NYSSCPA backs new guidelines for defining principals, agents

By CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA supports overhauling the methodology used to determine whether a decision maker is a principal or agent when deciding whether to consolidate an entity.

The Society’s Feb. 10 comment letter responded to a Financial Accounting Standards Board proposed accounting standards update, Consolidation (Topic 810): Principal Versus Agent Analysis, which would impact all companies required to evaluate whether they should consolidate another entity.

This is an important distinction because, according to the FASB proposal, whether a decision maker is considered a principal or an agent determines whether an entity is a variable interest entity, which in turn determines whether—or how—a reporting entity should consolidate the entity being evaluated.

A variable interest entity is one in which

See Guidelines, on page 16

Proposed bylaws changes address associate memberships, ethics

By AMI OLSON
Trusted Professional Staff

The NYSSCPA Executive Committee on Nov. 17 approved several proposed changes to the Society’s bylaws, recommended by the Governance Subcommittee and the Professional Ethics Committee, and forwarded the proposals to the Board of Directors. On Dec. 15, the NYSSCPA Board of Directors approved the 11 recommended changes to the Society’s bylaws; the board voted on March 16 to submit those changes to the membership.

Revisions to the Society’s bylaws require a general membership vote. A ballot that features the proposed bylaws changes and the slate of 2012–2013 board and officer nominees is included with this issue of The Trusted Professional. The Nominating Committee report and biographical information for the nominees appear on pages 3–5. The 11 proposed changes are printed in their entirety beginning on page 6.

Deletions and additions to the bylaws have been published as a single document to illustrate the exact changes being proposed. Members should carefully read and then vote to approve or oppose the revised definitions and rules to the bylaws, to which they will be held accountable if adopted.

The Governance Subcommittee, a subcommittee of the Board of Directors, is charged with continually reviewing the Society’s governance documents and recommending appropriate changes to the Board of Directors. The subcommittee includes board members Robert E. Sohr, who serves as chair; Anthony Cassella; Douglas L. Hoffman; Anthony J. Maltese and F. Michael Zovistoski; and FAE President-elect John Kearney.

Changes to membership categories

Two bylaws changes would modify the Society’s terms for associate membership. Currently, CPA candidate members of the Society are accepted for a five-year term, during which time they are expected to obtain a CPA license. If after five years, the member has failed to become a licensed CPA and thus become a CPA member of the Society, the individual’s membership is terminated.

The proposed change (Prop. 1, page 6) would allow a CPA candidate to remain a member of the Society until

See Bylaws, on page 17
Committee members serve as front-line advocates for NYSSCPA

By RICHARD E. PILUSO, CPA
NYSSCPA President

late last year, the NYSSCPA quietly reached a milestone of which I am particularly proud: As of December, 1,800 individual Society members were serving on our 67 statewide committees.

Many Society members know that I place a high value on volunteerism and often encourage our members to volunteer their time and share the knowledge they have accumulated as CPAs. That is why it is so important that I take the opportunity to recognize the impact our 1,800 committee members have had on the Society and the profession.

Our committees produce an average of 33 comment letters each fiscal year, providing the Society’s input on various issues facing the CPA profession, such as standards setting for private companies and mandatory audit firm rotation. Since the beginning of the fiscal year, the Society has written 22 comment letters, providing the Society’s perspective on proposals from the IRS, Public Company Accounting Oversight Board, the Financial Accounting Standards Board and the AICPA.

Our technical committees conduct rigorous research and discuss issues at length to produce insightful comment letters on behalf of Society membership, and any member who has contributed to the process will tell you that it is quite an undertaking. I recently received compliments on the quality of our comment letters from the president of the Financial Accounting Foundation and the chair of the FASB, as well as trustees and board members of those organizations.

In addition to the free technical CPE sessions that many committees frequently provide during regular meetings, and other technical CPE sessions arranged by the committees, many committees also organize a full-day conference each year. Committee members begin working with the Foundation for Accounting Education up to a year in advance, selecting topics and speakers who will provide CPAs with relevant, up-to-date discussions and CPE sessions.

Some of our committees also contribute to the profession in ways with which many Society members may be unfamiliar. For example, members of the International Taxation Committee spent a great deal of time last month drafting technical, complex articles for a special international taxation issue of the monthly Tax Stringer, a members-only e-newsletter distributed to tax professionals.

That issue was full of information for the tax professional who works in the area of international taxation. The depth and breadth of these articles are on par with the articles you would find in The CPA Journal. I encourage you to access this issue, available online at nysscpa.org/taxstringer/main.htm.

The NYSSCPA Technical Hotline is another member benefit that committee members participate in. Inquiries submitted to the hotline are answered by CPA volunteers from more than 45 different committees who have elected to serve on the hotline. The hotline is a free resource available to all Society members; submit a question to the hotline by phone at 212-719-8309, or via email to technical@nysscpa.org. Contact Quality Resources Coordinator Keith Lazarus at klazarus@nysscpa.org to find out how to volunteer for the hotline.

Beyond the Society’s technical committees, members of the working committees in the Operations Division—like the Professional Ethics and Peer Review committee—are charged with significant responsibility and play an important role in the operations of the Society. The Professional Ethics Committee recently helped to identify areas that could be modified, updated or amended to better serve our membership. The proposed bylaws changes are printed on pages 6 and 7 of this issue.

Our committees also act as advocates for the profession by working directly with New York state agencies and other regulators to provide the perspective and experience of CPAs to resolve specific issues. The Fire District Audit and Deferred Compensation task forces are two examples, as well as the recently formed Consolidated Fiscal Report Subcommittee—a group composed of Not-for-Profit Organizations Committee members, which is working directly with the New York State Consolidated Fiscal Report Interagency Committee to streamline and improve the methods used to file CFRs with various state agencies.

Again, the members participating on this subcommittee are doing so voluntarily, yet the work they will do through the CFR Subcommittee will impact thousands of our members and financial professionals throughout the state.

Such impressive service is not relegated to statewide committees, however—many chapter-level technical committees are very active and provide excellent resources for the chapter and the Society, as a whole. The Northeast Chapter’s CFO Committee hosts regular meetings via conference call, in which members of other chapters are encouraged to, and frequently do, participate. And the Nassau Chapter’s Taxation Committee organizes the annual All-Day Taxation Conference, which draws upwards of 300 attendees each year from across the state.

What is it that motivates these members to participate in committee membership? I believe a member’s committee service reflects a commitment to constantly improve his or her own professional standards, as well as a drive to share knowledge, experience and dedication to the profession with peers.

Committee service offers many additional benefits. The networking opportunities are tremendous, as committees connect members from throughout the state who may not otherwise have a regular opportunity to meet. The Society publicizes each comment letter produced by our committees with news outlets, increasing the visibility of the committee and the letter’s drafters, and helping to establish them among the press as experts in their field.

And with seven different committee divisions (accounting and auditing, consulting services, industries, operations, practice management, public sector and tax), virtually all Society members can find a committee that suits their needs.

To learn more about joining an NYSSCPA statewide committee, contact Nereida Gomez, manager of committees and administrative services, at 212-719-8358 or ngomez@nysscpa.org.
January 20, 2012

OFFICERS: to hold office for one year, from June 1, 2012:

President
Gail M. Kinsella automatically succeeds Richard E. Piluso as President in accordance with Article VIII, Paragraph 5 of the Bylaws.

President-elect
J. Michael Kirkland to succeed Gail M. Kinsella
Deutsche Bank AG

doctorate in accounting & finance

Vice Presidents
Sherry L. DelleBovi to succeed Anthony Cassella
Lamsden & McCormick, LLP

David Evangelista to succeed Neville Grusd
MSPC Certified Public Accountants & Advisors, P.C.

Suzanne M. Jensen to succeed J. Michael Kirkland
The Business Council of New York State, Inc.

Secretary/Treasurer
Scott M. Adair to succeed Scott M. Adair
Monroe County Department of Finance

DIRECTORS-AT-LARGE: to hold office for three years, from June 1, 2012:

Christopher G. Cahill to succeed Ian J. Benjamin
Deloitte & Touche LLP

Harold L. Deiters to succeed Michele Mark Levine
Holtz Rubenstein Remnick LLP

Arthur J. Roth to succeed Anthony J. Maltese
Retired

Yen D. Tran to succeed Erin Scanlon
PricewaterhouseCoopers LLP

Richard T. Van Osten to succeed George J. Victor
Ernst & Young LLP

DIRECTORS AS CHAPTER REPRESENTATIVES: to hold office for three years, from June 1, 2012:

Buffalo:
Gregory J. Altman to succeed Sherry L. DelleBovi
Somerset Capital Partners

Manhattan/Brass:
William Aiken to succeed Barbara A. Marino
Retired
The Hackett Group

Southern Tier:
Scott M. Hotalen to succeed Jesse J. Wheeler
Viere & Associates, CPAs, P.C.

Syracuse:
Anthony T. Abboud to succeed Heather Losi
Firley, Moran, Freer & Eassa, P.C.
Losi & Rager CPAs, PLLC

Westchester:
Barbara E. Bel to succeed Mark G. Leeds
O’Connor Davies Munn & Dobbins, LLP

All of the nominees have consented to serve if elected.

Richard E. Piluso automatically becomes Director for one year as Immediate Past President in accordance with Article VI, Paragraph 1 of the Bylaws.

DIRECTORS (provided the above nominees are duly elected):

Terms expiring in 2013:
Scott M. Adair, Monroe County Department of Finance
Robert W. Berliner, Marks Paneth & Sloan LLP
Sherry L. DelleBovi, Lamsden & McCormick, LLP
David Evangelista, MSPC Certified Public Accountants & Advisors, P.C.
Adrian P. Fitzsimmons, St. John’s University
Stephen E. Francesca, Stephen E. Francesca, CPA
Jennifer R. George, Vanacore, DeBenedictus, DiGiovanni & Weddell, LLP
Rosemarie A. Giovinazzo-Barnickel, Rosemarie Giovinazzo-Barnickel, CPA
Mitchell L. Gouster, RJR & Company, LLP
Suzanne M. Jensen, The Business Council of New York State, Inc.
Pei-Cen Lin
Anthony J. Maltese, The Maltese CPA Firm, PLLC
Richard E. Piluso, Retired
Robert R. Ritz, D’Arcangelo & Co., LLP
Robert E. Sohr, Retired
F. Michael Zovistoski, UHY LLP

Terms expiring in 2014:
Shari E. Berk, S.E. Berk & Associates P.A.
Domenick J. Esponti, J.H. Cohn LLP
Timothy P. Healey, KPMG LLP
Douglas L. Hoffman, Dragon Bemware Crowley & Co., P.C.
Gail M. Kinsella, Testone, Marshall & Disenza, LLP
Eric M. Kramer, Farrell & Co., P.C.
Elliott A. Lessar, Ben & Company, P.C.
Michael F. Morse, Rochester Institute of Technology
Michael F. Rosenblatt, The Quest Organization
Cynthia A. Sciamma, College of Staten Island (CUNY)
John Shillingsford, Albrecht, Veggian, Zareck & Company, P.C.

Terms expiring in 2015:
Anthony T. Abboud, Firley, Moran, Freer & Eassa, P.C.
William Aiken, Retired
Gregory J. Altman, Somerset Capital Partners
Barbara E. Bel, O’Connor Davies Munn & Dobbins, LLP
Christopher G. Cahill, Deloitte & Touche LLP
Harold L. Deiters, Holtz Rubenstein Remnick LLP
Scott M. Hotalen, Viere & Associates, CPAs, P.C.
J. Michael Kirkland, Deutsche Bank AG
Arthur J. Roth, Retired
Yen D. Tran, PricewaterhouseCoopers LLP
Richard T. Van Osten, Ernst & Young LLP

Respectfully submitted,
2011–2012 Nominating Committee

I Joseph M. Falbo, Jr., Chair
I Cynthia D. Barry
I Ian J. Benjamin
I Stewart Berger
I Kenneth K. Chan
I Barry F. Dai
I Kenneth J. Graulak
I Stephen F. Langowski
I Barbara A. Marino
I Rita M. Piazza
I Charles J. Weintraub
OFFICERS: to hold office for one year, from June 1, 2012:

PRESIDENT-ELECT

J. MICHAEL KIRKLAND, Director, Deutsche Bank AG, New York, N.Y. Member of the Society since 1982; member of the Manhattan/Bronx Chapter. STATEWIDE: Currently serving as Vice President. Previously served on Board of Directors. Current committee service includes the Quality Enhancement Policy Committee and Industry Outreach (Cochair), Real Estate and Diversity (Chair) task forces, and FAE Curriculum Committee. Previous committee service includes the Executive, Quality Enhancement Policy, Finance, Banking and Minority Group Recruitment & Equal Opportunity committees, and the Industry Outreach (Cochair) and Real Estate (Chair) task forces. CHAPTER: Current chapter service includes President-elect and Vice President and on the Executive Board. Previous chapter committee service includes the Nominating and Cooperation with Bankers & Other Credit Grantors committees.

VICE PRESIDENT

SHERRY L. DELLEBOVI, Partner, Lumsden & McCormick, LLP, Buffalo, N.Y. Member of the Society since 1988; member of the Buffalo Chapter. STATEWIDE: Currently serving on the Board of Directors and Executive Committee. Current committee service includes the Membership Committee. Previous committee service includes the Executive, Membership (Chair) and Nominating committees. CHAPTER: Previous chapter service includes Buffalo Chapter President, President-elect and on the Executive Board. Previous chapter committee service includes the Accounting & Auditing and Cooperation with the Bar (Chair) committees.

