Society approves FASB plan to better define investment, real estate companies

By CHRIS GAETANO
Trusted Professional Staff

A pair of proposed accounting standards updates released by the Financial Accounting Standards Board would, among other things, clarify the definitions of an investment company and a real estate investment entity have received support and recommendations from the NYSSCPA.

With the proposed accounting standards update, Financial Services—Investment Companies (Topic 946): Amendments to The Scope, Measurement, and Disclosure Requirements, the FASB revised the definition of an investment company and provided specific guidance for real estate entities that would more accurately reflect the characteristics of investment companies, as well as improve the comparability of investment company financial statements with those prepared according to International Financial Reporting Standards.

The draft proposes changes to what information investment companies disclose and how they do so, and also proposes a framework to determine whether an entity counts as an investment company. The Society responded to the proposal with a comment letter submitted on Feb. 10.

“The whole, were in agreement with the board’s proposals,” said Craig Goodman, a member of the NYSSCPA’s Financial Accounting Standards Committee and one of the letter’s principal drafters. “We did feel there were some certain aspects that needed additional clarification.”

The FASB’s goal was to develop “consistent criteria for determining whether an entity is an investment company,” an important because investment companies carry all their investments in operating entities at fair value, even if they hold a controlling financial interest in the investee, according to the proposal.

The Society sought more clarity about what, specifically, constitutes “controlling financial interests” for the purposes of the standard, since the proposed rules would require investment companies with

See FASB on page 13

New York Daily News

The long-running New York Daily News tax panel continued to put up impressive numbers, as the 35 participating members answered more than 1,000 calls during a three-day span from March 20 to 22. Members from several areas, including the Manhattan/Bronx Chapter, participated and worked in three-hour shifts.

“This year’s Daily News Tax Hotline was a smashing success,” Daily News business reporter Phyllis Furman said. “More than 1,000 New Yorkers turned to the annual event and were treated to top-notch, free advice from the Society’s 35 volunteers. We provided a true value to our readers, and they were very grateful.”

Furman attended the tax panel each day to write an article for the next day’s edition. Members manned the busy phone lines in the Daily News’ new office in lower Manhattan from 10 a.m. to 4 p.m., with no fewer than three members on call at any time. In what became a theme for many of the tax

Continued on page 18

Society, state work together to improve CFR system

By CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA and New York state are working together to examine the consolidated fiscal report, a standardized form used by service providers that receive state dollars to report their expenses and revenues. The state hopes to identify ways to improve the reporting and auditing of annual costs associated with organizations that utilize public funds.

The Society was invited last June to partner with the state government’s Consolidated Fiscal Report Interagency Committee—a coalition of governmental funding organizations that utilize CFR to collect cost and revenue information from their providers—and work to improve the CFR document and its handling by its associated professionals.

In response, the Not-for-Profit Organizations Committee appointed the 12-member CFR Subcommittee, chaired by committee member David M. Rotkamp.

The CFR Interagency Committee is composed of the Office for People with Developmental Disabilities, the Office of Mental Health, the Office of Alcoholism and Substance Abuse Services, and the New York State Education Department, all of which receive the CFR from service providers.

Joanne Howard, the director of rate setting at the OPDD and a member of the interagency committee, stressed that the state government has been working to improve the CFR since it was first created in 1986. Recently, an incident where a provider structured its CFR reporting to unfairly maximize reimbursement from the state prompted the interagency committee to take a formal look at the CFR.

Howard said that the interagency committee fee that the CFR is a good document, and that most of the reporting is accurate.

“We do feel there is room for improvement and we really look to heighten the quality of the documents that we’re receiving,” she added.

The state reached out to the NYSSCPA to partner in finding ways to change the current CFR process to “achieve a common goal of a better document,” Howard said. CFR data are used by the state to make funding decisions for governmental agencies, so accuracy is
Reflecting on a year of accomplishments

By RICHARD E. PILUSO
NYSSCPA President

This is my last column as your president and, I would like to thank each and every member for giving me the honor and privilege to serve these past two years as your President-Elect and as your President. It certainly has been a challenging and rewarding experience for me and, I would like to take this opportunity to let you know some of the things that we have accomplished on your behalf this past year. By we, I mean the leadership of the Board of Directors and Executive Committee, the staff of the NYSSCPA under the great leadership of Joanne S. Barry our Executive Director, the 1,800 members of committees who work so hard to provide service to all our members, the wonderful dedicated members of several task forces I appointed, all the members who showed up at our town hall meetings and gave us their thoughts on what we are doing right, and where they believe the Society can provide additional value to members and, the many managing partners who came to our special meetings and provided their sagacious input into our processes that we strive to provide all our members with great value for their memberships dues.

Following are some of the things that we accomplished this past year on your behalf.

Mobility – In late fall, the Governor signed legislation that we strongly supported. Cross-border practice mobility allows New York CPAs to practice across state lines without having to go through a lot of red tape and obtaining reciprocal licenses in those states in which they have expanded their practices.

Advocacy – I expanded our legislative endeavors in Albany by changing the composition of our legislative task force. This effort has already begun to show positive results and it is my sincere hope that this effort will continue under future presidents so that our legislators in Albany will continually recognize that your Society acts in the interests of all of New York CPAs, which makes a powerful voice in responsibly commenting on proposed and existing legislation and regulations.

