.Y. Born in 1920. Member of the Society since 1950. Member of the Nassau Chapter.

Gershon Ashenberg, Sole Practitioner, Monroe Township, N.J. Born in 1941. Member of the Society since 1973. Member of the Manhattan/Bronx Chapter.

Joseph W. Barclay, Retired. Born in 1914. Member of the Society since 1956.

Kermit J. Berylson, Resided in Denver, Colo. Born in 1914. Member of the Society since 1939. Member of the Rochester Chapter.

Leo Chan, Manager, PricewaterhouseCoopers LLP, New York, N.Y. Resided in Port Washington, N.Y. Born in 1955. Member of the Society since 1985. Member of the Manhattan/Bronx Chapter.

Robert J. Chronc, Retired, Northport, N.Y. Born in 1944. Member of the Society since 1971. Member of the Suffolk Chapter.


Leo E. Coon, Retired, New York, N.Y. Born in 1928. Member of the Society since 1951. Member of the Manhattan/Bronx Chapter.


Bernard Domskey, Retired, Fort Lauderdale, Fla. Born in 1919. Member of the Society since 1947.


Jerald Drucker, Sole Practitioner, Chinzer and Company LLC, Great Neck, N.Y. Resided in Forest Hills, N.Y. Born in 1919. Member of the Society since 1956. Member of the Manhattan/Bronx Chapter.


Stanley Friedenberg, Retired, Old Westbury, N.Y. Born in 1919. Member of the Society since 1959. Member of the Nassau Chapter.

Frederick L. Galland, Retired, Boca Raton, Fla. Born in 1944. Member of the Society since 1969.

J. Russell Gough, Retired, New Canaan, Conn. Born in 1922. Member of the Society since 1951.

Daniel J. Heller, Sole Practitioner, Daniel J. Heller, CPA, Livingston, N.J. Resided in Livingston, N.J. Born in 1929. Member of the Society since 1956. Member of the Manhattan/Bronx Chapter.


Abraham Homnick, Retired, Port Chester, N.Y. Born in 1911. Member of the Society since 1943. Member of the Westchester Chapter.

William L. Hunt, Sole Practitioner, Resided in Niagara Falls, N.Y. Born in 1942. Member of the Society since 1970. Member of the Buffalo Chapter.


Bryan L. Johnson, Resided in Mahwah, N.J. Born in 1956. Member of the Society since 1996. Member of the Westchester Chapter.

Richard A. Johnston, Retired, Rochester, N.Y. Born in 1923. Member of the Society since 1955. Member of the Rochester Chapter.

Gary Kahn, Partner-in-Charge, Kahn, Hoffman & Hochman LLP, New City, N.Y. Born in 1946. Member of the Society since 1970. Member of the Westchester Chapter.

Arthur Klein, Resided in Suffern, N.Y. Born in 1919. Member of the Society since 1956. Member of the Mid Hudson Chapter.


Henry Korn, Retired, New York, N.Y. Born in 1922. Member of the Society since 1966. Member of the Manhattan/Bronx Chapter.

Louis Leichman, Retired. Born in 1921. Member of the Society since 1949. Member of the Rockland Chapter.


Michael P. Mahoney, Retired in Burnt Hills, N.Y. Born in 1952. Member of the Society since 1979. Member of the Northeast Chapter.

Gerard Marcus, Retired, North Woodmere, N.Y. Born in 1928. Member of the Society since 1960. Member of the Nassau Chapter.

Aaron M. Master, Retired, Port Chester, N.Y. Born in 1925. Member of the Society since 1955. Member of the Westchester Chapter.


Bernard Miller, Sole Practitioner, Resided in East Brunswick, N.J. Born in 1929. Member of the Society since 1960.

Saburo Narada, Retired, Resided in Hartsdale, N.Y. Born in 1963. Member of the Society since 1987. Member of the Westchester Chapter.

John C. Nebbia, Retired, Rochester, N.Y. Born in 1925. Member of the Society since 1957. Member of the Rochester Chapter.


Daniel J. Oleary, Retired, Pittsford, N.Y. Born in 1946. Member of the Society since 1973. Member of the Rochester Chapter.

OBITUARIES

Robert Roback, Roback, Kumlander & Pehl, CPAs, LLP, Ballston Spa, N.Y. Resident in Mechanicville, N.Y. Born in 1956. Member of the Society since 1987. Member of the Northeast Chapter.

Frank Rogovin, Partner, Seymour Reich & Co., New York, N.Y. Resident in Old Bridge, N.J. Born in 1946. Member of the Society since 1977. Member of the Staten Island Chapter.

Anthony J. Romano, Manager, Holtz Rubenstein Reminick LLP, New York, N.Y. Resident in Lake Ronkonkoma, N.Y. Born in 1952. Member of the Society since 1982. Member of the Suffolk Chapter.


Aaron Safenowitz, Retired, Great Neck, N.Y. Born in 1935. Member of the Society since 1994. Member of the Nassau Chapter.

Burton R. Sax, Retired, Mamaroneck, N.Y. Born in 1925. Member of the Society since 1953. Member of the Nassau Chapter.


Lewis Schreiber, Retired, Hazlet, N.J. Born in 1927. Member of the Society since 1963.

Howard H. Serlin, Retired, Glenis Falls, N.Y. Born in 1914. Member of the Society since 1955. Member of the Adirondack Chapter.

Clarence Shapiro, Retired. Born in 1921. Member of the Society since 1948. Member of the Rockland Chapter.