SUZANNE M. JENSEN, CFO, The Business Council of New York State, Inc., Albany, N.Y. Member of the Society since 1998; member of the Northeast Chapter. STATEWIDE: Previously served on the Board of Directors. Current committee service includes the Finance and Not-for-Profit Organizations committees and the Not-for-Profit Task Force. Previous committee service includes the Finance, Not-for-Profit Organizations, Executive, Audit and Professional Ethics committees, the Governance Subcommittee and the Strategy Task Force. CHAPTER: Previous chapter service includes Northeast Chapter Executive Board. Previous chapter committee service includes the Chief Financial Officer and Not-for-Profit Organizations committees.

DAVID EVANGELISTA, Principal (Partner), MSPC Certified Public Accountants & Advisors, P.C., Cranford, N.J., and New York, N.Y. Member of the Society since 1988; member of the Rockland Chapter. STATEWIDE: Previously served on the Board of Directors and PAC Board of Trustees. Previous committee service includes the Finance and Public Schools committees and the CPA Exam Task Force. CHAPTER: Previous chapter service includes Rockland Chapter President and on the Executive Board. Served as Government Relations Director and Board of Directors Representative. Previous chapter service includes Secretary, Treasurer and on the Executive Board. Previous chapter committee service includes the Furtherance/Nominating (Cochair) Committee. Previous Mid Hudson Chapter committee service includes the Accounting & Careers and Not-for-Profit/Government (Chair) committees.

SECRETARY/TREASURER

SCOTT M. ADAIR, CFO, Monroe County Department of Finance, Rochester, N.Y. Member of the Society since 2001; member of the Rochester Chapter. STATEWIDE: Currently serving as Secretary/Treasurer and on the FAE Board of Trustees. Previously served as Vice President on the Board of Directors. Current committee service includes Executive (Secretary/Treasurer), Finance (Chair) and Government Accounting & Auditing committees. Previous committee service includes Executive, Finance and Government Accounting & Auditing committees, and the Deferred Compensation and Government Audit Quality task forces. CHAPTER: Current chapter service includes Rochester Chapter Executive Board member. Previous chapter service includes President, President-elect and on the Executive Board. Served as Government Relations Director.
DIRECTORS-AT-LARGE: to hold office for three years, from June 1, 2012:

CHRISTOPHER G. CAHILL, Partner, Deloitte & Touche LLP, New York, N.Y. Member of the Society since 1991; member of the Manhattan/Bronx Chapter. STATEWIDE: Current committee service includes the Banking Committee. Previous committee service includes the Banking and SEC Practice committees.

ARThUR J. ROTH, Retired, Loudonville, N.Y. Member of the Society since 1968; member of the Northeast Chapter. STATEWIDE: Previously served on the Board of Directors. Current committee service includes the New York, Multistate & Local Taxation Committee. Previous committee service includes the New York, Multistate & Local Taxation, Annual Leadership Conference, Legislative Contacts, Chapter Operations and Professional Service Corporations committees, and the Task Force for Society Recognition Nationwide. CHAPTER: Previous chapter service includes Northeast Chapter President, President-elect and on the Executive Board.

YEN D. TRAN, Partner, PricewaterhouseCoopers LLP, New York, N.Y. Member of the Society since 1997; member of the Manhattan/Bronx Chapter. STATEWIDE: Current committee service includes the Taxation of Financial Instruments & Transactions Committee. Previous committee service includes the Taxation of Financial Instruments & Transactions Committee.

DIRECTORS AS CHAPTER REPRESENTATIVES: to hold office for three years, from June 1, 2012:

BUFFALO:

GREGORY J. ALTMA N, CFO, Somerset Capital Partners, Williamsville, N.Y. Member of the Society since 1989; member of the Buffalo Chapter. STATEWIDE: Current committee service includes the Membership Committee. Previous committee service includes the Awards and Membership committees. CHAPTER: Current service includes Buffalo Chapter Executive Board member. Previous chapter service includes President, President-elect, Vice President, Treasurer and Assistant Treasurer. Previous chapter committee service includes the Tax Institute (Chair) and Cooperation with Educational Institutions committees.

MANHATTAN/BRONX:

WILLIAM AIKEN, Retired. Member of the Society since 1981; member of the Manhattan/Bronx Chapter. STATEWIDE: Previously served on the Board of Directors, PAC Board of Trustees (President) and COAP Baruch Advisory Board. Previous committee service includes Finance, Awards, Audit, Industry Oversight, Not-for-Profit Organizations, Chief Financial Officers and Cooperation with Government Officials committees. CHAPTER: Previous chapter service includes the Tax Institute (Chair) and the Tax Institute (Chair) and Cooperation with Educational Institutions committees.

SOUTHERN TIER:

SCOTT M. HOTAL EN, Partner, Veira & Associates, CPAs, P.C., Endicott, N.Y. Member of the Society since 2001; member of the Southern Tier Chapter. STATEWIDE: Previously served on the Board of Directors. Previous committee service includes the Not-for-Profit Organizations Committee. CHAPTER: Current chapter service includes Southern Tier Vice President. Previous service includes President, President-elect, Vice President, Treasurer and on the Executive Board. Previous chapter committee service includes the Young CPA Committee.

SYRACUSE:

ANTHONY T. ABBoud, Principal, Firley, Moran, Freer & Eassa, P.C., East Syracuse, N.Y. Member of the Society since 1998; member of the Syracuse Chapter. CHAPTER: Current chapter service includes Syracuse Chapter President. Previous chapter service includes President-elect and Vice President. Current chapter committee service includes the Budget Committee (Chair). Previous chapter committee service includes the Young CPA Committee.

WESTCHESTER:

BARBARA E. BEL, Principal Partner, O’Connor Davies Munns & Dobbins, LLP, Harrison, N.Y. Member of the Society since 1989; member of the Westchester Chapter. STATEWIDE: Current committee service includes the Closely Held & S Corporations and New York, Multistate & Local Taxation committees. Previously served on PAC Board of Trustees. Previous committee service includes the New York, Multistate & Local Taxation Committee. CHAPTER: Previous chapter service includes Westchester Chapter President, President-elect, Vice President, Treasurer, Secretary and on the Executive Board. Served as Government Relations Director. Current chapter committee service includes the Government Relations Committee (Chair). Previous chapter committee service includes the Government Relations (Chair), Budget (Vice Chair), Professional & Community Outreach (Cochair), Continuity of Practice, Economic Development, Education & Programming, Partnering with Professionals and Public Relations (Chair) committees.

SOUTH TIER:

SCOTT M. HOTAL EN, Partner, Veira & Associates, CPAs, P.C., Endicott, N.Y. Member of the Society since 2001; member of the Southern Tier Chapter. STATEWIDE: Previously served on the Board of Directors. Previous committee service includes the Not-for-Profit Organizations Committee. CHAPTER: Current chapter service includes Southern Tier Vice President. Previous service includes President, President-elect, Vice President, Treasurer and on the Executive Board. Previous chapter committee service includes the Young CPA Committee.

SYRACUSE:

ANTHONY T. ABBoud, Principal, Firley, Moran, Freer & Eassa, P.C., Endicott, N.Y. Member of the Society since 1998; member of the Syracuse Chapter. CHAPTER: Current chapter service includes Syracuse Chapter President. Previous chapter service includes President-elect and Vice President. Current chapter committee service includes the Budget Committee (Chair). Previous chapter committee service includes the Young CPA Committee.

WESTCHESTER:

BARBARA E. BEL, Principal Partner, O’Connor Davies Munns & Dobbins, LLP, Harrison, N.Y. Member of the Society since 1989; member of the Westchester Chapter. STATEWIDE: Current committee service includes the Closely Held & S Corporations and New York, Multistate & Local Taxation committees. Previously served on PAC Board of Trustees. Previous committee service includes the New York, Multistate & Local Taxation Committee. CHAPTER: Previous chapter service includes Westchester Chapter President, President-elect, Vice President, Treasurer, Secretary and on the Executive Board. Served as Government Relations Director. Current chapter committee service includes the Government Relations Committee (Chair). Previous chapter committee service includes the Government Relations (Chair), Budget (Vice Chair), Professional & Community Outreach (Cochair), Continuity of Practice, Economic Development, Education & Programming, Partnering with Professionals and Public Relations (Chair) committees.
Proposed NYSSCPA Bylaw Changes

Prop 1 and 2

3. Associate members—

(a) A person who is not a CPA and meets the requirements of one or more of the following categories shall be eligible to apply to become an associate member of the Society:

(1) International associate. A person who (i) holds a CPA certificate issued outside a U.S. Jurisdiction or is a certified accountant and (ii) is a member in good standing of an association belonging to the International Federation of Accountants shall be eligible to apply for membership as an international associate.

(2) CPA candidate. A person who (i) has graduated from college (or its equivalent, if the prospective CPA candidate was educated in a non-U.S. jurisdiction), (ii) meets the curriculum requirements necessary to take the CPA examination in a U.S. jurisdiction, and (iii) demonstrates intent to complete or has successfully completed the CPA examination shall be eligible to apply for membership as a CPA candidate. A person’s CPA candidate membership shall automatically terminate upon the earlier of (a) the date he or she notifies the Society of his or her graduation from college, or (b) the date he or she meets the requirements for the CPA examination given by a U.S. jurisdiction and is denied.

(b) A member may be disciplined pursuant to disciplinary proceedings under this article, if the member:

(1) infringes any of these bylaws or any rule of the Society’s Code of Professional Conduct;

(2) is declared by final determination of a court of competent jurisdiction to have committed any fraud;

(3) is held by a hearing panel of the trial board to have committed an act discreditable to the profession, or to have been finally convicted of a criminal offense which tends to discredit the profession; provided that should a hearing panel of the trial board find by a majority vote that the member has been finally convicted by a criminal court of an offense of moral turpitude, the penalty shall be expulsion;

(4) is declared by final determination of a court of competent jurisdiction to be insane or otherwise incompetent; or

(5) fails to cooperate in accordance with section 9 of this article.

2. Criminal conviction of member—Membership in the Society shall be suspended automatically without a hearing upon the conviction of any member in any court of the United States or any political subdivision of the United States for:

(a) A crime punishable by imprisonment for more than one year defined as a felony under the law of the convicting jurisdiction;

(b) The willful failure to file any income tax return which the member, as an individual taxpayer, is required by law to file;

(c) The filing of a false or fraudulent income tax return on the member’s or a client’s behalf; or

(d) The willful aiding in the preparation or presentation of a false and fraudulent income tax return of a client.

The suspension automatically shall become an expulsion from membership upon the filing of a final judgment of conviction becomes final. The suspension shall automatically be vacated if a reversal of the conviction becomes final. The Board of Directors, with or without a hearing, may consider a timely written petition by the Professional Ethics Committee or the member that the member should not be disciplined pursuant to paragraphs 3, 4, 5, or 6 of this Article.

85. Definition of suspension—Any member who has been suspended from membership for disciplinary reasons shall, for the period of the suspension, refrain from identifying himself or herself as a Society member either orally or on any letterhead or other written material. Such suspended member may not be a committee member or hold an office in the Society. Such suspended member may not vote. A suspended member’s participation in any Society-sponsored insurance program may continue during the period of suspension provided the suspended member continues to pay the Society membership dues and the premiums for such insurance coverage, but the suspended member may not increase his or her existing insurance coverage during the period of the suspension. Subscriptions to Society publications will continue during suspension provided the suspended member’s dues payments remain current. Except for Society-sponsored insurance programs and Society publications, a suspended member may not avail himself or herself of any Society member benefits. When all of the conditions of the suspension period have been met, the membership reverts to its status prior to the suspension in accordance with paragraph 134(b) of this Article.

96. Notice of Action—Any member who has been disciplined by another professional jurisdiction or to whom paragraphs 2, 3, 4, or 5 of this Article apply, shall notify the President of the Society of such action within thirty days of its occurrence.

112. Joint Ethics Enforcement Program—

(a) Notwithstanding anything to the contrary set forth in this Article XII, so long as the Society remains a party to an agreement with the American Institute of Certified Public Accountants ("AICPA") relating to joint enforcement procedures, whenever a member of the Society, whether or not he or she is a member of the AICPA, shall be charged with violating these bylaws or the rules of professional conduct promulgated hereunder, the said charge shall be initiated in accordance with the terms of any then subsisting agreement between the Society and the AICPA relating to ethics enforcement.

(b) In the further event that a hearing is required to dispose of such charge or charges, the hearing shall be conducted under the terms of the aforesaid agreement, the then operative rules of the Joint Trial Board Division and the then operative joint ethics enforcement procedures in effect by virtue of the agreement between the Society and the AICPA.

(c) All committees, boards, and other bodies of the Society are hereby empowered to effectuate the provisions of paragraph 102(a) and (b) of this Article by acting jointly and in cooperation with the appropriate bodies of the AICPA under the agreements, rules and procedures in effect between the Society and the AICPA at the time of such action.

118. Professional Ethics Committee—Complaints involving professional conduct of a member shall first be considered by the professional ethics committee. If the committee is of the opinion that the complaint against such member does not warrant a trial, it will process the complaint through its own procedures and record its disposition in writing. All complaints, except those initiated by the professional ethics committee, must be in writing before they can be considered for action by the committee. If the professional ethics committee shall dismiss any complaint preferred by one member against another member, or shall fail
to act thereon within ninety days after such complaint is presented to it in writing, the complainant may present the complaint in writing to the trial board. The chair of the trial board shall cause such investigation of the matter as he or she deems necessary and shall either dismiss the complaint, or refer it to the secretary of the trial board who shall summon the member to answer the complaint.