Education – During this year, our Executive Director and Executive Committee of the Board of Directors worked with the Trustees of the Foundation for Accounting Education (FAE), developed and is implementing a new business plan for FAE. The new business plan is designed to provide for modern delivery methods and curriculum for continuing professional education on a more economic and convenient basis for our members.

Task Forces – This year I appointed several task forces that are currently working to address some of the challenges facing our profession. Among these task forces is one to address governance issues for non-profit organizations and a diversity task force that will identify the current status and future programs to help insure that our great diverse citizenry not only joins our profession but aspires and ascends to the leadership in our profession.

Private Companies Accounting Standards – In January of 2011, a Blue Ribbon Panel organized by our leading national accounting standards setters issued a report with several recommendations for standards for private companies. This is such an important issue that I polled our membership to get their opinions on these recommendations. That resulted in me responding to the recommendations in a letter to the Financial Accounting Foundation (FAF). Subsequent to that, I further organized a task force of several of the most technically competent members who currently serve our Society and together, we crafted a second response to the (FAF) Report on the aforementioned Blue Ribbon Panel’s recommendations.

Although, as of this writing, the FAF has not issued a final determination on those recommendations, one result of these activities has been a newfound relationship with the FASB. We have formed a much greater respect for the efforts of the FASB and believe that we are one of the respected organizations whose responses to proposed standards are very well considered by the FASB.

Non-CPA Firm Ownership – This is an issue which may soon be taken up by the New York Legislature. Because this is such an important issue I felt compelled to once again poll the members of our profession especially, the managing partners of firms of all sizes. The result of this was a great deal of passion on both sides of the issue. In discussing the result with our Executive Committee, we decided that the Society would, for now, remain neutral as to taking a position on this issue. I am certain however, that if and when a bill addressing this issue is introduced to our legislative bodies in Albany, we will comment on what we believe to be the positives and negatives of the specific provisions of the bill.

Mandatory Quality Review – Recently, the state’s Quality Review Oversight Committee named the NYSSCPA as a sponsoring organization for administering and overseeing a program of Mandatory Quality Review as a part of the most recent accounting law enacted in 2009. As such we have initiated programs of education and actual reviews for all New York CPA firms that are now required to have this triennial review.

Membership – As a result of a great deal of effort on the part of Society leadership, staff and the Membership and Membership Benefits Committees, I am pleased to tell you that the NYSSCPA is one of only a few societies that has increased its membership ranks over the past two years. This is obviously a great source of satisfaction and pride on the part of all of us who have made this effort. However, it is still incumbent upon all of you, our members, to let members know about the benefits and value of being a member and especially the many benefits we have for members only.

In conclusion, let me reiterate what a pleasure it has been for me to serve as your president and also to remind you of a couple of things: I encourage you to enhance your value to yourself and to all CPAs by participating in the governance of your Society and participating actively in the many programs offered to you; I urge you all to attend town hall meetings in order to have your voice heard as to what you think is good and bad about our Society and our profession and, I also urge you to write to the leadership about your opinions on all issues; and lastly, I ask that each and every one of you immediately make a contribution to our Political Action Committee (CPACP). This is easily done by going to the NYSSCPA website and clicking on the CPACP logo in the upper right hand corner of the home page. While we recommend a contribution of $50, if every member gave just $10 that would help a great deal. I assure you that you cannot spend a small amount any better way to enhance your own career and that of all New York CPAs. Remember almost every piece of legislation affects you either directly or indirectly by affecting your clients and employers and, you will benefit immensely by supporting your voice in Albany.
We have an income tax, a sales tax, we have business taxes, we have property taxes, and in some cases we have a corporate tax. As Robert L. Megna, the budget director of New York State, has said, we are very sensitive to the economy. Our costs are going to go up, and we need to find a way to keep spending under control, and then we need to find a way to keep the state operating fund spending under control. So, what's the process like, and the overall state of New York's financial situation.

Congratulations on the on-time budget. How do you think that the governor was able to achieve consensus on the budget so easily when other states have been in difficulties?

It's been two years in a row [that we've passed an on-time budget], which we think is great. I think a lot of it is due to the very basic, fundamental decisions that the governor made last year to reform the process by getting rid of unreasonable growth assumptions in the budget, and formulas that were leading to current service spending that was not sustainable. A lot of the reforms done last year led us down a good path for this year, so it was a very simple, straightforward, efficient budget. It embodied all the reforms the governor put in place last year with respect to caps on Medicaid growth, based on the average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index, and in education, where we pegged primary and secondary education spending to personal average of the medical price index.
The IRS is being asked to collect more tax revenue with fewer resources at its disposal, creating a more challenging environment for IRS staff, as well as taxpayers and their advisers, said a panel of senior IRS personnel during a Jan. 18 discussion hosted by the NYSSCPA Relations with the IRS Committee. The meeting was part of an ongoing dialogue between the Society and the IRS about the role of tax preparers in the IRS’s tax code compliance and enforcement efforts.

“Tell us what we can expect from you and what you expect from us,” committee member Robert L. Goldstein told the panel. “Let us know how we can best work together.”

The discussion featured updates and insights from several IRS representatives about field examinations, correspondence audits, collections, taxpayer advocacy, and gave committee members an opportunity to pose questions about issues they have faced in practice.