Elliott Siskind, Retired, New York, N.Y. Born in 1926. Member of the Society since 1959. Member of the Manhattan/Brorn Chapter.


Leonard L. Stark, Resided in New York, N.Y. Born in 1917. Member of the Society since 1946. Member of the Nassau Chapter.


David G. Tannenbaum, Sole Practitioner. Resided in Yorktown Heights, N.Y. Born in 1936. Member of the Society since 1974. Member of the Westchester Chapter.

Zeeva S. Thrope, Retired, Great Neck, N.Y. Born in 1927. Member of the Society since 1938. Member of the Nassau Chapter.


Joseph Venezia, Accountant, Joseph Venezia, CPA, PC, Smithtown, N.Y. Resident in Manorville, N.Y. Born in 1959. Member of the Society since 1996. Member of the Suffolk Chapter.


George E. Wolff, Retired, Coconut Creek, Fla. Born in 1917. Member of the Society since 1945.

James F. Yochum, Sole Practitioner, James F. Yochum, CPA, West Seneca, N.Y. Resident in West Seneca, N.Y. Born in 1940. Member of the Society since 1969. Member of the Buffalo Chapter.

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Also Available via Live Webcast
CPAs give back for the holidays

Continued from page 1

night of shopping by chapter members and community volunteers, and a toy pickup by the Marines on Dec. 9. The number of toys collected by the Suffolk Chapter has grown every year, according to chapter past president Cynthia Barry. The first drive’s haul could fit in a van, she said. Now, the Marines need a tractor trailer to fit all the toys that the chapter is able to collect.

“Community service has always been a cornerstone of the Young CPAs Committee and coordinating the annual Toys for Tots drive each year is extremely rewarding. All of the efforts of so many wonderful people each year are the reason that the drive is the success that it is,” said Barry. The chapter collected 128 boxes full of toys for children in need and the event was a “tremendous success,” according to Barry.

Some chapters, like Northeast, hold a social event in conjunction with Toys for Tots collection efforts. The Northeast Chapter organized a networking event in Albany around the toy drive that gave attendees a chance to mingle, said the chapter’s Young CPAs Co-chair Jaclyn Ferrucci, who helped organize the Dec. 8 drive.

“Overall, it’s a laid-back event that gives everyone a chance to talk and catch up with others in the accounting industry, as well as donate to a good cause,” said Ferrucci. Admission was either $10 or an unwrapped toy, she said. During the event, the Marines sent some of their own to pick up the donations and present the group with a certificate of appreciation. Northeast collected about $300 worth of toys at the event, as well as a small cash donation, said Ferrucci.

The Mid Hudson Chapter hosted its own annual Toys for Tots drive on Dec. 7 in Newburgh, with the support of eight local firms that collect toys at their offices during the drive. Mid Hudson Young CPAs Chair Rebecca J. Hasbrouck, who helped coordinate the event, said that it also serves as a way for potential new members to join the Society, providing a way for prospective members to meet with chapter leadership and see firsthand one of the events that the chapter organizes.

The Manhattan/Bronx Chapter held a similar event on Nov. 30. Attendees donated a gift or $20 before networking over food and drinks. Chapter President Gina E. Goodenow started the annual event as Young CPA chair in 2007.

“I was looking for an event that would not only provide membership recruiting and networking but would also give back to the community. Having attendees bring money or gifts for Toys for Tots seemed a natural move, since it was around the holiday times,” she said.

Mid Hudson YCPA Committee member Lauren Petrini, who organized this year’s event, said that the chapter managed to raise $900, as well as fill two large vans with toys. Toys for Tots fundraisers were also held by the Rockland Chapter, which collected donations during its Dec. 1 annual networking dinner, and the Queens/Brooklyn Chapter, during its Dec. 8 holiday party.

Other chapters collect donations for smaller, locally run organizations.

Proceeds of the Utica Chapter’s toy drive again this year went to Operation Sunshine, a conduit agency that supplies other local charities in the Utica area, said chapter past president Eileen Hamlin. Hamlin, who organized this year’s efforts, said Operation Sunshine has been part of the chapter’s holiday charity efforts since the late 1990s and provides a good way for the chapter to directly help the local community.

“They keep the toys in the local area. Some toy drives go to bigger organizations, but this stays locally and we wanted to do that,” she said.

Members of the Mid Hudson Chapter YCPA Committee during the chapter’s annual Toys for Tots Drive and holiday mixer. From left: Tiffany Cardinal, Mike Suarez, Domenick Del Rosso, Brian DiFilippo, Ryan Wisniewski, Magda Reyes, Rebecca Hasbrouck, Beth Vought and Noelle De Luca.

The chapter asked local firms and practitioners to collect donations at their offices after Thanksgiving, so people could shop for toys on Black Friday; the toys were gathered for pick-up on Dec. 12. Hamlin said that the chapter gets good participation every year in part because of the area’s concentrations of banks and large businesses, which contribute a good amount of toys during the season.

The Young CPAs in the Buffalo Chapter took time on Dec. 8 to benefit the Golisano Children’s Hospital. Jordan Sutton, a chapter member who organized the event, said the Holiday Happy Hour for Charity is the second such event that the chapter has put together in as many years. Admission to the event was one unwrapped gift of a coloring book, crayons or small games, of which Sutton said the chapter collected several boxes.