129. Failure to Cooperate—Violation of these bylaws shall include, but not be limited to, the following:

(a) Failure by a member to cooperate with the professional ethics committee in any disciplinary investigation of the member or a partner or employee of the member’s firm. Such failure shall include, but not be limited to, failing to make a timely, substantive response to interrogatories or to a request for production of documents from the professional ethics committee. A timely response for these purposes means a response within thirty days after the posting of notice of such interrogatories or request for documents to such member’s last known address as shown on the books of the Society.

(b) Failure to comply with the educational and remedial or corrective action determined to be necessary by the professional ethics committee.

1340. Multiple Proceedings—Proceedings may be brought or continued under paragraphs 10, 11, 12, or 14 of this Article, even though the complaint is with respect to the same subject matter as involved in a court or administrative proceeding, regardless of the outcome of the court or administrative proceedings and regardless of paragraphs 2 and 3 of this Article.

1444. Trial Board—In the event the Joint Trial Board under Article XII, paragraph 19(b) is ineligible to conduct a hearing, the Society shall form its own trial board. The trial board of the Society shall consist of ten members. Members of the Board of Directors of the Society or members of any accounting disciplinary body of any state or organization shall not be eligible to serve on the trial board. The trial board members shall be selected and appointed by the Board of Directors. A trial board member shall not be eligible for reappointment after his or her appointment to his or her initial five-year term. Vacancies shall be filled by the Board of Directors for unexpired terms and appointments to fill such terms shall not preclude reappointment for one full five-year term. The trial board chairperson shall be selected from among and by the members of that board to serve a term of one year. The chairperson shall not serve as such for more than three consecutive one-year terms. The chairperson may designate five-person panels to hear cases, and their decisions shall be conclusive.

(a) Referral to Trial Board. In cases of complaints considered by the professional ethics committee in which the committee is of the opinion that the complaint warrants action by the Society trial board, the committee will turn over to such trial board all statements, documents and other material relating to the complaint and the trial board will issue by certified mail a notice of trial to the parties involved at least fifty days prior to a proposed meeting of the trial board. Such notice shall set forth the charges against the member. The notice when mailed by certified mail, postage prepaid, addressed to the member concerned at the last known address shown on the records of the Society, shall be deemed properly served.

Said notice, in addition to setting forth the nature of the complaint, shall offer an opportunity to the member complained against to file an answer with the trial board within thirty days from the date of the notice. The trial board shall have the right to extend the time to file an answer, and the trial board shall also have the right to adjourn the time of trial. The trial board shall have the right and power to amend the statement of complaint and charges contained therein.

In the case of complaints originating with or initiated by the professional ethics committee and referred to the trial board, copies of notices to the member involved in the complaint shall go to the Secretary of the Society. If no timely answers to such notices are filed or if the member complained against does not appear at the hearing before the trial board, the complaint may be deemed established by default.

(b) Trial Board Procedures. At trial board hearings the complainant and member complained against shall have the right to be represented by counsel and have the right to cross-examine. The hearings shall be conducted in such manner as the trial board designates. The rules of evidence applicable in courts of law need not apply. Five members of the trial board shall constitute a quorum. A transcript of the proceedings before the trial board shall be kept. The decision of the trial board shall be in writing, approved by a majority of those hearing the complaint. The decision shall either dismiss the complaint in whole or in part, or order the member complained against to be admonished, censured, suspended from membership for a definite period of not more than two years or expelled from the Society. A copy of the trial board’s decision shall be sent by certified mail to the member complained against. The trial board’s decision shall be final and not subject to appeal.

1542. Publication and Notification—(a) The names of members who are disciplined after a trial board hearing or by settlement agreement recognized by the Joint Trial Board or Society trial board under paragraph 1744 of this Article and of those who are automatically disciplined by the Society shall be published together with a factual summary of the case in (1) an appropriate publication of the Society which is mailed to all members, and (2) a Society press release which is made available to the media.

(b) Complainants in a case shall be informed by the professional ethics committee that trial and/or investigation has been conducted and concluded and if it finds in a finding of (1) no violation, or (2) a finding of no further action because no evidence of a violation was obtained.

16. (a) If the results of an investigation are published in a Society publication pursuant to subparagraph (a) of this paragraph, the results shall be published in such fashion as to be clearly recognizable as the result of an investigation.

3. Admission of guilt—In circumstances where there is a prima facie case and where the defendant admits guilt in writing, the defendant’s statement may be accepted by the Joint Trial Board or trial board and their decision regarding the member’s status reached without the defendant’s appearance before the applicable trial board and without recourse to the full procedures of such trial board.

1744. Settlement Agreement—In the case of a settlement agreement between a member and the professional ethics committee that provides for admonishment, censure, suspension or termination of membership, the matter shall be referred to a panel of the Joint Trial Board or Society trial board which, upon finding the member has waived his or her rights to a trial board hearing, shall recognize such settlement agreement and arrange for publication of such disciplinary action.

1845. Reinstatement—(a) In a case of expulsion or resignation through a settlement agreement, the member may be restored to membership any time after two years from such expulsion or resignation, provided (1) a letter setting forth the members’ reasons for requesting reinstatement is sent by the disciplined member to the professional ethics committee, (2) the application for reinstatement is approved by the professional ethics committee, and (3) reinstatement is approved by the Board of Directors.

(b) In a case of suspension, the member will be restored to membership when all conditions of the suspension period have been met and upon the payment, within six months after the date of the expiration of the suspension period, of any annual dues which have become payable. If, however, any new or additional charge of a violation of the Code of Professional Conduct by the suspended member has been initiated since the date on which the penalty of suspension was imposed, the member may be restored to membership only as the professional ethics committee shall determine.

(c) A settlement agreement shall be published in an appropriate publication of the Society, which is mailed to all members.

1946. Disclosure to Regulatory Authorities—The professional ethics committee shall inform the New York State Education Department and any other applicable state or federal regulatory agency ("Regulatory Authorities") known to the committee of investigations involving professional conduct of a member or a partner or employee of the member’s firm as follows:

(a) after a request has been granted to a member to defer the investigation by the professional ethics committee;

(b) after a member fails to cooperate with the professional ethics committee in any investigation;

(c) after a complaint has been referred to the Joint Trial Board under Article XII, paragraph 19(b) or the Society trial board under Article XII, paragraph 1444;

(d) after automatic actions under Article XII, paragraphs 2, 3, 4, 5 or 6;

(e) after a settlement agreement has been entered into between the member and the professional ethics committee and

(f) after a request has been granted to a member to defer the investigation by the professional ethics committee;

(g) on any other occasion the professional ethics committee deems proper.

The professional ethics committee shall turn over to the Regulatory Authorities all statements, documents and other materials relating to the investigation, or copies thereof, requested by the Regulatory Authorities.

Prop 11

ARTICLE XIV — AMENDMENTS TO BYLAWS

1. Initiation—A proposal to amend the bylaws may be initiated by the Board or by a petition filed with the Secretary and signed by at least one hundred members. The proposal shall set forth the text of the change to be made.

2. Adoption—Within ninety days following the initiation of a proposal to amend the bylaws, a meeting of the members of the Society shall be held in accordance with Article III hereof to consider such proposal. The proposal shall be adopted if at least two-thirds of the votes cast with respect thereto at such meeting shall be voted in favor thereof. The amendment, if so adopted, shall become effective on the date specified in the proposal or, if no date is specified, on the date of the meeting at which it is adopted.

3. Administrative Changes—A proposal to make administrative changes to the bylaws may be initiated by the Board. The proposal shall be adopted by a majority vote of the Board. Administrative changes shall not require a meeting of the Society. Administrative changes are defined as non-substantive changes which do not alter the underlying meaning of a bylaw provision. Examples of administrative changes include but are not limited to: corrections of grammatical errors and misspellings, renumbering, reformatting, and adjustment of section or paragraph titles. The administrative change shall become effective on the date of the Board meeting at which it is adopted.
Joseph M. Falbo Jr. selected for Special Recognition Award

By CHRISS GAETANO

Trusted Professional Staff

When Joseph M. Falbo Jr. was told he would receive a Special Recognition Award from the NYSSCPA, he first thought of all the people who allowed him “to spend so much time to do what I was able to do for the Society,” he said. Those people include the partners and associates at his firm, his friends and his family—especially his two children, who “saw me off to the Buffalo airport to go to 3 Park Avenue so many times it became part of my regular routine.”

Buffalo Chapter President Franca Trincia, who chairs the award for the award along with Sherry L. Bello-Buck, said that he approaches his work for the Society with enthusiasm.

“Regardless the involvement or role he undertakes, Mr. Falbo brings much energy, ideas and oversight,” wrote Trincia in her nomination letter. “Mr. Falbo has always demonstrated initiative toward the improvement of our profession, our chapter’s programs and activities as well as a commitment of our community as a whole.”

Falbo joined the Society in 1994 as a member of the Buffalo Chapter, serving on the chapter’s Information Technology, Membership and YCPA committees. From there he joined the chapter’s board, which led to a term as chapter president in 2005. The following year, Falbo sat on the Society’s Board of Directors and the Executive Committee, on which he served from 2006-2011. He also served for two years as secretary/treasurer, a role that he found helped “a board of 38 CPAs to govern a nonprofit organization of 28,000 other CPAs.”

Falbo also chaired the Society’s Finance Committee during this time, and it is his service and leadership in these dual roles that have earned him this year’s Special Recognition Award.

As secretary/treasurer, Falbo worked with then-NYSSCPA President David J. Moynihan, members of the Society’s Finance Committee and the Society’s executive director and controller to establish a new internal financial reporting system that would provide volunteers and staff leaders with the information they need to make the best possible choices for the Society.

“The biggest challenge was getting our arms around the information and understanding it,” Falbo recalled.

This also was a simplified, easy-to-understand financial reporting structure, an effort Falbo heavily credits Society Controller Patrick Payano with assisting him create. Moynihan said, “Our reports now better reflect the financial position of the organization, and that empowered the board. Joe drove home how important the board’s role was … and put financial reports in front of them that they could use to make good business decisions.”

“Joe put into place new procedures on how financial information would be disseminated to the entire board and Executive Committee,” said Scott M. Adair, a member of the board. “We have seen results in the last two years since that additional transparency was provided.”

While the task seemed mammoth in scope, Falbo said he was honored that he had the opportunity to do so.

“It was absolutely my privilege,” he said. “At the end of the day, it wasn’t even a chore; it was a privilege, and I feel fortunate that so many other CPAs entrusted that to me and said when it was done, ‘you left a little better than when you found it.’

The Society does not grant special recognition awards frequently, and Falbo will be the only the sixth recipient of the award in the Society’s history. The award recognizes members who have made extraordinary contributions to the Society that warrant special attention, according to Margaret A. Wood, NYSSCPA past president chair of this year’s Awards Committee.

Wood felt that Falbo’s work with the Society very strongly qualified him for the award.

“He did outstanding work last year and the year before as secretary/treasurer, and did outstanding work on the Board and the Committees,” Wood said. “I think he has more outstanding work to be done.”

“I’ve been on the board since 2007 and Joe’s one of the first people I met on the board because of our upstate connection,” said Adair. “Very quickly, I could see how involved and active he was, and what a great professional he is. I couldn’t be more pleased to see him recognized by the Society.”

During his time on the board, Falbo served on the Governance Subcommittee, participated in a review of many of the Society’s rules and regulations. He helped to re-examine the way the NYSSCPA operates, reassessing everything from leadership policies and protocols to election procedures and the committee leadership structure. He said the final result was a series of recommendations that the subcommittee presented to the Executive Committee and Board of Directors.

As a young man just out of college, Falbo didn’t choose the accounting profession because of any particular passion for it. It did seem interesting, he said, and he wanted to work in a field where he’d be producing something “tangible.”

“Fortunately, I wasn’t half bad at it and it sort of stuck,” he said.

Stephen P. Valenti honored with Distinguished Service Award

By ROBERT BUSWEILER

Trusted Professional Correspondent

Stephen P. Valenti has established a long list of accomplishments during his 29 years as an NYSSCPA member. Now he can add winner of this year’s Distinguished Service Award to the list.

The Distinguished Service Award is reserved for CPAs who have set themselves apart as Society leaders by displaying outstanding service to the Society and the profession through dedicated service, contributions to publications, public service and other activities.

Valenti is a sole practitioner and a professor of accounting and finance at New York University, which he served as a mentor to over the years.

Moving forward, Valenti stressed that it was imperative for the Society and its members to develop new leaders. He added that he has urged several relatives with accounting degrees to pursue the profession.

“It is important for them to make a contribution to the members,” Valenti said. “It is important for their development.”

Valenti grew up in the New York City area and received a bachelor’s degree in accounting from Bucknell University and a master of business administration in finance from Fordham University. After college, he returned to New York and worked for large accounting firms before becoming a tax faculty at New York University.

Valenti has served as a lecturer and presenter for Foundation for Accounting Education classes, and the United Nations selected him to serve as guest lecturer of accounting in China in 1998. He has appeared on television, radio and in print for various media outlets, and is the author of the book “Employee Benefits (Essential Facts).”

Valenti is also an avid thespian, having appeared in lead roles in numerous musical productions, including “Fiddler on the Roof,” “Man of La Mancha” and “The Sound of Music” at Hofstra University and other local and regional theaters in the tri-state area.