Field examination

“The tax gap continues to rise,” and that’s one issue driving the agenda for the IRS Examination Division, said Gerald Werkman, an IRS field examiner. The tax gap grew from an estimated $290 billion in

Upcoming Industry Committee Meetings

<table>
<thead>
<tr>
<th>Committee</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>Thurs., June 7</td>
</tr>
<tr>
<td>Chief Financial Officers</td>
<td>Thurs., May 24</td>
</tr>
<tr>
<td>Construction Contractors</td>
<td>Thurs., May 17</td>
</tr>
<tr>
<td>Entertainment, Arts and Sports</td>
<td>Wed., May 9</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>Wed., May 30</td>
</tr>
<tr>
<td>Investment Companies</td>
<td>Thurs., May 17</td>
</tr>
<tr>
<td>Investment Management</td>
<td>Tues., May 1</td>
</tr>
<tr>
<td>Media and Publishing</td>
<td>Mon., May 14</td>
</tr>
<tr>
<td>Private Equity and Venture Capital</td>
<td>Wed., May 30</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Wed., May 2</td>
</tr>
<tr>
<td>Small Business Outreach</td>
<td>Tues., May 15</td>
</tr>
</tbody>
</table>

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.

Upcoming Industry Conferences

<table>
<thead>
<tr>
<th>Conference</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel &amp; Textile Breakfast Conference</td>
<td>May 1</td>
</tr>
<tr>
<td>Broker/Dealer Conference</td>
<td>May 9</td>
</tr>
</tbody>
</table>
Members react to President’s corporate tax rate reform plans

By CHRIS GAETANO

T

The Trusted Professional Staff

uch has been written about President Barack Obama’s prop-
posal, released back in February, which would lower the corporate in-
terest tax rate from its current statutory rate of 35 percent to 28 percent, a shift that would be balanced by closing certain loopholes and ending some subsidies. But what do NYSSCPA members think?

“If they can level the playing field and remove the complications, and make it more attractive to retain business, I think it’s a good idea,” said Paul Dailey, chair of the Closely Held and S Corporations Committee. A complex tax system also makes the United States look like a less attractive place to do business, and a simpler tax system that requires less knowledge to navigate effectively may not only help local businesses but also encourage foreign investment, he said.

The president said the changes would put the U.S.—which has one of the highest statutory corporate income taxes in the world—more in line with how other countries handle corporate income taxation, and would also put the U.S. statutory rate in line with those of our trading partners.

Obama called the current system overly complex, expensive for the government to enforce, and one adds a significant compliance burden on businesses that may not know the best way to navigate the system—largely because many corporations take advantage of numerous loopholes and subsidies to effectively lower the high statutory tax rate.

Bringing business home

Some of the president’s proposals would encourage more domestic investment from U.S. companies that do business overseas. Under the proposal, income earned by overseas branches of U.S. companies would be subject to a minimum tax rate, as a disincentive to move profits offshore. The measure would present a significant change in how companies approach international tax planning.

According to Paul Dailey, past chair of the International Taxation Committee, many domestic and foreign corporations doing business in the U.S. are able to minimize their effective tax rate—sometimes to the point of owing no federal taxes—through the use of legal transfer pricing methodologies, often citing “significant net operating losses.” Introducing a minimum tax, even in the face of significant net operating losses, would be a very new concept, Dailey said.

“The concept of a minimal tax would [say that] even though you don’t have taxable income, you have some type of minimal tax in the U.S.,” he said.

The president’s proposal also aims to “close up the international tax code” by requiring interest expenses attributable to overseas investments to be taxed in the U.S. before deductions are applied, according to the Treasury.

This measure would mostly affect highly leveraged foreign subsidiaries of U.S. corporations, said Dailey.

The president also proposed eliminating all tax deductions that encourage companies to move their operations abroad, and creating a 20 percent income tax credit for the expenses incurred by companies that move operations back into the U.S.

However, Dailey said he wouldn’t expect the tax credit to determine where companies set up their operations, as businesses are more likely to make decisions based on minimizing costs and maximizing profit than on the tax benefits they may receive.

Closing loopholes

The administration summarized its goals for tax reform as improving transparency by reducing the gap between book income, which is reported to shareholders, and taxable income, which is reported to the IRS. Such a change could preclude greater disclosure of annual corporate income tax payments, according to the Treasury.

Among the tax subsidies and loopholes the President has proposed cutting is “last-in, first-out” accounting, which assumes that the cost of items sold is equal to the cost of items most recently purchased or produced, allowing some businesses to “artificially lower their tax liability,” said the Treasury.

Michael L. McDonald, vice chair of the C Corporations Committee, said that the impact of such a measure would vary largely by industry, as some companies, such as car dealerships, use LIFO accounting all the time, while others seldom use it.

“There are always going to be winners and losers and, with LIFO, I think the car dealership would be a major loser, so you’d expect their lobby to fight very hard,” said McDonald. Doing away with LIFO would also clear one of the remaining hurdles to IFRS implementation.

The president’s proposal would tax carried interest as ordinary income, preventing managers in partnerships, as well as those who manage private equity and venture capital funds, from paying the capital gains rate on labor income in an “inappropriate” way.

Funds managers are generally paid through fund growth, which is treated as a capital gain so long as these gains are held long-term, “which it generally is,” said Jonathan D. Schmelz, past chair of the Taxation of Financial Instruments and Transactions Committee.

“If they’re going to be a very big tax hit for them,” Schmelz said. “And there’s always the question, from a public policy perspective—when you create those types of tax rates, are you just de-incentivizing people from investing in investment activity?”