The chapter’s charitable efforts won’t end with the holidays, though. At the start of the tax season, the Westchester Chapter will launch a candy sale to raise money for Skills USA, an organization that helps special needs children prepare for going to college and entering the workforce, said Westchester YCPA Chair Heather Oboda. Although this effort will be a first for the chapter, because members have full access to so many different firms, Oboda is confident they will be able to raise a significant amount of money.

cpaetano@nysscpa.org
**FAE EVENTS and CPE OFFERINGS**

### MANHATTAN/BRONX

**Fourth Annual Billiards Tournament**
- **When:** Jan. 12, 6:30–8:30 p.m.
- **Where:** Slate Billiard’s, 54 W. 21st St., between Fifth and Sixth avenues, New York City
- **Cost:** $20 (includes pool, open bar and appetizers)
- **Course Code:** 45150205

### NASSAU

**Chapter Town Hall Meeting**
- **When:** Jan. 5, 6:45–9:45 p.m. (check-in 6:30 p.m.; cocktails 5:45 p.m.)
- **Where:** Chateau Briand, 440 Old Country Road, Carle Place
- **Cost:** $35 for members; $45 for nonmembers (ethics only), $75 for members; $85 for nonmembers (ethics, cocktail reception and dinner)
- **Course Code:** 42032215 (ethics only); 42030206 (ethics, cocktail reception and dinner).
- This is a paperless event.

**Nassau All-Day Estate and Personal Financial Conference**
- **When:** Jan. 22, 9 a.m.–5:15 p.m. (registration and breakfast 8:30 a.m.)
- **Where:** Long Island Marriott Hotel, 101 James Doolittle Blvd., Uniondale
- **Cost:** $150 for members; $250 for nonmembers
- **CPE:** 8 (taxation)
- **Course Code:** 28603226
- *This is a paperless event.*

### MID HUDSON

**Personal Financial Planning Committee Conference**
- **When:** Jan. 12, 8:30 a.m.–4:30 p.m. (breakfast 7:30 a.m., Chapterwide Election of Nominating Committee Members 8–8:45 a.m.)
- **Where:** Ramada Inn, 1289 Route 300, Newburgh
- **Cost:** $150 for members; $250 for nonmembers
- **Course Code:** 29080221
- **Contact:** Ken Laks (klaks@avz.com)

### ROCKLAND

**State Tax Update (New York, New Jersey and Connecticut)**
- **When:** Jan. 24, 9 a.m.–5 p.m. (registration and breakfast at 8:30 a.m.)
- **Where:** Casa Mia Manor House, 577 Route 303, Blauvelt
- **Cost:** $129 for members; $149 for nonmembers
- **CPE:** 8 (taxation)
- **Course Code:** 28617231
- **Contact:** mdavis@rssmcpa.com

### SUFFOLK

**Maintaining Retirement Plan Compliance: Correcting Common Plan Mistakes**
- **When:** Jan. 18, 8:30–11:30 a.m. (registration and breakfast 8 a.m.)
- **Where:** Sheraton Smithtown, 110 Vanderbilt Motor Parkway, Hauppauge
- **Cost:** $25
- **Course Code:** 29080215
- **Contact:** Felicia Paura, CPA (631-665-7040, fpaura@sheehanCPA.com)

### WESTCHESTER

**The Future of State Tax Nexus**
- **When:** Jan. 20, 8–10 a.m.
- **Where:** Citrin Cooperman & Company LLP, 707 Westchester Ave., White Plains
- **Cost:** $25
- **CPE:** 2 (taxation)
- **Course Code:** 29110212
- **Contact:** Catherine Censullo (catherine.censullo@cmcensullocpa.com)

**College Night**
- **When:** Jan. 24
- **Where:** 800 Westchester Ave., White Plains
- **Contact:** Patti Galistinos (pgalistinos@citrincooperman.com)

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CPA ROUNDTABLE

What New Year’s resolution would you make for the CPA profession?

As told to Chris Gaetano, The Trusted Professional staff

By MARGARET A. WOOD
Manhattan/Bronx Chapter, Past NYSSCPA President

ith the New Year bringing new regulations, it’s time to recommit ourselves as a profession to achieving the highest quality in everything we do. We strive to keep up with our continuing education requirements and bring professional skepticism to our work. As new regulations are rolled out, the bar keeps getting higher. This year, for example, mandatory quality review was introduced—a process that some CPAs will be facing for the first time. But what better time than when faced with new standards, to commit to exceeding expectations and provide truly superior work to clients?

Every year, we face a new busy season and hours of professional education. Yes, it can be daunting, as even more regulations, information and guidance on new standards, new taxes and new industries are established each year. And it doesn’t seem to be slowing down. But because of the constant change inherent in our profession, it’s important that we resolve to not only meet these new challenges but surpass the new standard—and to help others do the same, by mentoring others around us.

What New Year’s resolution would you make for the CPA profession?

As told to Chris Gaetano, The Trusted Professional staff

By STEVEN A. STANEK
Syracuse Chapter

his year, we should strive to spend more time explaining year-end taxes to our clients. Our profession is bound by strict deadlines—April 15 and otherwise—but that doesn’t mean we should sacrifice engaging with our clients face-to-face for the efficiency of less personal communication.

Good client relations are one way we can work to strengthen the public trust. We have all this technology and all these great ways of communicating, but it’s important to take a step back to remember who we are. While we gain more and more technological capabilities—which bring efficiency to our work—the personal aspect has diminished. No, sitting down with a client is not very efficient. But that is how we, as CPAs, became what we are: someone just as important to people as their family doctor.

In these days of emails, text messaging and social media, it’s easy to forget that we, as CPAs, are in a people-oriented business. With this in mind, though, you can get back to basics, pause to see where we are and get back to who we are. We need to remember that these tools are meant to supplement our client relations, not replace them entirely. Don’t forget that, at the end of the day, it is ultimately our clients who make us.