He and his wife, Mary Lou, reside in Plainview, N.Y., and have two daughters, Laura and Diana.
George T. Foundotos receives Distinguished Service Award

By ROBERT BUSWEILER
Trustee Professional Correspondent

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YSSCPA Past President

George T. Foundotos has been a Society member for 43 years, and has dedicated his career to sharing his vast knowledge of the profession. As a result, this year he will receive the Distinguished Service Award.

The award is given to CPAs who have set themselves apart as Society leaders and provided outstanding service to the NYSSCPA and the profession through dedicated service, contributions to publications, public service and other activities.

“It is evident that George is a true leader, and has demonstrated a true commitment and an honorable record of achievements within this profession,” said NYSSCPA Suffolk Chapter President Harold L. Deiters III, who wrote in his nomination letter.

Foundotos is currently the president of the NYSSCPA’s Political Action Committee. He is a past president of the Society, a Suffolk Chapter past president, and a past president of the Society’s Foundation for Accounting Education Board of Trustees.

He has served on more than 40 committees, including the Professional Ethics Committee. He currently serves on the Higher Education and PAE Scholarship Awards Committee.

“He has been a sounding board and a supporter of me as a professional and fellow CPA,” wrote NYSSCPA Suffolk Chapter Past President John Shillingsford in his nomination letter. “He is always there to help others and offer his invaluable advice.”

This is not the first major honor awarded to Foundotos by the NYSSCPA. In 1992, he was the recipient of the Dr. Emanuel Saxe Outstanding CPA in Education Award, in recognition of his excellence in his field, and for contributing to and promoting the accounting profession.

Foundotos said there is something special about being recognized by others within his profession.

“To be acknowledged by your peers … I don’t know how you can describe that,” Foundotos said. “When your peers say ‘thank you,’ it is something special.”

But he sees his service to the profession as just giving back that was given to him when he was starting his professional career.

“It’s that idea that I am putting something back into the system,” Foundotos said, noting that he probably has learned more as a member of the Society over more than 40 years than he could ever give back on his own.

As a CPA, Foundotos has put his experiences in public firms, private industry and government to work for him in the classroom. He is a tenured professor of accounting at Dowling College in Oakdale, N.Y., where he taught since 1970, served as comptroller of the Fourth Municipal from 1968–1970, and founded and helped build a professional practice that, today, includes five partners, 30 professionals and seven administrative staffers.

Foundotos said it is important for veteran Society members to reach out and lend a hand to those just getting their start. He grew up in a time when joining the NYSSCPA and the AICPA upon passing the CPA exam was “a given,” he said.

He recalled the early days of his career—before Suffolk County even had its own chapter—when he was “just a young kid from the sticks.”

“They had a very chummy chapter down there in Nassau,” Foundotos remembered, reflecting after an all-day tax session with chapter members from the neighboring county. “I felt like a total stranger … I thought, why don’t we have our own chapter out here!”

The Suffolk Chapter now boasts more than 2,000 members.

Foundotos, who lives in St. James, is married with one daughter. An Army veteran, he graduated from Adelphi University in 1967 with a bachelor’s degree in business administration and accounting. In 1973, he graduated from the C.W. Post Campus of Long Island University with a master’s in accounting.

For more information, call (631) 423-8883 ext. 323 for Foundotos or email georgef@nysscpa.org.
What NY’s new benefit corporation law means for businesses and CPAs

By DOUGLAS E. SINGER, ESQ.

The new state law requires a benefit corporation to pursue and take into consideration goals and values beyond raising revenue or creating value for shareholders. The intent is to provide protection for directors and officers of a benefit corporation who, in a typical for-profit corporation could be liable for pursuing such other values at the expense of profit. In a benefit corporation, however, directors and officers could have liability to its shareholders for failing to properly take into account the corporation’s stated goals and values.

In making decisions, benefit corporation directors and officers are required to consider the effects any action may have on—
• the corporation’s ability to accomplish its general and specific public benefit purposes;
• the corporation’s shareholders;
• the employees and workforce of the corporation and suppliers;
• the interests of customers as beneficiaries of the corporation’s public benefit purposes;
• community and societal considerations, including the communities in which offices or facilities of the corporation and its suppliers are located;
• the local and global environment; and
• the short- and long-term interests of the corporation.

How does a corporation become a benefit corporation?

A new corporation can be a benefit corporation from the time of its formation by stating in its Certificate of Incorporation that it is a benefit corporation and that it has a purpose of creating a general public benefit. It may also include specific public benefit purposes.

An existing for-profit corporation in New York can become a benefit corporation by amending its Certificate of Incorporation with similar provisions. An amendment to become or cease being a benefit corporation requires approval by at least 75 percent of the votes that shareholders are entitled to cast.

Calculating and reporting performance

The benefit corporation statute introduces a key concept called a third-party standard—what is recognized standard for defining, reporting and assessing general public benefit, which must be developed by a person independent of the corporation. It must also be transparent, which means that the identity of the persons who developed and control changes to the standard and the process by which those changes are made, the factors considered when measuring the performance of the business and the relative weightings of those factors, must all be made publicly available.

A benefit corporation is required to prepare an annual benefit report which it must deliver to shareholders, post on its website and file with the New York Department of State. The annual report must include, among other things, a narrative description of the process and rationale for selecting the third-party standard used to prepare the annual report, an assessment of the corporation’s performance relative to its general public benefit purpose against the third-party standard, the compensation the corporation paid to each director, and the name of each person who owns 5 percent or more of the corporation’s stock.

What it means for CPAs

A direct result of the new Benefit Corporation Law is that CPAs—when advising clients about choosing among different forms of entities—should add benefit corporations to that discussion in appropriate cases. For those corporations that go the benefit corporation route, CPAs will need to be able to advise the corporation’s directors and officers about their decision-making duties and the corporation’s annual reporting requirements.

Benefit corporations may present new opportunities for CPAs. For example, CPAs might become involved in developing third-party standards for benefit corporations, perform assessments for benefit corporations to measure their performance against third-party standards or assist in preparing annual benefit reports. CPAs’ experience in formulating third-party standards for reviews and audits, in consistently applying those standards in auditing, and in preparing and analyzing financial statements could become very relevant in developing processes and procedures for performing assessments.

Douglas E. Singer, Esq., is a principal in the law firm of Falcon & Singer P.C., with offices in Scarsdale, New York and Montvale, N.J. He has been practicing corporate law for nearly 35 years and can be reached at (914) 723-3919 or dsinger@falconstinger.com.
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Financial Accounting Standards Board are
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Conference on Jan. 12 in West Henrietta and
Jan. 19 in Manhattan.
The FASB’s Nonprofit Advisory
Committee recommended to the FASB
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operating activity.
Not-for-profit groups “have a public
accountability because of the receipt of dona-
tions and [the fact that] they were granted tax
exemption,” said Rottkamp, vice chair of the
Society’s Not-for-Profit Organizations
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have a special role in ensuring accountability,
and [nonprofit boards] really should be looked
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than in the privately held arena.”
But some of the NAC recommendations
were specific to the structure of nonprofit
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vant to nonprofits, Rottkamp said. Three
pages of financial statements might require
an additional nine to 10 pages of notes, indi-
cating that the requirements could be more
efficient, he said.
The NAC also recommended that the
FASB improve the current model dealing with
net asset classification, which concerns funds
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imposed by the donor. Rottkamp said that
classifications—which can be unrestrict-
ted, temporarily restricted or permanently
restricted—“may have outlived their useful-
ness.”
“[Net asset classification] is just creating
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“Unrestricted means we can do anything
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the case,” Rottkamp said. “There are
legal restrictions sometimes on the use of
assets. ... They might not be accounting
restrictions, but they are legal restrictions, so
it tends to be confusing.”
The FASB is already in the process of
working on some of these recommendations,
he said. In November, they announced the for-
mation of two research projects. The first,
Not-for-Profit Financial Reporting: Financial
Statements, will focus on the net classification
issue, as well as on information provided in
nonprofit financial statements, and notes
about liquidity, financial performance and
cash flows. The second, Not-for-Profit
Financial Reporting: Other Financial
Communications, will look for ways that non-
profits can explain the state of their organiza-
tion in areas other than the financial statement,
Rottkamp said.
“It’s interesting that [the FASB] will
start focusing on nonprofit organizations to
a greater extent than they had in the past,”
he said.
As of press time, there have not been
updates on either project.

A successful conference
Between the two sites in Rochester and
Manhattan, a total of 676 people attended the
conference in person or via webcast—a 4 per-
cent increase from 2010. The conference has
consistently been one of the Society’s better-
attended events, which Not-for-Profit
Organizations Committee Chair Jeffrey R.
Haber attributes partially to the valuable con-
tent the conference provides, and partly to the
strong committee that organizes it.
Rottkamp, who led the conference planning
committee, said that “not-for-profit is a huge
industry throughout the country and particu-
larly here in New York state.” He attributed the
conference’s success to the quality of the
speakers, who are industry experts from
across and outside the state of New York, and
the presentations they gave. Other topics
included striking the balance between internal
control, operating efficiencies and organiza-
tional transparency; advanced single audit
issues; information technology best practices
for nonprofit; a one-year retrospective on the
New York Prudent Management of
Institutional Funds Act; fair value disclosure;
employment law and advanced not-for-profit
accounting topics.
“We really try to get a nice cross section
of presenters, locally and nationally,” Rottkamp
said.
Having been conference chair for four
years, he said that putting on a successful
event relies on a strong subcommittee to work
on the conference—people with an extensive
network of contacts who can handle the logis-
tics, planning and preparation for the event,
as well as early planning. Rottkamp added that
the committee starts planning in June and has
a program put together by September. It’s also
important that the committee has a pulse on the
community and knows what it wants in a
conference.
“We want to have a conference of not just
practitioners but industry folks as well,”
Rottkamp said. “[People] who want to know
about audit, but also about general account-
ning and industry bases and where efficien-
cies can be.”

Upcoming Industry Committee Meetings

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<tr>
<th>Committee</th>
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<tr>
<td>Banking</td>
<td>Thurs., April 12</td>
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<td>Chief Financial Officers</td>
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<td>Family Office</td>
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<td>Stock Brokerage</td>
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This is a partial listing, which is subject to change.
For a complete and updated listing of meetings, visit www.nysscpa.org, click on “About Us,” and choose
“Committees” from the drop-down menu.

Interested in joining a committee? Fill out an application online
or contact Nereida Gomez, Manager, Committees and Administrative
Services, at 212-719-8358 or ngomez@nysscpa.org,
to find out more information.

Rottkamp: FASB mulls nonprofit reform

By CHRIS GAETANO
Trusted Professional Staff

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Now you can pursue your master’s in business degree at your own pace, entirely online. Through distance learning, The Peter J. Tobin College of Business at St. John’s offers a Master of Science in Accounting or Taxation.

From your own home, you can complete our 33-credit M.S. in Accounting in as little as a year. This licensure-qualifying program prepares you for the uniform CPA examination and gives you the skills for success in this demanding field.

Or enroll in our 31-credit online M.S. in Taxation program. With our focus on the Internal Revenue Code, tax regulations and U.S. Treasury rulings, you’ll excel at tax research and tax compliance.
Tips for family office succession planning

By CHRIS GAETANO
Trusted Professional Staff

Preparing a new generation to take the reins of an organization can be a difficult process for any business, but in a family office environment, the succession planning process is further complicated by family dynamics. Speakers at the Family Office Conference on Feb. 1 advised that business owners expecting to thrive through multiple generations must learn to navigate those issues before they become a problem.

Florence Tsai, who specializes in helping family businesses effectively manage a generational transition, said that successful family businesses tend to evolve. Starting out, they often center around a single patriarch or matriarch, with a centralized command structure and little collaboration, she said. The second generation tends to involve siblings who inherit the business and act as co-owners or managers, while the third generation often incorporates extended family—usually cousins—into the governance structure. Each one of these stages has unique challenges, as the business goes through succession, Tsai said.

For example, the patriarch or matriarch might simply refuse to let younger generations take on important roles, said Douglas Mellinger, who runs a foundation that provides support to family-owned businesses. He related a story about a 99-year-old Michigan man who maintained so much control in his family business that he would read magazines in the lobby to his liking.

“I asked about family succession, and he told me he thought his kids were ‘almost ready.’ And I was like, your son is 77 years old!” Mellinger said. “I talked to the son later that day about this, and he said, ‘We’re all waiting for the biological solution.’”

The problem with that method, said Tsai, is that the people who will eventually succeed the patriarch or matriarch are not able to develop the decision-making and cooperation skills that they will need to run the company when they take over. Another challenge for the second generation, which usually consists of partnerships between siblings, is making sure that the partnership is not perceived as one person dominating the agenda, she said.

“There’s a new set of skills this family group needs to learn to be able to work with each other… because if you only have one voice that dominates, a lot of times, other voices are not heard and it may create tension or problems in the future,” she said.

The third generation, composed typically of many cousins, faces its own unique challenges, said Tsai. The primary challenge is establishing unity among such a large group of people, many of whom may have radically different visions of what they see as the future of the company. Another complication at this stage can be in-laws, who play a role in defining the culture of each different family.

“Thinking how to unite them as one group is quite an art that needs to be worked on over time,” she added.

Kent M. Swig, another conference speaker, offered his own experiences from his family’s real estate business. He said he could relate to a lot of the challenges Tsai spoke about.