Shifting carried interest to ordinary income could have a chilling effect on the industry, he said.

Michael Patenella, chair of the Private Equity and Venture Capital Committee, said the move might also create a cash flow impact on funds, as money managers would simply have less income, leading them to take one of two options.

“They can increase the cash flow by taking additional dollars from the management companies, or simply spend less,” Patenella said.

The concept of a minimal tax would [say that] even though you don’t have taxable income, you have some type of minimal tax in the U.S.

Paul Dailey, International Taxation Committee past chair

Among the tax subsidies and loopholes the President has proposed cutting is “last-in, first-out” accounting, which assumes that the cost of items sold is equal to the cost of items most recently purchased or produced, allowing some businesses to “artificially lower their tax liability,” said the Treasury.

The concept of a minimal tax would [say that] even though you don’t have taxable income, you have some type of minimal tax in the U.S.

Paul Dailey, International Taxation Committee past chair
Continued from page 1

the CFR's appendix does not allow for alter-

aware of allocation misreporting. The sub-

mittee discussed and followed up with the

state on, Rottkamp said.

receives correct information on these cost

extremely important to ensure that Albany

recommendations. Once the various agencies

given, they have gone over them, the next step would be

allocate and report expenses at the end of the year.

That the CFR has an annual shortcoming or rate sheets, or a year-end “true-up” after 12

months of estimates, especially since many

smaller agencies use journal entries to allocate

expenses and don’t have an elaborate account-

and some adjusting entries need extra attention from CPAs if they contain a large degree of

change from the previous entry,” said Howard. The

subcommittee noted during its Jan. 23

meeting that there could be many reasons for year-end journal entries, such as late contracts

or rate sheets, or a year-end “true-up” after 12

months of estimates, especially since many

smaller agencies use journal entries to allocate

accounting policies, and that they should

describe and detail what nonallowable costs

are and how they can be identified throughout the

year, as well as offer enhanced training at the

provider and CPA level.

Rottkamp said that the state and subcom-

mittee also discussed that some of the CFR

reporting is inconsistent with U.S. Generally

Accepted Accounting Principles particularly

with regard to defined benefit pension plan

reporting, related-party disclosures and SED

requirements regarding nondirect care com-

pensation.

While there will probably be some changes

made to the CFR document itself, Rottkamp

said the effort to improve CFR filing and

auditing would place a heavy emphasis on training practitioners and providers on proper

procedures, and impress upon people the

importance of an accurate cost report for the

state. The focus will be on quality, he said.

“If you don’t have quality at the beginning,

what you get out of it won’t be quality. And

then [you] rely on your auditors to be the

group that finds everything and that’s not

what our role should be. Our role is to audit

in accordance with the guidelines.

David M. Rottkamp, CFR Subcommittee chair
The NYSSCPA thanks the Society’s principal comment letter drafters for their time, expertise and dedication to excellence this past year. Through their efforts, we are able to participate and have a voice in the processes that so greatly affect our profession and the public. We thank the principal drafters listed here and hope that their provision offers an example to others to make a contribution for the benefit of us all.

Richard E. Piluso
NYSSCPA President

Comment Letter Principal Drafters

Michele B. Amato
Robert W. Berliner
Yves Blain
Christina K. Catalina
Salvatore A. Collemi
Vincent J. Costena
David daSilva Jr.
J. Roger Donovan
Deepak K. Doshi
Robert A. Dyson
Sharon Sabha Fierstein
Melissa S. Gillespie
Jo Ann Golden
Fred R. Goldstein
Craig T. Goodman
Alan W. Greenfield
David H. Grumer
Abraham E. Haspel
Elliot L. Hendler
Jan C. Herringer
Jonathan M. Horn
Edward P. Ichart
Julian E. Jacoby
Elliot A. Lesser

Technical hotline volunteers

The NYSSCPA wishes to extend its thanks to all committee technical hotline volunteers who have so freely given their time to serve their fellow members during this busy year. The technical hotline, which exists in order to assist practitioners with their professional issues and questions, has grown into an efficient service and a valuable member benefit because of the contribution and commitment of the committees and their hotline volunteers. It has only been successful through their support. Those interested in serving as volunteers for the technical hotline should contact their committee chairs for more information.

Accounting and Auditing Division

Accounting & Review Services
Jay H. Goldberg
Auditing Standards
Fred R. Goldstein
William J. Prue
Financial Accounting Standards
J. Roger Donohue
Fred R. Goldstein
Robert M. Rollmann
Margaret A. Wood
International Accounting & Auditing
Richard C. Jones
SEC Practice
Jeffrey M. Brinn
Henry G. Clark
Arthur J. Radin
Technology Assurance
Yigal Rechtman

Consulting Services Division

Anti-Money Laundering and Counter Terrorist Financing
Robert L. Goecks
Alan W. Greenfeld
Jeffrey Sklar
Bankruptcy and Financial Reorganizations
Marlene H. Rabinowitz
Michaella J. Menzel
Lee G. Zimet
Business Valuation
Mark Greene
Information Technology
Mark E. Forte
Litigation Services
Mark Lennon
David S. Zweighaft