The CPA Roundtable is a monthly Chapter Newsletters feature where we ask CPAs from around the state to weigh in with their thoughts on an issue relevant to the profession. If you are interested in becoming a Roundtable participant, drop us a line at cgaetano@nysscpa.org.
I was the evening of Thursday, Aug. 11, when Manhattan/Bronx Chapter member Paul Larowitz got a phone call at his Brooklyn home.

“I pick it up and offers this voice says to me, ‘Are you Paul?’” Larowitz recalled. “I say yes. ‘Is your last name Larowitz?’ I say yes. ‘Have you ever been to Bend, Oregon?’”

At this, Larowitz started to laugh.

“You hit someone who actually knows where Bend, Oregon is,” he told the caller. Not only could Larowitz find the small central Oregon town on a map, but he’d been there—it was where the Army sent Larowitz for basic training. He was drafted to serve in World War II in 1943, shortly after graduating from a technical high school in New York City, where he had been studying to become an engineer.

“I didn’t even know how to open a mess kit,” remembered Larowitz, now in his 80s. The man on the other end of the phone, Bend resident Mike Wampler, told him that he had found Larowitz’s ID bracelet during a regular metal detector excursion. He had spent the last two weeks trying to find Larowitz, with nothing to go on but a name and military number.

“My first reaction is that this must be a scam,” Larowitz remembered. But they continued talking.

 “[I asked] does it have my Army number? He says ‘yes,’” Larowitz continued. “What’s the first two numbers? So he tells me, ‘thirty-two.’ That’s right. What’s the last three numbers? ‘Eight, seven, two.’ It was mine. I got really excited about it.”

During his time in Bend, Larowitz had made the acquaintance of a young woman from Portland, the daughter of a man he had met during Rosh Hashana services. From Bend, Larowitz was stationed in Fort Lewis, Wash., and found that the young woman was going to school nearby in Seattle. The two continued to spend time together, Larowitz said. Before the Army sent him to Colorado, she gave him a sterling silver bracelet with his name and military number on it.

But Larowitz had lost the bracelet. How it ended up back in Bend, he has no idea. More than 60 years later, he’d forgotten all about it. Until he got the phone call in August.

Between the time the bracelet was lost and found, a lot of things happened in Larowitz’s life.

He landed in France in 1944, about six months after D-Day. Serving as a medic, Larowitz arrived when the tide of war began to turn against the Axis, and he said the rumor at the time was that they were going to win the war in Europe soon and be sent to the Pacific—though swiftly changing conditions there allowed him to go home, instead.

Despite his preputation in high school, Larowitz found few opportunities as an engineer; “[religious] discrimination was a factor in those days,” he said. Since he was “pretty good at math,” he trained to become a CPA, first at Brooklyn College, then at New York University. He became certified in 1963 and worked at small public accounting firms for just under 10 years before venturing out on his own as a sole practitioner in New York City. He’s enthusiastically worked there ever since, mostly in auditing and consulting.

“I can honestly say that there hasn’t been a day where I haven’t enjoyed getting up and going to work,” Larowitz said. “That period before the Army… I vowed to myself that if I didn’t like the work, I’m not going to stay at any job I don’t like.”

Which explains why, at an age when many professionals retire, Larowitz is still working. He added that with the Oct. 15 busy season deadline behind him, he’s getting anxious for things to do.

Larowitz was shocked that someone had not only found this piece of his past in Oregon, but that Wampler, a total stranger, had gone to such trouble to reach out to him. After receiving the bracelet in the mail, Larowitz sent Wampler a DVD set of the HBO miniseries Band of Brothers. Although the two hadn’t met, they occasionally keep up with each other over the phone, said Larowitz.

“It’s like I got a new friend,” he said. He described the entire experience as “a thrill” and “a very, very pleasant surprise that put a smile on my face.”

Larowitz hadn’t seen the bracelet—or thought much about his time in Bend—for more than six decades.

“Something like this brings it all back again,” he said. “And it’s been on my mind ever since.”

By CHRIS GAETANO

The Trusted Professional Staff

Manhattan/Bronx Chapter member Paul Larowitz shows off the ID bracelet he was reunited with this summer, after losing it more than 60 years ago.

The bracelet features Larowitz’s name and military ID number, (which has been partially obscured).

A seminar in review

By J. MICHAEL KIRKLAND

Manhattan/Bronx Chapter Past President

The evening of Nov. 16, the Manhattan/Bronx Chapter held “What You Need to Know About Fixed Income Products,” a continuing professional education seminar hosted by Lawrence Bahr, of The Maddalena Group at Morgan Stanley Smith Barney, at the firm’s Manhattan headquarters.

The seminar, attended by a variety of professionals and students, was a great success.

Attendees received two CPE credits in specialized knowledge and applications. The venue, refreshments, subject matter and, most importantly, the speaker all received outstanding feedback. Charles M. White, who has worked an investment advisor for more than 25 years, offered a very refreshing take on a number of current events facing both the U.S. and European fixed-income markets.

Most valuable was the question-and-answer section throughout the presentation. Because of the event’s success, the chapter’s Executive Board is planning future CPE seminars with Morgan Stanley. To assist us in deciding the subject matter for these events, please send your ideas and feedback to Gina Goodenow, chapter president, at gina@nysscpa.org, or to my email address below.