Swig said his family had a situation where succession only happened after the death of the patriarch, and decision making was limited to his father and his uncle when they eventually took over the business.

However, Swig recounted that among the third generation—of which he is a member—there was concern over whether they would be allowed to have a part in running the business and to what degree. Though this third generation wasn’t sure how a transition would play out, he said they decided that they needed to be able to work together effectively and to establish protocols for how they would do so.

“We started working with each other very early and almost in a void,” Swig said.

They took the initiative to bring in a facilitator, and started developing a process through which they would work with one other. Swig said he and his cousins all agreed on a single premise upon which all other negotiations would rest.

“The premise was that every single person had a right to be there for one reason, and that was birthright, period. Not education, not intelligence, but birthright. And that was an automatic right. And that means no one has any more say than another,” said Kent M. Swig, conference speaker.

The premise was that every single person had a right to be there for one reason, and that was birthright, period. Not education, not intelligence, but birthright. And that was an automatic right. And that means no one has any more say than another.

“Philanthropy is when you take a step back and see what the problem is, and how to be much more practical and start to develop a social return-on-investment framework,” he explained.

Tsai said that it’s also a way for family members to pursue their independent passions, and to see that the family supports those interests, while building skills. She said that it creates an element of self-determination, but combined with the family’s pool of assets, a philanthropic foundation can be a conduit to engage family members in larger business discussions.

It can also provide a way for previous generations who have stepped aside to continue being engaged in the family business to some measure, especially in the case of the original patriarch or matriarch.

“The patriarch is often the one who is the entrepreneur, the visionary, who loves his business. It’s his life. So what does he do after he leaves? It’s a very real problem,” she said.

More than 200 people registered for the half-day conference, which was sponsored by the Family Office Committee and cochaired by committee Vice Chair Susan R. Schoenfeld and committee member Madelyn R. Miller. The first Family Office Conference sold out in February 2011, prompting the committee to increase conference capacity this year.

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NYSSCPA comment letters

The following list includes all comment letters released by the NYSSCPA between Jan. 1 and March 7, 2012. To read all comment letters published by the NYSSCPA, visit nysscpa.org/page/society-comment-letters.

AICPA

Comments to the AICPA on Exposure Draft—Omnibus Proposal, AICPA Professional Ethics Division, Proposed New Interpretations and Proposed Deletion of Ethics Ruling
Released Jan. 19 - Comments on two new interpretations exposed for comment by the Professional Ethics Executive Committee that provide guidance on when firm names would be considered misleading.

Comments to the AICPA on a Proposed Statement on Auditing Standards—The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern (Redrafted)
Released Jan. 25 - Comments on a proposed statement on auditing standards that would supersede SAS 59, The Auditor's Consideration of an Entity’s Ability to Continue as a Going Concern, as amended, and represents a redrafting of SAS 59 to apply the Auditing Standards Board’s clarity drafting conventions.

FASB

Comments to the FASB on a Proposed Accounting Standards Update—Consolidation (Topic 810): Principal Versus Agent Analysis
Released Feb. 10 - Comments on a proposed accounting standards update that would affect all reporting entities required to evaluate whether they should consolidate another entity. The proposed amendments are expected to most significantly affect the financial reporting of entities that are involved with variable interest entities.

Comments to the FASB on a Proposed Accounting Standards Update—Financial Services—Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements
Released Feb. 10 - Comments on a proposed accounting standards update of Topic 946, Financial Services—Investment Companies, that would affect the scope, measurement, presentation, and disclosure requirements for investment companies in U.S. GAAP.

Comments to the FASB on a Proposed Accounting Standards Update—Real Estate—Investment Property Entities (Topic 973)
Released Feb. 10 - Comments on a proposed accounting standards update to address the diversity in practice related to entities that invest in real estate. The amendments would provide accounting guidance for an entity that meets the criteria to be an investment property entity and would introduce additional presentation and disclosure requirements for an investment property entity.

Comments to the FASB on a Proposed Accounting Standards Update (Revised)—Revenue Recognition (Topic 605): Revenue from Contracts with Customers
Released March 7 - Comments on a proposed accounting standards update (a joint FASB/IASB project), to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS.

PCAOB

Comments to the PCAOB on Release No. 2011-007—Improving the Transparency of Audits: Proposed Amendments to PCAOB Auditing Standards and Form 2
Released Jan. 4 - Comments on proposed amendments to PCAOB standards that would require registered public accounting firms to disclose the name of the engagement partner, amend the Annual Report Form to require firms to disclose the name of the engagement partner for each audit report already required to be reported on the form, and require disclosure in the audit report of other independent public accounting firms and other persons who took part in the audit.

Comments to the PCAOB on Release No. 2011-008—Proposed Auditing Standard on Communications with Audit Committees and Related Amendments to PCAOB Standards
Released Feb. 28 - Comments on proposed transitional amendments to AU sec. 380, Communication with Audit Committees, and reproposing an auditing standard, Communications with Audit Committees, that would supersede the Board’s interim standards AU sec. 380 and AU sec. 310, Appointment of the Independent Auditor, and related amendments to PCAOB standards.

Society backs AICPA’s efforts to prohibit ‘misleading’ firm names

By CHRIS GAETANO
Trusted Professional Staff

A n AICPA proposed ethics interpre-
tation concerning the use of potentially deceptive or misleading firm names has garnered the support of the NYSSCPA.

The Society released a comment letter Jan. 19, drafted by members of the NYSSCPA’s Professional Ethics Committee, in response to a Nov. 30 AICPA omnibus proposal recommending amendments to ethics rules that members cannot practice public accounting under a firm name that is “misleading.”

“A firm name would be considered misleading if the name contains any representation that would be likely to cause a reasonable person to misunderstand, or be confused about, the legal form of the firm or who the owners or members of the firm are, such as a reference to a type of organization or an abbreviation thereof, which does not accurately reflect the form under which the firm is organized,” said the AICPA proposal. The proposal also specified that using a common brand name for one’s firm would not be considered misleading, providing the firm is networked and associated with the brand. A CPA determined to be operating a firm under a misleading name could face an ethics violation, which could lead to an investigation and disciplinary proceedings, up to and including expulsion from the AICPA.

The Society’s brief comment letter agreed with these proposals, and added that a list of potential firm names that could be construed as misleading would have been helpful. The AICPA proposal asked practitioners to refer to the rules and regulations of their individual state boards of accountancy for guidance on firm names that could be misleading.

Renee Rampulla, a PEC member and one of the letter’s principle authors, said she understood why the AICPA decided not to include a list of what might count as a misleading firm name, “due to the diversity that may exist between rules and regulations among various state licensing boards,” as the PEC cited in its letter.

Debbie A. Cutler, chair of the PEC, said that it is incumbent upon professionals to make sure that the name of their firm doesn’t deceive people as to the nature of the firm.

“The hallmark of our profession is being the trusted professional, and that includes not misleading the public with your firm name,” she said.

Cutler suggested that it might be wise to retain a lawyer when establishing the name of one’s firm in New York state.

“Not retaining counsel because of expending fees is ‘penny-wise and pound-foolish’ since, if you do establish a misleading name, you will eventually need to retain counsel,” she said.

Cutler offered an example of a misleading firm name as one that uses the phrase “and company” or “and associates” when the firm only has one licensed CPA. Tacking “and associates” onto the name could indicate that the firm employs multiple CPAs, and may be considered misleading to the public.

“‘The hallmark of our profession is being the trusted professional, and that includes not misleading the public with your firm name.’”

— Debbie Cutler, PEC chair

cgaetano@nysscpa.org

The hallmark of our profession is being the trusted professional, and that includes not misleading the public with your firm name.
Used responsibly, cloud computing has advantages

By SUZANNE M. HOLL, CPA

Cloud computing services will likely expand over the next few years, and CPAs who take appropriate steps to protect their clients and themselves will be in a better position to enjoy the benefits of such services while avoiding or minimizing any problems that may occur.

One of the main benefits of cloud computing services is the low-cost availability to large numbers of users via the Internet, which allows providers to utilize economies of scale and to charge lower fees. At the same time, however, a large number of users sharing the same physical servers heightens concerns about the security and controls over the users’ confidential and private information.

The regulatory response to data breaches, whether cloud-related or not, will also likely continue to be a major issue for providers and users. Organizations often must comply with regulations in the state where the data reside, as well as in the states where the data are received and sent. Some regulations, which vary by state, become stricter or even prohibitive when data are sent to foreign providers.

As a form of outsourcing, cloud computing services require CPAs to be responsible for processes such as client disclosure and consent and due diligence, and for ensuring that client information is protected.

Client disclosure and consent

CPAs should disclose to clients the use of any third-party service providers. A proactive approach such as this—

• clarifies the nature of the services being provided;
• corrects any false expectations clients may have about their personal information remaining inside of their CPA’s office;
• helps forestall negative client reactions in the event that something goes wrong with the outsourced services; and
• helps protect against liability, should there be damages relating to the firm’s use of a third-party provider.

Client consent to disclose or use tax return information. Form 1040 series filers must comply with the form and content required in Revenue Procedure 2008-35. Non-Form 1040 filers may include client disclosure and consent in any format, though there are content requirements. Disclosure and consent can be included as an addendum to the engagement letter.

CPAs should also include a disclosure for outsourcing to non-tax third-party service providers in an addendum to their client engagement letters.

AICPA ethics rules require CPAs to inform clients that the firm may use a third-party service provider before providing the third party with confidential client information. Sample client disclosure language can be found in AICPA guidance to Ethics Ruling 112, Use of a Third-Party Service Provider to Assist a Member in Providing Professional Services.

CPAs should also check with their state boards of accountancy, which may have additional regulations requiring written disclosure and written client consent, especially when outsourcing confidential client information outside the United States.

Due diligence

CPAs are responsible for the security, availability and integrity of the systems used by third parties to process personal and proprietary information. Cloud computing services present some extra challenges in this regard because the inherent lack of transparency in public cloud computing prevents users from seeing what is happening within the provider’s internal processes. This makes provider transparency and disclosure all the more important to the user. Some critical questions to ask include:

• Is the provider willing to undergo the scrutiny of third-party security certifications and audits?
• How detailed are the disclosures and information provided on security programs, policies, procedures, personnel (managers and administrators), subcontractors and business partners?
• What do the providers’ references say about the provider? What do they not say? Are the references using the providers for the same services you are seeking?
• Do your interactions with the provider indicate a trust relationship between the provider and your firm?

Although a U.S.-based provider may be preferable to a foreign-based offshore provider with a U.S. branch, the more contacts an offshore provider has in the U.S., the more legal recourse the client and CPA have in the event of an unauthorized client data disclosure.

The long-term financial viability of the provider is also a major consideration. If the provider becomes bankrupt or is acquired by another company, what assurances are there that your client and firm data will remain available to you, in a format you can access?

Contractual agreements

CPAs who use third-party service providers must enter into a contractual agreement with the provider to ensure the confidentiality of client records. Agreements with third-party service providers should contain language requiring that—

• the third-party provider will treat any client data it receives as confidential and will not make any unauthorized disclosures or use of the information, and
• the provider will be financially responsible for any unauthorized disclosures or use of confidential information that it commits. Find out whether the provider has insurance in place to cover the damages resulting from a data breach.

Service-level agreements should require a high level of security and service. When negotiating other contracts for services, keep in mind that technology costs tend to go down as further advances in technology are made over time, so it might not be cost-effective to lock in rates for certain services—like bandwidth—for a long period.

One of the benefits of cloud computing is the ability to back up records at multiple sites in order to avoid total losses. If disaster strikes at one location, the data may be available from another. Proper and adequate disaster planning by the provider then becomes another issue to be addressed. Just as the CPA firm should have a response plan in place for potential data breaches, so should a cloud computing service provider.

For information on the Camico program, contact:

Upstate: Guy Piddington
Poole Professional–New York
585-385-0428

Downstate: Dan Hudson
Chesapeake Professional Liability Brokers, Inc.
410-757-1932

Or call Camico direct at 800-652-1772.
Guidelines
Continued from page 1

the investor holds a controlling interest based outside of majority voting rights. Currently, a variable interest entity gets consolidated treatment if it has the power to direct the activities that most significantly impact the entity’s economic performance and the obligation to absorb losses, or if it has the right to receive potentially significant benefits of the variable interest entity.

While previous attempts by the FASB to differentiate between a principal and an agent took a quantitative approach, the new proposed method would require a bit more judgment on the part of the preparer.

“It’s a qualitative approach to the items you are looking at,” said J. Roger Donohue, Financial Accounting Standards Committee Chair and one of the letter’s principal drafters. “You have to look at them in the aggregate.”

The proposed update asks that preparers evaluate the decision maker’s capacity using the following three factors:

• The rights held by other parties
• The compensation to which the decision maker is entitled in accordance with its compensation agreements
• The decision maker’s exposure to variability of returns from other interests that it holds in the entity.

The proposed update also has entities look at exposure to potential negative returns. Interests that expose a decision maker to potential negative returns, or both negative and positive returns, are “more like a decision if an unrelated single party has the ability to dissolve the limited partnership or otherwise remove the sole general partner without cause (unilateral substantive kick-out rights), or the rights to provide limited partners with the ability to participate in significant decisions in the limited partnership’s business (participating rights). The Society disagreed with this provision.

“With multiple unrelated parties, assessment would necessarily include looking at all the possibilities, and weighing these with the other factors,” said the Society’s comment letter. “At the core of making assessments is to assess all the factors; consequently, we do not believe that kick-out rights held by multiple unrelated parties necessarily should be a determinative factor to conclude if the decision maker is functioning as a principal or agent.”