Industry Division

Agr Business
Marsha M. McGrath
Apparel & Textile
Lori E. Drucker
Banking
Christopher G. Cahill
Chief Financial Officers
David M. Rubenstein
Construction Contractors
David Freda
Entertainment & Sports
Andrew B. Blackman
Family Office
Lawrence E. Krauss
Hospitality Industry
Steven B. Chatwin
Internal Audit
Anthony S. Chan
Media and Publishing
Erin Scantlon
Private Equity and Venture Capital
Michael C. Patanella
Real Estate
Abraham E. Haspel
John C. Guttilla
Daniel G. Rosenberg
Franz M. Walter
Stock Brokerage
John C. Guttilla
Gary R. Purwin

Practice Management Division

Large and Medium-Sized Firms Practice Management
Bernard M. Holand
John R. Repetti
Small Firms Practice Management
Samuel D. Katz
Jerry J. Kling

Public Sector Division

Government Accounting & Auditing
Gregory Driscoll
Michele M. Levine
Health Care
Kathleen Angelone
Bernard Grotell
Lawrence J. Kramer
Morris Shoretz
Higher Education
Ronald J. Huellner
Not-for-Profit Organizations
David C. Ashenkar
Kenneth J. Gralak
Jeffrey R. Haber
Theodore Kravitz
Ellen M. Labita
Public Schools
Alan S. Walther

Tax Division

C Corporations
Stu H. Chan-Lui
Dylan D. Jeng
Charles N. Morrow
Closely Held & S Corporations
Stewart Berger
David S. Gibson
Sydney S. Traum
Employee Benefits
Joseph P. Abhyt
Barbara G. Josefowicz
Joseph E. Manfre
Manhwa C. Eum
Avery E. Neumar
Estate Planning
Robert S. Barnett
Tamir Dardashtian
Eugene L. Stoler
Ivan R. Taub
Exempt Organizations
Nancy Blume
Martin S. Cantor
Paul E. Hammerschmidt
Trust and Estate Administration
Eugene H. Fleishman
Anna T. Kornyczki
James B. McEvoy
Michael Radgeare

Relations with the Internal Revenue Service
Joel B. Steinberg
Joel D. Rothstein
International Taxation
James P. Booth
Ronald Carlen
Cristina N. Wolff
New York, Multistate and Local Taxation
Stewart Buxbaum
Michael J. Buxbaum
Roger S. Blane
Bruce E. Coben
Mitchell Eichen
Richard L. Feldman
Chaim V. Kofinas
Adam Lambert
Mark H. Levin
Alan J. Preis
Ruth A. Sagit Betz
Robert L. Steele

Partnerships and LLCs
Mark R. Inowzow
Charles Tropiano
Taxation of Financial Instruments and Transactions
Michael C. Nader
David S. Ustracht
Taxation of Individuals
Joseph V. Falanga
Henry A. Gurits
Ira H. Inemer
Joseph B. Sesay
Jeffrey Zakoff
Taxation of Mergers & Acquisitions
James T. Kantor
Vikas Sekhri
Charles Tropiano
Trust and Estate Oversight Committee
Eugene H. Fleishman
Anna T. Kornyczki
James B. McEvoy
Michael Radgeare

The NYSSCPA wishes to express its gratitude to its outgoing committee chairs. Many of the Society’s accomplishments are achieved through its committees. The leadership, dedication and commitment of these committee chairs contribute not only to our members, but to our profession as well. We thank the following chairs whose terms end in May 2012.

Rita M. Piazza
Accounting and Auditing Committee
Anchin Block & Anchin LLP
Lee G. Zimet
Bankruptcy and Financial Reorganizations Committee
The Commonwealth Fund
Neal J. Berkowitz
Chief Financial Officers Committee
C.B.I.S.
Edwin B. Morris
Closely Held & S Corporations Committee
Condon O’Meara McGinty & Donnelly LLP
Joseph Barreca
Exempt Organizations Committee
Conrad E. Massey, CPA
Jeffrey R. Haber
Not-for-Profit Organizations Committee
The Trustee of The Vanderbilt University
Mark B. Rubin
Family Office Committee
FTI Consulting Inc.
Patricia A. Johnson
Higher Education Committee
Canisius College
Michael F. Rosenblatt
Instruments and Acquisitions Committee
Canisius College
Vikas Sekhri
Partnerships and LLCs Committee
Canisius College
David S. Untracht
Stock Brokerage Committee
C.B.I.S.
Jeffrey R. Haber
University Valuation Committee
C.B.I.S.
James B. McEvoy
Transactions Committee
C.B.I.S.
Mark E. Forte
Not-for-Profit Organizations Committee
The Commonwealth Fund
Michele M. Levine
Not-for-Profit Organizations Committee
The Commonwealth Fund

Committee Chairs

Rita M. Piazza
Accounting and Auditing Committee
Anchin Block & Anchin LLP
Lee G. Zimet
Bankruptcy and Financial Reorganizations Committee
The Commonwealth Fund
Neal J. Berkowitz
Chief Financial Officers Committee
C.B.I.S.
Edwin B. Morris
Closely Held & S Corporations Committee
Condon O’Meara McGinty & Donnelly LLP
Joseph Barreca
Exempt Organizations Committee
Conrad E. Massey, CPA
Michael F. Rosenblatt
Instruments and Acquisitions Committee
Canisius College
Vikas Sekhri
Partnerships and LLCs Committee
Canisius College
David S. Untracht
Stock Brokerage Committee
C.B.I.S.
Jeffrey R. Haber
University Valuation Committee
C.B.I.S.
Mark E. Forte
Transactions Committee
C.B.I.S.