If you were not able to attend the seminar, we look forward to seeing you at our future events. Please visit the chapter website, www.nysscpa.org/manhattanbronx, for upcoming CPE programs and social events. Feel free to even bring a friend or work colleague to a chapter event. And remember to fulfill your ethics CPE requirement. You must complete at least four credits of ethics CPE during every triennial registration period.

by JMK@nysscpa.org

Preparing for a year of effort, achievement and chapter events

By RONALD FINKELSTEIN

Nassau Chapter President

After serving for eight months as Nassau Chapter president, it is gratifying to look back at the successful events that our chapter has held. My term started out strong in June with a benefit event in Wantagh Park, which raised a significant sum of money to support the Island Harvest food bank. The chapter’s fundraising efforts continued through the end of November with our Attorneys and Accountants networking event, which raised $7,000 to support the WE CARE Fund, a local charity established by the Nassau County Bar Association.

In addition to fundraising, the chapter has held successful social events, including the aforementioned networking event, which drew more than 150 professionals, and our September networking event with bankers was similarly successful. I look forward to seeing many of our members again at the next Nassau Chapter Cooperation with Bankers and Other Credit Grantors Committee Joint Nassau/Suffolk Chapter Meeting in March at Crest Hollow Country Club in Woodbury. The Nassau Chapter has been fortunate to have many members accept leadership roles as chairs of our numerous committees. Over the past two years, we have had the opportunity to

See Nassau, on page 20

www.nysscpa.org
**NORTHEAST**

Maximizing chapter benefits means being involved

By PATRICK HUGHES  
Northeast Chapter President

Throughout my presidency I am often asked by members how to best maximize their Society membership.

Getting more involved with the chapter is one great way to do this, because it often leads to taking advantage of all of the benefits Society membership has to offer: attending some of our social, educational or public relations events throughout the year, participating on or chairing a committee that is of interest to you, or becoming a member of the Northeast Chapter’s Executive Board.

Over the past six months, the chapter has focused on increasing participation and recruiting new members, beginning with the Career Opportunities in the Accounting Profession program held last summer at SUNY Albany. The week-long event was a resounding success, with more than 30 local high school students participating.

We have also added new events, such as our Healthcare Reform Panel Discussion, to attract members in industry. This event, held in September, provided an update on the status of national healthcare reform and its implications in New York state.

We continue to offer great networking opportunities at events such as our annual CPAs and Bankers Dinner, which was held in November and attended by more than 170 bankers, CPAs and others leaders in the business community. We were excited to have nationally known economist Hugh Johnson as the keynote speaker for this event. Johnson shared with us his outlook on the economy, interest rates and the stock market.

The Northeast Chapter also has an active group of committees, such as the Young CPAs Committee, which holds events throughout the year, including the annual Toys for Tots event each December. We are very excited about our monthly CFO forum, which was developed by Northeast Chapter Chief Financial Officer Committee Chair Beth Van Bladel and has served as a model for other chapters in the state.

All chapter activities are overseen by the Northeast Chapter’s Executive Board. We have focused this year on continuing to expand and diversify our board. Now that you’ve heard some of the ways to benefit from increasing your activity in our chapter, email me and let me know how you would like to get involved.

phughes@uhy-us.com

**ROCKLAND**

Rockland students display innovation at local competition

By MITCHELL L. GUSLER  
Rockland Chapter Immediate Past President

On Dec. 2, the Rockland Chapter and the business department of Rockland Community College co-hosted the Entrepreneurial Business Plan Competition for area high school and college students. Teams from each category developed a business plan and PowerPoint presentation for a business the team believed could be successful in Rockland County.

As a CPA and immediate past president of the Rockland Chapter, I coordinated the day’s events with Martin Lecker, professor of business at Rockland Community College. Each winning team was awarded a grand prize of $1,000. Both the prize money and the day’s lunch were sponsored by the Rockland Chapter.

During the event, the students responded with enthusiasm and the plans presented were so sophisticated the judges had a difficult time selecting winners. In the high school category, winning students Priya Lasrado and Dushiri Persaud, from North Rockland High School, came up with G-Tracker, a personal lost and found “app.” A radio frequency identification tag would be placed on articles in the home so that if they were lost, the app would be able to locate them. In the college age group, Rockland Community College student Antoine McLaughlin won for his presentation of The Sportsland of Rockland, a social media website that would allow high school athletes to post their athletic and academic data for college recruiters to view.

Congratulations to the winners and all of the students who participated in this educational event.

mgusler@rfkcicpa.com

From left, Mitchell L. Gusler, CPA; Karen Guaitleri, vice president of student development at Rockland Community College; G-Tracker designers and North Rockland High School students Priya Lasrado and Dushiri Persaud; business professor Martin Lecker and guest speaker Barry J. Dorfman.

**NASSAU**

Continued from page 19

highlight these chapter leaders in the Committee Spotlight and Member Profile columns of our chapter newsletter, available online at www.nysscpa.org/nassau. Craig Morris, who has been active in the chapter for nearly 30 years, is the subject of the member profile in the most recent newsletter. In addition to being a former member of our Executive Board, he has played key roles in the founding of several of our committees.

Looking ahead, we will kick off 2012 with the annual NYSSCPA Town Hall Meeting and Ethics event continuing professional education presentation at the Chateau Briand in Carle Place on Jan. 5. NYSSCPA President Richard E. Piluso, President-elect Gail M. Kinsella, and Member Relations Director Bill Pape will speak about NYSSCPA initiatives and lead a Q&A session with members. On Jan. 22, the chapter’s Estate & Personal Financial Planning Committee will host an All-Day Planning Conference. This is a great opportunity to get an early start on your 2012 CPE and hear from an excellent slate of speakers.