The Society said that the effective date for the proposed amendments should be the first annual financial statements of the fiscal year, beginning after Dec. 15 in the year the update is issued. The Society does not support early adoption, due to the far-reaching impact of the proposed standards update.

The Society’s comment letters are published online upon their release at nysscpa.org/page/society-comment-letters.

It’s a qualitative approach to the items you are looking at. You have to look at them in the aggregate.

— J. Roger Donohue, Financial Accounting Standards Committee Chair

Richard H. Dickinson, Saratoga Springs, N.Y., was automatically expelled from membership effective Feb. 9, 2012, under Society Bylaw Article XII.3, Impairment of License to Practice Public Accounting, as a result of the revocation of his license to practice public accounting in the state of Maine on Jan. 26, 2010. The Board of Accountancy of the state of Maine cited Mr. Dickinson for performing audits in the state without first obtaining a firm license and for fraud, deceit or misrepresentation in obtaining his personal CPA license by failing to disclose on his license application that he had been disciplined and suspended in the state of New York on July 28, 2008.

Michael R. Drogin, Jericho, N.Y., was expelled from membership effective Feb. 16, 2012, following disciplinary action imposed by the Securities and Exchange Commission. Mr. Drogin was charged with violating antifraud provisions of the federal securities laws by issuing fraudulent audit reports and with repeatedly practicing as an accountant without a firm license. The SEC determined that Mr. Drogin was guilty of violating Rule 506, Interpretation 506-1, Duty to Cooperate, of the NYSSCPA’s Code of Professional Conduct, for failing to cooperate with the Professional Ethics Committee in an investigation of alleged unprofessional conduct.

Elliot H. Goldberg, Garden City, N.Y. was suspended from membership for a period of one year effective Aug. 16, 2011, as a result of a settlement agreement reached under the Joint Ethics Enforcement Program for violations of Rule 202—Compliance with Standards, Rule 203—Accounting Principles and Rule 501, Interpretation 501-5—Failure to Follow Requirements of Governmental Bodies, Commissions, or Other Regulatory Agencies, of the Code of Professional Conduct. Under the terms of the settlement agreement, Mr. Goldberg waived his rights to a hearing under NYSSCPA Bylaw Article XII.7, neither admitted nor denied the specified charges and, among other directives, agreed to complete 83 hours of specified continuing professional education courses.

Isidor Heffer, Woodmere, N.Y., was automatically expelled from membership effective March 24, 2011, under Society Bylaw Article XII.2(b), Criminal Conviction of Member—The filing of a false or fraudulent income tax return on the member’s or a client’s behalf. Mr. Simons entered a guilty plea to a one-count information, charging him with delivering and disclosing a false return, in violation of 26 U.S.C., Section 7207, 18 U.S.C. Section 2 in the United States District Court for the Northern District of New York.

Ronald L. Simons, Syracuse, N.Y., was automatically expelled from membership effective Dec. 9, 2011, under Society Bylaw Article XII.2(c), Criminal Conviction of Member—The filing of a false or fraudulent income tax return on the member’s or a client’s behalf. Mr. Simons entered a guilty plea to a one-count information, charging him with delivering and disclosing a false return, in violation of 26 U.S.C., Section 7207, 18 U.S.C. Section 2 in the United States District Court for the Northern District of New York.

John B. Schuyler, Newburgh, N.Y., was automatically expelled from membership effective Aug. 18, 2011, under Society Bylaw Article XII.2(a), Criminal Conviction of Member—A crime defined as a felony under the law of the convicting jurisdiction. Mr. Schuyler pleaded guilty to attempted grand larceny in the third degree, in the Supreme and County Courts of the State of New York, Orange County.

Michael T. Studer, Freeport, N.Y., was suspended from membership for a period of two years effective April 6, 2011, as a result of a settlement agreement entered into under the Professional Ethics Committee’s Alternative Procedures, whereby Mr. Studer waived his rights to an investigation of the alleged misconduct, neither admitted nor denied the specified charges, and agreed to complete 81 hours of specified continuing professional education courses during the two-year suspension period and to submit evidence of successful completion by the end of the suspension period.

The settlement agreement resulted from disciplinary actions taken by the Securities and Exchange Commission in relation to conduct occurring in 1988 and 1989 in the offering of securities of a corporation.
Bylaws

Continued from page 1

notifying the Society of his or her qualifica-
tion to become a CPA candidate, eliminat-
ing the five-year deadline and extending CPA
candidate membership indefinitely. The
board unanimously approved the proposal.

The second proposed membership-related
change (Prop. 2, page 6) addresses student
memberships. Currently, student members
are required to reapply and renew their
membership every 12 months, or the mem-
bership is terminated. The proposal would
allow a student member to maintain Society
membership throughout the entirety of his or
her matriculation, eliminating the 12-month
renewal requirement. The board unanimous-
ly approved the proposal.

Procedural change

A change to the bylaws amendment
process (Prop. 11, page 7) would allow the
board to make administrative changes to
Society bylaws—such as fixing grammatical
errors, renumbering or reformating text—
without a membership vote. Substantive
changes that would alter the underlying
meaning of a bylaw provision would still go
to membership vote, and any proposed
administrative changes would require a
supermajority (two-thirds) vote of the board
for approval. The board unanimously
approved the proposal.

Ethics changes

The Professional Ethics Committee also
recommended bylaws changes (Prop. 3–10,
page 6) to the Governance Subcommittee
and Executive Committee in November. The
proposed changes were the work of a PEC
task force chaired by NYSSCPA Past
President Jo Ann Golden and included
Gary E. Carpenter and Victoria L. Pitkin,
all members of the PEC. The Executive
Committee and Governance Subcommittee
reviewed the PEC’s proposed changes, and
the following four proposals were approved
and forwarded to the Board of Directors.
The board approved the changes on Dec. 15,
and voted on March 16 to put them up for
membership vote.

Criminal convictions

The proposal would clarify the Society’s
existing bylaws pertaining to the criminal
conviction of a member, impairment of
license to practice public accounting and
denial of license. The proposed change
makes various omnibus revisions to Sections
2, 3 and 4 of Article XII, the ethics provi-
sion, to provide clarity in the language and
make the existing bylaws consistent with the
AICPA’s Code of Professional Conduct.

Currently, the bylaws state that a member
convicted of a felony is subject to automatic
suspension of membership without a hear-
ing. One revision would replace the term
“felony” with “a crime punishable by imprisonment for more than one year,” con-
sistent with the AICPA’s bylaws.

Additional language would give the
Board of Directors the ability to consider a
petition from the member or the PEC to sus-
pend discipline of the member, with or with-
out a hearing.

“The concern was if there is an auto sus-
pension or expulsion from membership, is
there an opportunity for an individual to file
for reinstatement?” said Sohr. “We made it
clear in the bylaws that the board may con-
consider a timely written petition that’s filed
by either the PEC or the member, that the mem-
ber should not be disciplined automatically.
Otherwise it’s automatic, and there’s no
hearing.” The board unanimously approved
the proposal.

Automatic discipline

Another proposed change to Article XII
would adopt the AICPA’s language regard-
ing automatic discipline for specified gov-
ernment agencies.

Since 2003, the AICPA has invoked auto-
matic discipline, not malice.

“A letter of required corrective action is
one of the procedures that we use to quickly
move a case to a conclusion,” said Sohr. “The
intent of it is primarily remedial. We want to
get the CPA involved as a respondent in an
ethics case to agree with us that, yes, they
mess up and didn’t do what they should have
done, and agree that they should take, for
example, additional CPE courses. The
intent of the RCA is to improve the level of
performance of CPAs and to give them the
education needed so that they will not violate
the Code of Professional Conduct again.”

Since 2003, the Society’s bylaws required
the PEC to automatically notify the New York State Education Department every time
an RCA was accepted by a Society member.
Under the proposed bylaws changes (page
40), the PEC would no longer be required to
notify the Society of such cases, though it
would retain the right to do so.

“One of the things we want to do is encourage CPAs to really understand what it
means to perform properly. We want to
assist them, we want to help remediate,” said
Golden. “In the spirit of what [the] PEC was
meant to do, and what we, in terms of policing our own profession, were really try-
ing to do is make better CPAs.”

This proposal inspired much discussion
among the board before it was approved
with a vote of 20-16.

Supporters of the bylaws change contend-
ed that a CPA charged with an ethics viola-
tion might feel that agreeing to an RCA—
and essentially admitting to wrongdoing—
would be to open himself or herself up to an
investigation and potential disciplinary
actions from the Society, which would auto-
matically receive notice of the RCA agree-
ment.

“The letter of RCA is remedial … it’s a
helping tool,” said Golden. “But by automatic-
ly sending it to the Society, you might be
putting somebody’s license in jeopardy.”

That’s not to say that the PEC can’t inform the Society, she emphasized, but the
proposal would make it an option, not a
requirement.

“It’s very important [to notify the state]
when we sanction someone with suspension
or expulsion—those are situations where we
know they’ve crossed the line,” Golden said.
But if the violation was not egregious, the
CPA “needs the chance to improve without
having to feel their license is in jeopardy,”
she said.

But eliminating a measure of transpare-
cy that the Society already put in place
would seem suspicious to the PEC, said
Sohr, who voted against the proposed
change on those grounds.

“I think as the state CPA society, we have
an obligation, which is part of our mission,
to protect the public,” said Michele Mark
Levine, a member of the board and
Governance Subcommittee, who also voted
against the proposal. “In order to do that, we
need to be on the same side as the state
licensing authority and share relevant infor-
mation that we have. I think it is in our inter-
est as a profession to promote transparency.
We do a disservice when we fail to share
information that we have. I think it is not in
our interest to appear to be protecting or
covering up for the failures of members of
our profession.”

Levine said she is sympathetic to the rea-
sons behind the proposed change, but that
her opinion about it may be somewhat influ-
enced by being a member in government
(she works in the New York City Office of
Management and Budget).

“I think my colleagues who disagree with
me are well intentioned. I don’t question
their motives,” Levine said. “But I question
the outcome.”

The NYSSCPA is the only state society
participating in the Joint Ethics Enforcement
Program with the AICPA that voluntarily
reports investigations to a state licensing
regulatory body.

Notification letters

When a complaint is filed against a CPA
with the Society’s PEC, the complainant is
notified, and of whether the investiga-
tion was opened as a result, or of the out-
come of an investigation. The proposed
bylaws change would require the PEC to
notify complainants by letter that an investi-
gation has been conducted and concluded as
a result of their complaint, although the PEC
would not be obligated to disclose the out-
come of the investigation.

Sohr pointed out that in some cases, such
as when a member is suspended or expelled
from the Society, a complainant may discov-
er the result of an investigation because
those notices are published in The Trusted
Professional. Likewise, if the PEC finds that
there is insufficient information to support a
complaint and justify opening an investiga-
tion, the complainant is notified.

“The PEC doesn’t need to tell them the
outcome, just that the matter has been set-
tled,” Sohr said.

The board voted 33-2, with J. Michael
Kirkland and Pei-Cen Lin opposed, and
Barbara A. Marino abstaining; the propos-
al was approved.
Join Your Friends and Colleagues at the Dinner to:

- Congratulate the winners of the Society Awards
- Elect the 2012–2013 NYSSCPA officers and directors.

Reception: 7th Floor Foyer, 5:45 p.m.
Meeting and Dinner: Astor Ballroom, 6:30 p.m.

For Society members wishing to attend the meeting portion only, seating will be provided at 6:30 p.m. The time for the business meeting is approximate. RSVP by April 20.

Formal Notice of 2011–2012 Annual Election Meeting of the New York State Society of CPAs

Please note that the annual membership meeting of the New York State Society of Certified Public Accountants will be held on Thursday, May 10, 2012, at 6:30 p.m. (opening reception: 5:45 p.m.) at the New York Marriott Marquis at Times Square, located at 1535 Broadway, at 45th Street, New York City.

The meeting will be followed by a formal dinner (see the advertisement above for more information). Seating will be available for members who wish to attend the annual meeting but do not wish to attend the dinner. If you wish to be seated for the meeting only, and not the dinner, please contact Nereida Gomez at ngomez@nysscpa.org or 212-719-8358. To register online, visit the NYSSCPA’s website at www.nysscpa.org.

The agenda for the meeting is as follows:

1. Approval of minutes from the May 19, 2011, annual membership meeting.
2. Approval of proposed amendments to NYSSCPA bylaws.
4. Other business.
The speed at which the economy is recovering is only relative to how far it fell during the crisis, Peach said. Since the recession technically ended in June 2009, the United States has experienced 10 consecutive quarters of positive gross domestic product growth, and is continuing to climb. However, the economy was so damaged that, despite a 6 percent surge in productivity growth from 2009 to 2010, key economic metrics remain stubbornly low.

“The message is very, very clear: We had the deepest and longest recession of the post-World War II period,” Peach said. “We now have two and a half years of positive GDP growth, yet we only recently returned to the level of output of the business cycle peak [before the crash]. A very, very deep recession [means] a very, very sluggish recovery.”

One of the biggest drags on the economy right now is the housing glut, Peach said. Each year, the U.S. adds an average of about 1.2 million households, defined as any group of individuals occupying a housing unit. To accommodate this, about 1.4 million new housing units are needed each year, with the 200,000-unit difference accounting for those that were destroyed or became obsolete. During the boom years, from 2005 to 2006, the country produced about 3.5 million housing units—nearly double what was needed. Since the crash in 2008, the housing market has been working to fill existing units, but the remaining excess, coupled with more people renting, means that any improvement will be gradual, Peach cautioned.