New York state takes fresh look at use tax

By RICHARD J. KORETO
Trusted Professional Correspondent

In tax forms and guidance, they’re usually paired: “the sales and use tax.” But the “use tax” tends to be the forgotten sibling—difficult to track and pay, with rules that consumers are not familiar with. But New York, like many states looking to collect every dime owed, is trying to change that.

As noted on the Department of Taxation and Finance website, the use tax “is a tax imposed on taxable items or services used in New York when the sales tax has not been paid.” More specifically, the Department of Taxation and Finance updated its use tax guidance for businesses and for individuals in March to clarify who has to pay the use tax, and when.

For individuals, the department has provided several examples of when use tax is owed:

• You take your stereo equipment to Connecticut to be repaired. After it has been fixed, you bring it back to New York to use it in your home. You owe use tax on the repair service.
• You contract with an out-of-state company to provide you in your home in New York with stock market analysis reports. No New York sales tax was collected. You owe use tax on the amount you paid for the reports.
• You purchase a set of golf clubs that are delivered to your home in New York. You owe New York State and local use tax on the purchase.
• While on vacation in Myrtle Beach, S.C., you purchase a surfboard that you plan to use in your home. You owe use tax on the amount you paid for the surfboard.

For businesses, the department has provided several examples of when use tax is owed:

• You bring it to New York to use it in your home. You owe use tax on the purchase.
• Businesses also have to account for their use tax—but it’s done differently, said Mark L. Stone, a member of the Nassau Chapter State and Local Taxation Committee and a frequent presenter on sales and use tax issues.

New York’s ‘no fuss’ solution

Mark L. Stone, a member of the Nassau Chapter State and Local Taxation Committee and a frequent presenter on sales and use tax, noted that “if you owe sales or use tax, you may report the amount you owe on your personal income tax return rather than filing Form ST-140.” There are exceptions, however, as noted below.

New York’s ‘no fuss’ solution

New York’s ‘no fuss’ solution

Many states are addressing the use tax problem by asking retailers to provide lists of customers they can then pursue, said Stone, but that has not been New York’s approach. Rather, New York has been pushing “use tax” items into the “sales tax” category where they’re easier to track. For example, it decided to expand the definition of “nexus” so it becomes more likely that online retailers like Amazon have a nexus in New York and thus must collect sales tax.

“These are tough remote seller rules,” said Stone, who said that the state’s efforts to categorize Amazon as a New York state store have been upheld by the courts. Considering the difficulty of collecting a use tax on every $14.99 book sold on Amazon in New York, classifying Amazon, or any other online retailer, as a New York store is a much better deal for the state.

Additional information and links to relevant use tax forms for individuals and businesses (even those not filing sales tax returns) are available at tax.ny.gov/pubs_and_bulls/publications/sales_pubs.htm.

CCH TaxAware Center Is Free for Members!

Stay Up-to-Date and Stay Informed with TaxAware Center!

CCH TaxAware Center

CCH TaxAware Center provides access to daily tax updates, current developments, tax journals, and related publications on a single online platform. This members-only resource will keep you fully aware of what’s happening in the world of federal, state, and international taxation, so that you can be as informed and competitive as possible.

Any one of these TaxAware Center products is worth the cost of an NYSSCPA membership, and the total value of this member benefit far exceeds it. But as a member, you get unlimited 24/7 access to all of them!
Society: More exchange between auditor, audit committee is ‘the right direction’

By CHRIS GAETANO  
Trusted Professional Staff

T

he NYSSCPA supports the overall push to expand on how auditors and audit committees communicate, but sought clarification or revision on a number of specific points in a recent Public Company Accounting Oversight Board’s proposal.

In a comment letter published Feb. 28, the NYSSCPA responded to PCAOB Release No. 2011-008, Proposed Auditing Standard Related to Communications with Audit Committees, Related Amendments to PCAOB Standards, and Transitional Amendments to AU Sec. 380, a document released on Dec. 30, that proposes changes to the way auditors and audit committees communicate. The Society’s letter was authored by members of the Auditing, Stock Brokerage and SEC Practice committees.

The proposal would require auditors to communicate far more extensively with audit committees. For example, auditors and the audit committee would agree to a mutual understanding of the engagement, which would be recorded in the engagement letter and signed by the appropriate parties.

Under another proposed change, auditors would be required to communicate their overall audit strategy, including significant identified risks, and let the audit committee know about any changes to the planned strategy throughout the engagement.

Additionally, under the proposal, auditors would need to tell the audit committee about any other public accounting firms involved in the audit, difficult or contentious matters that come up during the course of the audit, significant unusual transactions, and the basis on which the auditor believes that they can serve as principal auditor.

The standard would apply to audits of broker-dealers under the separate proposed rule, “Related Parties.” The rule would make PCAOB standards apply to audits of broker-dealers. Currently, AICPA auditing standards are used. The comment period for this rule ends May 15.

Robert N. Waxman, one of the letter’s principal drafters and a member of the Auditing Standards Committee, said that the resistance is an improvement from a previous version of the same proposal. “It’s a step in the right direction to what’s been called ‘effective two-way communications.’”

— Robert N. Waxman, Auditing Standards Committee member

“it’s a step in the right direction to what’s been called ‘effective two-way communications.’”