#TheNewYear is also a good time to reflect on the things for which I am grateful. First, I am thankful for the support of my wife and daughter, as well as the tremendous support that I receive from my fellow board members and committee chairs. I am also grateful for the chance to serve as the Nassau Chapter president. Shortly after my installation dinner, one of my partners summed up my feelings about this role when he said, “I know the effort that goes into this type of professional achievement, and it demonstrates a commitment to the profession that cannot be measured in terms of compensation. Long after you are retired, the things that you will remember most about your career will be achievements like this one.”

Recently, my 11-year-old daughter followed in my footsteps and was elected president of her school’s student council. I am sure that she will look back fondly at her opportunity to be a leader, to help to make her school a better place and to support her community, and I am thankful that at such a young age, she is able to have such a rewarding experience.

And as 2012 begins, I want to take this opportunity to wish everyone a healthy New Year, filled with many happy and healthy New Year, filled with many achievements and successes for you and your family.

ronald.finkelstein@marcumllp.com

From left, Mitchell L. Gusler, CPA; Karen Guaitleri, vice president of student development at Rockland Community College; G-Tracker designers and North Rockland High School students Priya Lasrado and Dushiri Persaud; business professor Martin Lecker and guest speaker Barry J. Dorfman.
Busy season for some could be opportunity for others

By THOMAS O’NEIL
Staten Island Chapter President

Happy New Year and here’s to a wonderful holiday season. For those who work in public firms, whose busiest time begins shortly, I hope you have a chance to decompress and unwind between the frantic holiday and tax seasons. And for those not in a public firm, now would be a great time to take advantage of your “quiet” time at the chapter level: You have the opportunity to join a committee and hold an event for members in industry, whereas those in public firms may not find time to attend such events.

Since the last time I wrote, we’ve held the bowl-a-thon, our annual Town Hall Meeting and ethics seminar was the third of three morning sessions this year, all of which were successful. The attendance for the Town Hall and ethics seminar surpassed 50 members; we normally see about 70 members attend in the evening. The earlier law planning and QuickBooks events drew similarly sized groups of around 50 members. Lastly, the All-Day Tax Conference was held in the multiple-speaker format we adopted several years ago. Seven speakers covered federal updates, state income and sales taxes, practice and procedure, compliance, innocent-spouse, and federal and state estate tax issues. They provided a wealth of information for attendees, and because the Society went paperless, I did not hear of any issues regarding materials.

Your feedback on this event is especially important to us, because your input influences the 2012 conference. Your input helps the Society decide what topics are covered during the conference. Next year, the chapter’s Taxation Committee will be responsible for recommending the topics, so if you found a speaker or topic compelling, or if you were somehow displeased, you have an obligation to let us know. After all, we want to make each conference better than the previous one. So far, our new committees have proved beneficial. The Sponsorship Committee, chaired by Tony Maltese, has been involved in developing relationships with many sponsors to subsidize the speakers and catering at our CPE events. The All-Day Tax Conference was emceed by the Tax Committee’s Pat Monachino, who graciously volunteered as soon as the position was open.

Normally, we postpone CPE seminars until late in the year, but since our members in industry have been required to obtain CPE credits since the accountancy reform law went into effect in 2009, we welcome anyone who wants to be involved in planning events for earlier in the year, even during tax season. In addition, if you are active in statewide committees, you should also consider joining or chairing a new committee at the chapter level, which would be a nice complement to your membership.

Please feel free to contact me with any of your comments, concerns or questions via email. Stay tuned to our chapter Web page, www.nysscpa.org/statenisland, for updates and events.

— Thomas O’Neil

e-mail: tonoel@plcpa.net

Tri-State Taxation Conference

Don’t miss this all-important update on 2011 tax developments!

Who Should Attend?
CPAs and other tax professionals with corporate, partnership, and individual clients required to file returns in the tri-state area.

Why You Should Attend:
To become familiar with recent court decisions, legislative and administrative developments, filing requirements, and tax-planning opportunities for clients in New York City, New York State, New Jersey, and Connecticut.

Course Code: 25961211 (In-Person); 35961211 (Live Webcast)
CPE Credit Hours: 8
Field of Study: Taxation
In-Person Member Fee: $385; Nonmember Fee: $485
Live Webcast Member Fee: $285; Nonmember Fee: $385

Get updates directly from officials representing the following agencies:

- New York State Department of Taxation and Finance
- Connecticut Department of Revenue Services
- New Jersey Division of Taxation
- New York City Department of Finance

For More Information and to Register for This Conference:
Visit www.nysscpa.org/tristate or call 800-537-3635.

To Register for the Live Webcast:
Visit www.nysscpa.org/e-cpe or call 877-880-1335.

FAE 2012 Conferences

The Trusted Professional / January 2012

CHAPTER NEWS
Suffolk marks 16th year of young professionals gathering on the green

Top: Alison Serigano, Amanda Sexton, John Manley and Steve Lemke take a quick break from golf to pose together at the Suffolk Chapter’s 16th annual Young Professionals Golf Classic, held Sept. 22 at the Hamlet Willow Creek Golf and Country Club in Mount Sinai.