Employment figures tell a similar story. Peach noted that, from the end of September 2011 through January of this year, the unemployment rate fell more than anticipated. But he attributed the change to those looking for work having given up or dropping out of the system, not as a sign of more people finding jobs. Peach said the employment-to-population ratio—the number of people employed compared to the total population—isn’t any more optimistic. The number of people working today is still a far cry from the number of people working right before the crash, he continued. And employee compensation has actually shrunk 5 to 6 percent below the prerecession average, creating an “income shock.”

“There has been virtually no improvement whatsoever [on employment] since the end of the recession and [it] has been way down since the business cycle peak,” Peach said.

New York’s unemployment story during the recession was a little different from the rest of the nation’s and, consequently, its recovery story is different as well, according to Jason Bram, a New York Federal Reserve senior economist who spoke at the chapter event about regional economic issues. Like the rest of the country, unemployment in New York surged during the crisis, but not to the same degree. In fact, unemployment in New York was worse during recessions in the early 1990s and 2000s, Bram said.

“New York has had its share of deep, long recessions, but this one is not as bad as the last two, compared with what’s going on nationally,” he said.

Job growth around the country slowed to a crawl in 2007, but not in New York. It wasn’t until late 2008, when Lehman Brothers, AIG and other financial giants began to fall, that employment in New York really began to falter. The most recent data indicates that unemployment in the U.S. is at 8.3 percent overall, while in all of New York state it’s around 8 percent, and 9 percent in New York City.

Bram said that what makes the recovery in New York unusual is that, for the first time, employment increases in New York state and city are being led by leisure, hospitality and professional services sectors, and not the securities industry, which led the recovery charges in the 1970s and 1990s.

“To say this is unusual is an understatement,” Bram said. “It’s unprecedented, and the trend has continued. The foundation has always been this rebound in the securities industry. [Now] it’s a rebound in a lot of other sectors.”

This concerns both the city and state governments, because securities has always represented a rich source of tax revenue. While it’s nice that other sectors are recovering, the government cannot draw as much tax money from these other areas as it could from securities, said Bram.

“So Wall Street is very important for earnings, but it’s not the sector doing well right now,” he said. “Based on what we saw recently in the first quarter when bonuses were paid out, you’re not likely to see a big number for the next couple of quarters, and this is a concern for state and local tax authorities.”

What does the Federal Reserve expect in 2012?

Peach anticipates that the Fed will have a strong internal debate about whether to hold the line on monetary accommodations over the next few years due to concerns about inflation from some members of the central bank. Inflation is rising in both energy and food, he said. The consumer price index, an all-purpose cost-of-living metric, rose by 3.5 percent in 2011—much more than the 2 percent the central bank finds acceptable—mostly due to rising demand in the U.S. for commodities from other countries.

Within the central bank, he said, there are “hawks”—who push for aggressive inflation controls and usually hail from Midwestern states that rely on agricultural commodities—and “doves”—who prefer low interest rates in order to encourage economic growth.

“This conflict between the hawks and the doves will grow quite a bit more intense,” as favorable economic indicators in the U.S. toward the end of 2012 could actually exacerbate the situation and give the inflation hawks more cause to advocate for cutting off monetary accommodations, Peach said.

Also looming on the horizon are repercussions of the U.S.’s current debt-to-GDP ratio, which could act as a huge drag on the recovery if action is not taken soon, he added.

The market for U.S. debt, even in this economic environment, is still favorable, but if the market turns against U.S. debt, borrowing will present a major challenge to the federal government, Peach said.

“Policy needs to be forward-looking. We need to anticipate that, rather than have the federal government provide stimulus to economic activity, fiscal policy will act as a drag on economic activity,” he said.

The March 1 event was the second in a series of talks given by the New York Federal Reserve for members of the Manhattan/Bronx Chapter. The series debuted on Oct. 6 and also featured Peach and Bram, who expressed cautious optimism about the economy at that time. In his October presentation, Peach noted that consumer confidence was very low and that the country was in the midst of a “global commodities price shock.” Since then, however, consumer confidence has increased and the commodities shock is starting to peter out, he said in March.
FAE EVENTS and CPE OFFERINGS

BUFFALO

- Buffalo Chapter Education Night: April 24
- Buffalo Chapter Annual Summer Symposium: July 24 and July 25, 8:30 a.m.–5 p.m.
  - Where: Millennium Airport Hotel, 2040 Walden Ave., Buffalo
  - Contact: Gregory Altman (galtman@somerset1.com)

MANHATTAN/BRONX

- Understanding Investment Risk: May 2, 6–8 p.m. (registration 5:30–6 p.m.)
  - Where: Morgan Stanley, 41st Floor Auditorium, 1585 Broadway
  - Presenter: Charles White
  - Cost: $20 members; $25 nonmembers
  - CPE: 2 credits (specialized knowledge)
  - Course Code: 2910213

MID HUDSON

- Mid Hudson Annual Golf Tournament: May 14
  - Where: Wiltwyck Golf Club, 404 Steward Lane, Kingston
  - Contact: mschain@schainandcompany.com

NASSAU

- Nassau Chapter 59th Annual Installation Dinner Dance: May 3, 6:30 p.m.
  - Where: Crest Hollow Country Club, 8325 Jericho Turnpike, Woodbury
  - Cost: $90 per person
  - Contact: Kristen DeCamp (516-364-5100)

QUEENS/BROOKLYN

- Higher Education Conference: April 20, 8:30 a.m.–5 p.m. (8 a.m. check-in) and April 21, 8:30 a.m.–12 p.m. (8 a.m. check-in)
  - Where: KPMG LLP Offices, 345 Park Ave., NYC
  - Cost: $160 members; $175 nonmembers
  - Course Code: 28104222
  - CPE: 11 credits (8.5 specialized knowledge, 2.5 Accounting)
  - Contact: Patricia A. Johnson (johnsonp@canisius.edu)

- Queens/Brooklyn Chapter Accounting and Auditing Update Conference: May 22, 8 a.m.–5 p.m. (7:30 a.m. check-in)
  - Where: St. John’s University, D’Angelo Center, 8000 Utopia Parkway, Jamaica
  - Cost: $100 members; $125 nonmembers
  - Course Code: 28116222
  - This is a paperless event.

ROCKLAND

- End of Tax Season Bash/Officer Induction Dinner: May 3
  - Where: Jade Village Restaurant, 606 S. Pasack Road, Chestnut Ridge
  - Cost: $25 for members; $35 for nonmembers
  - Contact: Mitchell Davis (mddavis@khhcpas.com)

SOUTHERN TIER

- Binghamton Mets Pre-Game Picnic: June 15, 5:30–7 p.m. (Binghamton Mets vs. Altoona Curve at 7:05 p.m.)
  - Where: NYSEG Stadium, 211 Henry St., Binghamton
  - Cost: $200 for cocktails and dinner

SYRACUSE

- Wine Tour and Networking Lunch: May 5
  - Where: Wagner Vineyards and other locations
  - Check chapter webpage for updates.

WESTCHESTER

- Westchester Chapter Estate and Financial Planning Conference: May 7, 8:45 a.m.–5 p.m. (8:30 a.m. check-in)
  - Where: Citicorp Conference Center, Armonk
  - CPE: 8 credits (taxation)
  - Cost: $125 members; $150 nonmembers
  - Course Code: 28611233

- Westchester Chapter President’s Reception: May 23, cocktail hour begins at 6 p.m.
  - Where: Harlem Yacht Club, City Island
  - Contact: Howard Klein (914-949-2990 or hklein@citrincooperman.com)

- Chapter Annual Golf Outing Event: July 10
  - Where: Glen Arbor Golf Club (new venue), 234 Bedford Center Road, Bedford Hills
  - Contact: Jeffrey A. Schwartz (914-286-6008)

Why I’m a Member

With 28,000 members, there are 28,000 reasons to belong. Here is one.

Name: Michael R. Durant
Joined: 2011
Chapter: Manhattan/Bronx
Current position: Student

Hobbies/activities: Currently serves as the co-chairman of the advisory board for the Bronx School of Law and Finance. Volunteers with New York Cares, participates with the Association of Latino Professionals in Finance and Accounting and is an active member of the National Association of Black Accountants.

Fun fact: Originally wanted to be a mechanic. Then got exposure to a professional environment through an internship and hasn’t looked back since.

Why I’m a member: “As a student member, it’s helped keep me up-to-date and focused with what’s going on, and gives me the chance to communicate directly with professionals.”

Personal quote: “Being a member has helped with my networking with other groups and within the NYSSCPA.
The whole reason I’m having this interview now is because I went to one of the breakfast briefings where I met Joanne [Barry, Executive Director of the NYSSCPA].”

To become a member, visit www.nysscpa.org/join or email Cara Patterson at cpatterson@nysscpa.org.
What are you reading right now?

For leisure, I really love the Alex Cross books by James Patterson—crime thrillers that are quick, simple and a great escape from the busy accounting world, especially this time of the year. On the more professional side, I’ve been reading “Accounting Ethics,” by Ronald Duska, Brenda Shay Duska and Julie Anne Ragatz, which was recommended at a seminar I recently attended. When I want to keep up with what’s going on in that field, I read that. When I want to escape for a little bit, I read the James Patterson.

Right now, I’m reading the book “Born to Run: A Hidden Tribe, Super Athletes and the Greatest Race the World Has Never Seen,” by Christopher McDougall. It’s about the Tarahumara Indians of Mexico, among the greatest long-distance runners in the world, and what their secret is. This is the time of the year you need something to take your mind away from the work and the day-to-day of the busy season. Being a runner myself, I generally like reading literature about running, especially accounts of ultramarathons, triathlons and long-distance endurance runs, like “Ultramarathon Man: Confessions of an All-Night Runner,” by Dean Karnazes; “Know Regrets,” by Tim Durant; “Once a Runner,” by John L. Parker Jr.; and “Running on Empty: An Ultramarathoner’s Story of Love, Loss, and a Record-Setting Run Across America,” by Marshall Ulrich. I’ve done half marathons before and my goal is to work my way up to completing a full marathon within the next couple of years, so I find reading about these sorts of things motivating and inspiring. When I read about a triathlete or ultramarathoner who has done 100 miles, it gets me motivated to go out and attempt the next challenge.

I’m going to sound like an accounting dweeb here, but I’ve been reading “Private Capital Markets: Valuation, Capitalization, and Transfer of Private Business Interests,” by Robert T. Slee. It seems like, in business valuation, there is more and more analysis of what private capital and venture capital would be paying for business interests, and it’s almost becoming more of a subset of the fair market valuation trend. In our own company, it seems like when we’ve been asked to value businesses like biotechnology companies, we’ve believed that for those companies, a willing buyer is more likely to be a venture capital or private capital buyer, so we’re using that observation to come up with potential fair market valuations. And that’s why I decided to read it: There’s a need for this knowledge in my business.

I usually have a book that I read and another that I listen to while driving in the car. The book I’ve been reading lately is “Watergate: A Novel,” by Thomas Mallon, a fictional account of the Watergate break-in from different points of view. I chose the book mainly on the strength of the reviews. It is pretty interesting and unique in that it incorporates the points of view of major and minor characters, and their observations of what was going on. The book wasn’t so much a grand explanation but, rather, a series of viewpoints that come together, as well as, I guess, a fairly sympathetic depiction of Nixon.

The book I’ve been listening to lately is “Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System—and Themselves,” by Andrew Ross Sorkin. After seeing the series on television, I was interested in learning more, so I got the book on CD. It’s about the financial debacle that took place in 2008, which we’re still feeling the effects of today. It’s a good book but it’s a little more difficult to listen to than to read, because there are just so many characters and, every couple of pages, new ones are introduced. It’s tough to keep track of who all the players are. Still, it’s very interesting and relevant.
Buffalo increases support for local accounting students

By FRANCA TRINCA
Buffalo Chapter President

I t’s nice to see people continue to give back to their communities and support great causes even during these rocky economic times. It’s even more pleasing when entire organizations continue or increase their charitable efforts.

In 2012—as a direct result of our members’ participation in the chapter events and activities of the last year—the Buffalo Chapter increased our annual support for the NYSSCPA scholarship program. Based on the recommendation of the chapter’s Board of Directors, I am proud to announce that we will award three $2,500 scholarships each year. The board believes that providing these scholarships sends a clear and strong message to young people that we, as members of the Society and the CPA community, truly value them and the future of the profession. We could not think of a better way to use our funds, and with continued support from our membership, the opportunities to support future CPAs will only grow.

Continuing on the education theme, the chapter will hold its annual Education Night at Salvatore’s Italian Gardens Restaurant, 6461 Transit Road in Depew, from 5:30 to 7:30 p.m. on Tuesday, April 24. The Education Committee, chaired by Michele Flint, has planned a great evening that will begin with a CPE seminar from 3:30 to 5:30 p.m. Later, local students from nearby colleges will be recognized for their academic achievements. This event was planned to follow tax season, so we can finally relax, catch up with friends and colleagues and mingle with students.

Past student members have consistently told us that they look forward to Education Night, because it provides them an opportunity to network with Society members, gain a better understanding of the working world that they’ll soon join, and better identify career pathways and specific occupations. As a member, you can make this a memorable evening for students and award recipients. I urge all Buffalo Chapter members to attend and support the students.