The following list includes all comment letters released by the NYSSCPA between March 1 and April 23, 2012. To read all comment letters published by the NYSSCPA, visit www.nysscpa.org/page/society-comment-letters.

**FASB**

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.

**IRS**

Comments to the IRS on Proposed Regulations: REG-130302-10—Reporting of Specified Foreign Financial Assets

Released March 19 - Comments on temporary regulations relating to the requirement that individuals attach a statement to their income tax return to provide required information regarding foreign financial assets in which they have an interest.

Comments on IRS Notice 2011-101—Transfers by a Trustee From an Irrevocable Trust to Another Irrevocable Trust (Sometimes Called “Decanting”)

Released April 19 - Comments regarding when (and under what circumstances) transfers by a trustee of all or a portion of the principal of an irrevocable trust (distributing trust) to another irrevocable trust (receiving trust), that result in a change in the beneficial interests in the trust, are not subject to income, gift, estate or generation-skipping transfer taxes.

**ARE YOU LOOKING FOR THAT PERFECT MERGER AND ACQUISITION OPPORTUNITY?**

We are working with small, medium and larger firms that are open to considering merger or acquisition.

Why not explore some of the unique partner compensation, equity and capital models that are quite compelling?

It never hurts to talk. Call or write Robert or Phil.

**Your Practice Growth Advisors**

Robert S. Fligel, CPA | RF RESOURCES LLC  
T 212.490.9700 | fligelrf@resources.com | www.rf-resources.com

Philip J. Whitman, CPA | WHITMAN BUSINESS ADVISORS LLC  
T 212.983.0035 | pw@whitmanbiz.com | www.whitmanbiz.com

M&A + Partner Search Advisor

check out our national affiliation with www.ericksonsuccessionpartners.com

for your succession planning needs
Connect with the NYSSCPA on LinkedIn

By AMI OLSON
Trusted Professional Staff

In the last few weeks, a few thousand Society members across the state were able to participate in private, professional discussions with other members—ranging from marketing for accountants, cloud computing and networking techniques, to income taxes and auditor rotation—view and post CPA job listings, and promote services and events to fellow Society members, all online. These conversations and interactions are taking place in a web-based, members-only forum: the NYSSCPA LinkedIn Group.

By the end of April, nearly 2,200 Society members had already joined the NYSSCPA LinkedIn Group, an online portal to accounting-related discussions, job listings, promotions and networking that is accessible only to Society members. Access to the group is free and open to any Society member with a LinkedIn account.

If you’re already using LinkedIn, finding and joining the NYSSCPA group is quick and easy. For members who don’t already have a LinkedIn profile, registering an account is free and simple. LinkedIn is a social network that focuses on educational and career connections, utilizing a résumé-like profile to help users connect with potential clients, employers, colleagues and peers. Members of the NYSSCPA’s LinkedIn Group are able to start discussions and polls, comment on other users’ posts, connect to NYSSCPA members, and view and post job openings and promotions. To create a free profile, visit linkedin.com.

Whether you are already using LinkedIn or plan to join, here are step-by-step directions for accessing the members-only NYSSCPA LinkedIn Group and making the most of the resources available there.

1- Find the NYSSCPA LinkedIn Group, and request to join

From your LinkedIn home screen, type “New York State Society of CPAs” in the search bar at the top right corner of the page. Click the group name, then click the yellow “Join Group” button. As a group member, you have access to the Discussions, Members, Promotions and Jobs features, each accessed by a separate tab at the top of the group page, beneath the group name.

The NYSSCPA LinkedIn Group is open only to members of the Society, so each new member must be approved by Society staff before joining. New group members are added daily.

If Society staff is unable to verify that you are a member of the NYSSCPA, approval to join the group could be delayed. Consider including your membership ID number, or your maiden or married name (if different from the name you registered with on LinkedIn) when you request to join the NYSSCPA LinkedIn Group so your membership record will be easy to locate.

Take advantage of group buying power

Find out how much you can save with NYSSCPA and Pearl Carroll Personal Lines of Insurance!

Coverage Options:
- Automobile Insurance
- Homeowners & Renters Insurance
- Pet Insurance
- Flood Insurance
- Mobile Home Insurance
- Umbrella Liability Insurance

Underwritten by the United States Life Insurance Company in the City of New York

800.342.6501

www.nysscpainsurance.com
2- Start a discussion

The NYSSCPA LinkedIn Group will automatically open to the Discussions tab. Here, your name and profile photo (if you’ve chosen to have one) will appear near the top of the page, along with an empty text box. To start a discussion with the group, click the text box next to your name and begin typing. You will also have the option of including a link to another website, or including more details in a second text box. Or post a poll by clicking the “Poll” option at the top of the box and asking other group members to weigh in on a question of your choice.

3- Comment to other group members

A great way to connect to other members of the NYSSCPA LinkedIn Group is by commenting or liking their discussions. To “like” a discussion posted by another member, hover over the discussion text until additional icons appear below the text. Clicking “Like” will add your name to the list of other group members who have also liked the discussion. Click “Comment” to leave a comment on the discussion. The “Follow” button will send updates about the discussion to your inbox, depending on your LinkedIn settings. And the “More” option allows you to share the discussion via email, flag a discussion to be moved to the Jobs or Promotions tab, or reply privately to the original poster.

You can also network with other group members using the Members tab. Here, you can search for other group members by name or see a list of other group members.