Left: Suffolk Chapter member Steve Lemke lines up his shot at the Suffolk Chapter’s 16th annual Young Professionals Golf Classic. The event, a chapter tradition, featured a round of golf as well as dinner and cocktails afterward. Approximately 60 golfers attended this year’s golf outing, which raised $2,000 for the chapter’s annual U.S. Marine Corps Reserve Toys for Tots Foundation collection effort.
SYRACUSE

Welcoming the New Year with a ‘thank you’

By Anthony T. Abboud
Syracuse Chapter President

I would like to say “thank you” to everyone who participated in the annual fundraiser and holiday party for the Elmcrest Children’s Center, organized by our active Young CPAs Committee. As always, it was a great success. Keep your eyes open and visit our chapter Web page, www.nysscpa.org/syracuse, for additional great social gatherings.

Last month, the Syracuse Chapter provided a satellite location for the Professional Issues Update Conference held in New York City on Dec. 13. The free conference, exclusive for NYSSCPA members in industry, government and education was made available to Syracuse Chapter members at the Paychex office in Liverpool. Thank you to Joseph Szlosek for coordinating the event’s location, and to Michael Laquidari and Stephen Gorczyński for assisting with planning as well as helping out on the day of the event.

On behalf of the Syracuse Chapter Executive Board, we wish you all a very Happy New Year and a happy busy season!

www.TrustedProfessional.com

UTICA

A host of upcoming opportunities

By STEPHEN T. SURACE
Utica Chapter President

I hope that everyone had a happy and joyous holiday season. We are hopeful for a prosperous new year in the Utica Chapter as we continue to develop our chapter events, meetings and social gatherings.

Our next gathering will be our annual CPAs, Attorneys and Bankers Dinner on Feb. 9, which will take place at Daniele’s at Valley View in Utica. Our speaker will be RoAnn M. Destito, the commissioner of the Office of General Services of New York State. The chapter held its first college liaison meeting with Professor Ken Wallis, CPA, at the State University of New York Institute of Technology on Nov. 29. Through these events, we hope to gain new student members who see the benefits of student memberships will be paid for with funds raised at our events, so we thank our current members for your support.

I’d also like to thank Brian Reese and Maria Suppa for arranging our Young CPA Texas Hold ‘em Poker Tournament. They did an outstanding job and attracted a great crowd.

Although we completed our final CPE event of the year on Dec. 6, we have many learning opportunities with great topics planned for 2012, including corporate tax, sales tax, Form 990 preparation, estate planning, fraud and internal control planning, and accountants’ legal liability CPE sessions.

The Executive Board would also like to announce that the Utica Chapter was selected to host the Young CPAs Conference in June. I think this will be a huge boost for our chapter, and I know we will provide the support to make this a banner event.

Hopefully, it will return annually. I hope to see everyone in February and throughout the year. Please feel free to contact me at anytime at my email address, and be sure to keep an eye on our chapter Web page, www.nysscpa.org/utica, for information about upcoming events.

s surace@adjustersinternational.com

FAE 2012 Conferences

www.nysscpa.org/utica

Corporate Taxation Conference

A Must-Attend New Conference for Corporate Tax Preparers

Co-Sponsored by the C Corporations and the International Taxation Committees

Attendees at This NEW Conference Will:

• Hear from top national experts addressing recent corporate developments and IRS examination issues, including service directives, realignment, and what they mean to you, the taxpayer.
• Review various updates regarding Schedule M-3 and procedural rules regarding accounting method changes.
• Learn the intricacies of Form 1120-F, including the mechanics of branch profits tax, branch-level interest tax, and integration of Schedules H, I, P, and M-3. A case study will aid in the understanding of effectively connected income and non–effectively connected income.
• Understand the tax rules for determining the treatment of stock redemptions and dividends, and their impact on different types of stockholders. Capital gains and qualified dividend treatment, including effect on stockholder basis, will also be reviewed.
• Understand the tax rules for determining treatment of stock redemptions and dividends, and their impact on different types of stockholders. Capital gains and qualified dividend treatment, including effect on stockholder basis, will also be reviewed.

…And Much More!

Thursday, February 2, 2012
8:30 a.m. – 5:00 p.m.
FAE Conference Center
3 Park Ave. (at 34th Street)
19th Floor
New York, NY 10016

Conference Information:
Course Code: 25615211 (In-Person); 35615211 (Live Webcast)
CPE Credit Hours: 8 hours Taxation
Member Fees: $335 (In-Person); $235 (Live Webcast)
Nonmember Fees: $435 (In-Person); $335 (Live Webcast)

For More Information and to Register for This Conference: Visit www.nysscpa.org/corp-tax or call 800-537-3835
To Register for the Live Webcast Visit www.nysscpa.org/e-cpe or call 877-880-1335
Employee Benefits Conference

A Conference for All CPAs in Public Accounting and Industry: Learn New Rules and Who the Employee Benefits Experts Are

Who Should Attend?
Tax, audit, employee benefits professionals, and all CPAs in public practice and/or industry.

Why You Should Attend:
Conference attendees will receive technical updates on tax, audit, accounting, and advisory matters. Such information will enhance the attendees’ ability to deal effectively with compliance and consulting issues facing their clients.