Lastly, during Education Night our chapter will also recognize a member for his or her distinguished service to the Buffalo Chapter and the profession. Come and find out who that member is!

FRANCA TRINCA
Buffalo Chapter President

FROM THE PRESIDENT

FAE 2012 Conferences

Business Valuation Conference
Network with leading professionals and hear relevant, timely perspectives from renowned experts.

Monday, May 21, 2012
FAE Conference Center
3 Park Avenue, at 34th Street
19th Floor
New York, NY 10016

Featured Renowned Keynote Speakers:

- Z. Christopher Mercer, ASA, CFA, ABAR, CEO, Mercer Capital, a leading independent valuation firm. Mr. Mercer will review recent shareholder cases, as well as important industry controversies.

- James R. Hitchner, CPA/ABV/CFF, ASA, Managing Director, Financial Valuation Advisors, Inc., and Editor-in-Chief, Financial Valuation and Litigation Expert Journal. Mr. Hitchner will share his expertise in determining discount and capitalization rates, in addition to discussing common discounted cash flow (DCF) errors and best practices.

Conference Details:
Course Code: 25278211 (In-Person); 35278211 (Live Webcast)
CPE Credit Hours: 9 (Advisory Services)
Member Fee: $335 (In-Person); $235 (Live Webcast)
Nonmember Fee: $435 (In-Person); $335 (Live Webcast)

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

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

MANHATTAN/BRONX
What I learned as chapter president

By GINA E. GOODENOW
Manhattan/Bronx Chapter President

I can’t believe my term as president of the Manhattan/Bronx Chapter is almost over. This has been a rewarding experience for me in many ways, and I learned many lessons. I gained deeper insight into how the NYSSCPA functions and developed many relationships within the Society. I developed a greater appreciation for what it takes to run the organization and how important it is for members to volunteer within the Society. I strongly encourage all Society members to volunteer by serving on a committee or to consider joining their chapter board so they can share my experiences.

I would like to thank my fellow board members for their support during my presidency. The support of the board is the most critical aspect to a successful term. I hope to provide Manhattan/Bronx Chapter President-elect Sherif Sakr the same level of support he afforded me, and I am confident he will be an outstanding leader for our chapter.

Another lesson I learned last year was that our members enjoyed the series-style format of CPE sessions we offered focusing on retirement planning. We will build on the success of the format by offering two CPE series this year. The first will be a soft skills series offered by board member Pei-Cen Lin. This series will address interviewing for jobs and networking. The second CPE series will focus on fraud and financial forensics. We are also planning some CPE sessions led by attorneys, on a variety of topics relevant to CPAs. Stay up-to-date on CPE offerings and other chapter events by visiting nysscpa.org/manhattan-bronx.

GINA GOODENOW@gmail.com

FROM THE PRESIDENT
A s you read this, the flowers are starting to bloom and we are start- ing to see the light at the end of the tax-season tunnel. To celebrate Rockland Chapter members are invited to the End of Tax Season Bash/Officer Induction Dinner on Thursday, May 3, at Jade Village Restaurant, 606 S. Pascack Road, Chestnut Ridge, N.Y. The cost is $25 for members and $35 for non-members. Please join us to socialize and induct the chapter’s new Executive Board. The slate is as follows: David Herman, president; Michael E. Milisits, treasurer; and Larry J. Shafer, secretary. I want to thank our incoming Executive Board for their continued dedication to our chapter.

BY SHARI E. BERK
Rockland Chapter President

FROM THE PRESIDENT

Syracuse YCPAs keep busy throughout the winter

By MATTIA M. SCRO, CPA
Chair, Syracuse YCPA Committee

T he winter season was a busy one for the Syracuse Chapter YCPAs. In November, the YCPAs held their annual Networking Cocktail Party at PJ’s Pub & Grill in Syracuse. More than 60 people attended, including young professionals in the accounting, banking, legal, insurance and financial planning sectors.

In December, the YCPAs held our annual Elmcrest Children’s Center Christmas Party. Elmcrest is a multi-service treatment and education center that serves children with emotional, behavioral and psychiatric disturbances, and children with developmental disabilities and serious medical conditions. The Syracuse YCPAs raised more than $1,000 to purchase gifts that all children at the center could enjoy, including a pool table and a pingpong table. Six YCPAs attended the center’s holiday party to unveil the presents and play pool and pingpong with the kids. This event was a success due to the continued support from the Syracuse Chapter NYSSCPA members. A special thanks to organizer and YCPA Committee member Matthew Sundford.

Our annual “Crunch Night” event YCPAs to bring their families to a Syracuse Crunch minor league hockey game in February. A group of 25 YCPAs and family members enjoyed pizza and ice cream, then watched the Crunch take on the St. John’s IceCaps. It was a close game but the Crunch defeated the IceCaps, 6-4, scoring the game-winning goals in the last three minutes of the game. Casey Christopher, YCPA Committee member, did an excellent job of organizing this event.

This spring, the Syracuse YCPA Committee will sponsor another exciting event. On May 5, the Syracuse Chapter will team up with Utica, Rochester and Buffalo YCPAs for the annual Wine Tour and Tasting. The event will include lunch and wine tastings at Ventosa, Wagner and Zugibe vineyards. Space is limited and typically sells out quickly, so look for the registration form in your email.

If you are interested in learning more about the Syracuse Chapter YCPA Committee or would like to participate in our upcoming events, visit nysscpa.org/syracuse for chapter news and event details or contact me, Syracuse Chapter YCPA Chair, at the email address below.

mscro@fmfcpa.com
Utica Chapter creates 4 new scholarships for local students

BY STEPHEN T. SURACE
Utica Chapter President

The Utica Chapter recently remitted our scholarship funds to the FAE and established four $500 scholarships available exclusively to accounting students at Utica College and SUNY Institute of Technology. Students will be required to apply for the scholarships, which will be awarded through an application process and will be available in addition to those awarded through the FAE’s Excellence in Accounting scholarship program. The fund used to create the chapter scholarships was raised at our annual golf outing. We also recently enrolled more than 30 new student members to the NYSSCPA, helping them to become active members in the CPA community early in their careers.

We recently held our annual tax hotline, cosponsored by the Observer-Dispatch. Thank you to all of the chapter members who volunteered their time assisting local taxpayers with income tax-related questions, at no charge. Outreach events like the tax hotline continue to educate the community about the importance of the CPA brand.

The Utica Chapter has been busy planning and filling the spring, summer and fall event calendars with a full set of CPE sessions, as well as social gatherings. The board and I thank all members for your support and hope to see you at our next event; visit nysscpa.org/utica for details and chapter news.

ssurace@adjustersinternational.com

FROM THE PRESIDENT

”Win-Win” Member Recruitment Contest

The person who recruits the most members* by the end of the contest will win a free iPad 2!

The chapter that recruits the most members* wins a cocktail party!

New recruits receive $50 off dues.

For complete contest rules and FAQs, go to www.nysscpa.org/contest.

*Student members do not count as referrals.

Running now through April 30, 2012

FAE 2012 Conferences

Wednesday, May 9, 2012
New York Marriott Marquis
at Times Square
1535 Broadway, at 45th Street
New York, NY 10036
8:00 a.m.–5:00 p.m.
(Check-in begins at 7:30 a.m.)

Conference Highlights:
• Red Flags and the Broker/Dealer
• Legal and Regulatory Update
• Audit and PCAOB Update

Register Today!

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

To Register for the Live Video 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.
According to New York State Regulations, courses may only be categorized as the following fields of study for CPE accreditation:

- Accounting (AC)
- Advisory Services (AD)
- Auditing (AU)
- Ethics (E)
- Specialized Knowledge (SK)
- Taxation (T)

Courses that have a concentration in more than one field of study are labeled with the quantity of credits that apply to each category.

**AICPA Pricing Schedule**

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

<table>
<thead>
<tr>
<th>If you are:</th>
<th>8-hour course</th>
<th>16-hour course</th>
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<tbody>
<tr>
<td>A member of both AICPA and NYSSCPA:</td>
<td>$305</td>
<td>$475</td>
</tr>
<tr>
<td>Only a member of the NYSSCPA:</td>
<td>$335</td>
<td>$535</td>
</tr>
<tr>
<td>A member of the AICPA:</td>
<td>$405</td>
<td>$575</td>
</tr>
<tr>
<td>A member of neither AICPA nor NYSSCPA:</td>
<td>$435</td>
<td>$635</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.

Now that FAE’s paperless initiative—FAE registrants receive course materials via email—has been successfully implemented, 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/Brondx. To search within Albany, refer to Northeast.

**FAE LISTINGS**

For April 27, 2012, through May 17, 2012

**KEY**

**GEOGRAPHIC AREA**

**MANHATTAN/BRONX**

**AUDITING**

05/01

AICPA’s Advanced Workshop: Practical Guidance for Peer Reviewers

This eight-hour interactive workshop will reinforce and improve reviewers’ understanding of risk assessment and documentation, monitoring requirements and difficult reporting issues, judgment decisions in reporting on system reviews, and performing efficient and effective reviews.

\[\text{FAE Conference Center} \]

\$335/$435/$305/$405

05/02

How to Prepare for Your Peer Review

This session will help practitioners manage the anxiety and prepare for peer reviews administered under the New Mandatory Quality Review law.

\[\text{FAE Conference Center} \]

\$55/$80

05/03

How to Conduct a Review Under the AICPA Practice-Monitoring Program

Participants will learn how to make the transition from auditor to peer reviewer and successfully conduct a peer review with the help of this mandatory training course for team and review captains. The course includes realistic case studies of system and engagement peer review circumstances.

\[\text{FAE Conference Center} \]

\$535/$635/$475/$575

**SPECIALIZED KNOWLEDGE AND APPLICATIONS**

04/27

Technology Today (WEBCAST)

\[\text{AD/L, SK/1} \]

\$351/$261

05/01

Apparel & Textile Breakfast Conference (WEBCAST)

\[\text{SK/3} \]

\$255/$325

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\[\text{AD/L, SK/1} \]

\$351/$261

05/01

Apparel & Textile Breakfast Conference (WEBCAST)

\[\text{SK/3} \]

\$255/$325

**ROCHESTER**

**AUDITING**

05/10

How to Prepare for Your Peer Review

This session will help practitioners manage the anxiety and prepare for peer reviews administered under the New Mandatory Quality Review law.

\[\text{FAE Conference Center} \]

\$55/$80

05/15

Government Accounting and Auditing Conference (WEBCAST)

See course listing under Accounting.

05/15

Government Accounting and Auditing Conference (WEBCAST)

See course listing under Accounting.

**SUFFOLK**

**AUDITING**

05/05

401(k) Employee Benefit Plan Update

This course offers an annual update of the changes affecting 401(k) plans and includes a description of common mistakes as noted in peer reviews and Department of Labor inspections. Auditors will benefit from real-world examples and techniques applicable to various audit engagements.

\[\text{Sheraton Long Island Hotel} \]

\$200/$300

05/15

Government Accounting and Auditing Conference (WEBCAST)

See course listing under Accounting.

05/15

Government Accounting and Auditing Conference (WEBCAST)

See course listing under Accounting.

**NORTHEAST**

**ACCOUNTING**

06/15

Government Accounting and Auditing Conference

\[\text{AC/3, AU/5} \]

\$355/$465

06/15

Government Accounting and Auditing Conference (WEBCAST)

\[\text{AC/3, AU/5} \]

\$255/$355

**FOR MORE INFORMATION ABOUT FAE PROGRAMS, VISIT**

www.nysscpa.org or call 800-537-3635.
PROFESSIONAL OPPORTUNITIES

NASSAU COUNTY / NEW YORK CITY CPA FIRM

Established firm with offices in NYC and Long Island, which has successfully completed transactions in the past, seeks to acquire or merge with either a young CPA with some practice of his own or a retirement-minded practitioner and/or firm. Call partner at 516-328-3800 or 212-576-1829.

Syracuse NY CPA firm has available space and staff for possible merger/ acquisition of retiring CPA. mke@ebcpa.biz or 315-474-3986.

Not interested in going through peer review? Midsize firm in Midtown is available to relieve your burden by acquiring your attestation clients. Escaperj@aol.com.

CPS Firm Seeks to purchase small write-up practice in Metro NY area. E-mail: sdpca ymail.com.

Rockenfeller Merill, Bergen County’s largest independent accounting firm, wants to expand to New York City practice and is seeking merger/acquisition opportunities in Manhattan. Ideally, we 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 SIC six practice would be a plus. Contact Lance Merill at lmillman@ms-cpas.com, 201-487-8383, to further discuss the possibilities.

SITIATIONS WANTED

Melville, Long Island CPA firm seeking to acquire practice of retirement minded professional whose practice includes tax, compilations and reviews, and bookkeeping services. Contact steve@stevenscpa.com or (631) 395-6430.

Looking to make this busy season your last? Full service LI CPA firm poised to assist retirement minded professional in transition and acquisition of practice. Extensive experience in tax and financial statement reporting will facilitate continuity for your clientele. Principals only, no brokers please; leave name, email and phone number. Contact: Elitecpas@gmail.com.

OVERTAXED & OVERWORKED? Let SL Tax Consulting LLC assist with compliance, review, research, planning and audits. Expertise in Federal and multi-state corporate income, franchise, sales, use and other business taxes. Owned by a CPA with over 30 years of tax experience. Reasonable professional rates. Contact: SLTaxes@optimum.net or (909) 692-6709.

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