Concurrent sessions will highlight the following:
- IRS compliance plan operation rules
- Audits of benefit plans by the DOL
- Plan asset allocation and beneficiary planning
- Fiduciary responsibilities, including new fee disclosure rules
- Timely remittance of participant contributions and correction of failures
- Pension issues for struggling or restructured companies
- IRC Section 457(b) plan audits
- Health and welfare plans
- New worker classification settlement program
- Audits of 401(k) plans

Course Code: 25621211 (In-Person)
CPE Credit Hours: 8 (credit hours for In-Person attendees based on concurrent sessions chosen)
Field of Study: Accounting; Auditing; Taxation
In-Person Member Fee: $335; Nonmember Fee: $435

Course Code: 35621211 (Live Webcast)
CPE Credit Hours: 8 (breakdown for Live Webcast attendees is TBA)
Field of Study: Accounting; Auditing; Taxation
Live Webcast Member Fee: $235; Nonmember Fee: $335

For More Information and to Register for This Conference: Visit www.nysscpa.org/empbene or call 800-537-3635.
To Register for the Live Webcast: Visit www.nysscpa.org/e-cpe or call 877-880-1335.

This is an FAE Paperless Event. Visit www.nysscpa.org for more information.

FAE 2012 Conferences

2nd Annual Family Office Conference

Network with leading professionals and hear relevant, timely perspectives from renowned family office experts.

Who Should Attend?
CPAs, attorneys, investment professionals, consultants, and family office management.

Why You Should Attend:
This half-day conference will highlight the current opportunities and challenges faced by families who are contemplating, in the process of forming, or are currently maintaining family offices.

Course Code: 25300211 (In-Person); 35300211 (Live Webcast)
CPE Credit Hours: 4
Field of Study: Advisory Services
In-Person Member Fee: $175; Nonmember Fee: $200
Live Webcast Member Fee: $125; Nonmember Fee: $150

For More Information and to Register for This Conference: Visit www.nysscpa.org/family or call 800-537-3635.
To Register for the Live Webcast: Visit www.nysscpa.org/e-cpe or call 877-880-1335.

This is an FAE Paperless Event. Visit www.nysscpa.org for more information.
### AICPA Pricing Schedule

For AICPA-developed courses, the following pricing schedule applies.

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<th>If you are:</th>
<th>8-hour course</th>
<th>16-hour course</th>
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<tr>
<td>A member of both AICPA and NYSSCPA:</td>
<td>$305</td>
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For 4-hour courses, see course description for price information. For details, refer to the registration information on www.nysscpa.org.

### FAE Listings

Now that FAE's paperless initiative has been successfully implemented and FAE registrants receive course materials via email, almost all FAE events will continue to be paperless. Please pay special attention to your emails, confirmations and other notices from FAE so that you can access course materials.

To search within New York City, refer to Manhattan/Bronx. To search within Albany, refer to Northeast.

#### MANHATTAN/BRONX

##### ACCOUNTING

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<th>Date</th>
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##### SPECIALIZED KNOWLEDGE AND APPLICATIONS

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<td>Taxation of Financial Instruments and Transactions Conference</td>
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<td>New York Marriott Marquis at Times Square</td>
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#### ROCHESTER

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Rottenberg Meril, Bergen County’s largest independent accounting firm, wants to expand its New York City practice and is seeking merger/acquisition opportunities in Manhattan. Ideally, they would be interested in a high quality audit and tax practice, including clients in the financial services sector, such as broker dealers, private equity and hedge funds. An SEC audit practice would be a plus. Contact Larry Meril at lmeril@rmsbg.com, 201-487-8383, to further discuss the possibilities.

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Goldstein Lieberman & Company LLC one of the region’s fastest growing CPA firms wants to expand its practice and is seeking merger/acquisition opportunities in the Northern NJ, and the entire Hudson Valley Region including Westchester. We are looking for firms ranging in size from $300,000 - $5,000,000. For firms with a volume of $500k-5M, please contact us now to discuss the opportunity. Write confidentially to nyccamerger@yahoo.com.

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Word count: Symbols and abbreviations count as words.

Box and phone numbers = 2 words; hyphenated words = 2 words.

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FAE 2012 Conferences
34th Annual Nonprofit Conference
The Calm Before the Storm:
Are you prepared for the changes on the horizon?

Thursday, January 12, 2012
8:30 a.m.–5:00 p.m.
RIT Inn & Conference Center
5257 West Henrietta Road
West Henrietta, NY 14467

Thursday, January 19, 2012
8:30 a.m.–5:00 p.m.
Marriott Marquis at Times Square
1535 Broadway, at 45th Street
New York, NY 10036

Who Should Attend?
Practitioners, executives, board members, financial employees, and staff accountants working at or with nonprofit organizations, who need to stay updated on all the upcoming changes in the nonprofit sector.

Why Should You Attend?
To learn from the experts in the not-for-profit industry about specific areas of interest in the nonprofit sector, and become familiar with specialized accounting techniques and reporting requirements specific to your organization or clients.

In addition to the popular Accounting and Auditing for Nonprofits and Legal Update, choose concurrent sessions based on your interests: Industry, Accounting, and Single Audit. Plus, the highly acclaimed “Ask the Experts” Panel is back!

Conference Information:
Course Code: 25550271 (Rochester); 25550211 (New York City); 35550211 (Live Webcast)
Recommended CPE Credit Hours: In-Person=8 (credit hours based on concurrent sessions selected); Live Webcast=8 (3 credit hours Accounting; 1 credit hour Auditing; 4 credit hours Specialized Knowledge and Applications)
Fields of Study: Accounting; Auditing; Specialized Knowledge and Applications
Member Fees: $345 (Rochester); $385 (New York City); $285 (Live Webcast)
Nonmember Fees: $445 (Rochester); $485 (New York City); $365 (Live Webcast)

For More Information and to Register for This Conference: Visit www.nysscpa.org/nonprofit or call 800-537-3635

To Register for the Live Webcast: Visit www.nysscpa.org/e-cpe or call 877-880-1335

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