4- Promote an event, product or service

Do you have an event to advertise, market or otherwise campaign for? The Promotions tab is the place for it. Post details here about an upcoming conference or workshop, promotional codes for discounts, and other relevant information.

5- Post or view job openings

If you’re looking for the next addition to your firm roster or exploring new opportunities for yourself, visit the Jobs tab. Any group member can post details for position openings he or she needs to fill, and potential job seekers already have a connection to anyone posting a job here—you’re both members of the NYSSCPA.

ARE YOU SEEKING A NEW FAST TRACK OPPORTUNITY?

We are working with boutique, entrepreneurial, and other highly successful firms seeking CPAs for:

- **PRACTICE LEADERS** Real estate, entertainment/business management, law firm, and financial services specialties.
- **SUCCESSORS** We have been engaged to find future managing partners at several small and mid-sized firms. Quite often, no capital requirement.
  - Discretion and confidentially are assured.

**THE TIME IS NOW.** Call or write Robert or Phil.

Your Practice Growth Advisors ▼

- **Robert S. Fligel, CPA** | RF RESOURCES LLC
  - T  212.490.9700 | rfligel@rf-resources.com | www.rf-resources.com
  - M&A + Partner Search Advisor

- **Philip J. Whitman, CPA** | WHITMAN BUSINESS ADVISORS LLC
  - T  212.983.0035 | pw@whitmanbiz.com | www.whitmanbiz.com
  - Making Best Practices Even Better

aolson@nysscpa.org
Society to IRS: Clarify foreign income reporting rules

By CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA told the IRS to increase exemptions and penalty thresholds, and insert additional clarification and guidance in a set of regulations concerning the reporting of foreign income which the service has proposed to make permanent. The Society responded to the IRS proposal in a March 19 comment letter drafted by members of the International Taxation Committee, in response to a formal IRS proposal from Feb. 21.

Regulation REG-130302-10, Reporting of Specified Foreign Financial Assets, was adopted by the IRS on a temporary basis after the passage of the Hiring Incentives to Restore Employment Act in March 2010. One of the HIRE provisions required permanent basis. The regulations only after being in one account $1,000—become subject to the proposed regulations that the Society felt needed additional clarification or guidance in a set of regulations, closed on March 19. The regulation draft text did not provide a date for issuance by the Society at nysscpa.org.

The comment period on the proposed regulations closed on March 19. The regulation draft text did not provide a date for the final proposal release. Find this and other comment letters issued by the Society at nysscpa.org/page/society-comment-letters.

cgaetano@nysscpa.org

FAE 2012 Conferences

Featuring Keynote Speaker Benjamin Braffman, JD, LLM, who will share his perspective as a high-profile criminal defense attorney.
Effective April 11, the emergency regulations that implemented the state’s cross-border practice mobility law were made permanent, according to the New York State Office of the Professions.

CPA cross-border practice mobility allows out-of-state CPAs to practice in New York state without obtaining a New York license, registering with the state or paying a fee. For out-of-state CPAs to perform audit or attest services in New York, a practitioner must operate through a New York State Education Department-registered public accounting firm.

The Regents had approved emergency regulations on Oct. 18 in order to comply with the effective date set by the law—Nov. 15, 2011. This most recent action effectively replaces the emergency regulations with permanent regulations, according to the Office of Professions. No changes to the regulations were made.

View the regulations concerning mobility online at op.nysed.gov/prof/cpa/part70.htm#temp.

---

Controlling financial interests in other investment companies to consolidate their investment company subsidiaries.

The FASB is also attempting to clarify what are considered real estate investment entities, through the proposed standards update, Real Estate—Investment Property Entities (Topic 973). Members of the Real Estate and Financial Accounting Standards Boards committee drafted a comment letter in response, also released Feb. 10.

The proposed standard noted that, under current U.S. Generally Accepted Accounting Principles governing property, plant and equipment, some entities that invest in real estate record their properties at cost, while other entities controlled by pension plans record their properties at fair value. The FASB understood the inconsistency to be a problem, and the Society agreed.

“The [FASB] asserted that the accounting rules were not being consistently applied,” said J. Roger Donohue, chair of the Financial Accounting Standards Boards Committee.

Deﬁning a real estate investment entity, according to the FASB, would allow people to apply consistent guidelines for recording their real estate properties on the books. The FASB update would also require investment property entities to have an “exit strategy” to dispose of their real estate property or properties to realize capital appreciation in order to maximize total return, a point for which the Society speciﬁcally voiced support.

“When you have an investment, you buy it with the intent to sell it at some point down the line,” said Donohue.

The FASB comment period closed on Feb. 15. NYSSCPA comment letters can be viewed online at nysscpa.org/page/society-comment-letters.

NYSSCPA Executive Director Joanne S. Barry was named the 2012 Outstanding Association Executive by the New York Society of Association Executives. Barry received the award at the association’s Annual Synergy Awards Luncheon and Celebration of Community Service on April 18 in New York City. The Outstanding Association Executive Award is presented annually to an association executive who demonstrates exceptional qualities of leadership and service in his or her own association, as well as other community professional, civic, charitable and service organizations.

The FASB is trying to provide guidance so everyone is on the same page.

David M. Rottkamp, CFR Subcommittee chair

---

NYSSCPA Executive Director Joanne S. Barry was named the 2012 Outstanding Association Executive by the New York Society of Association Executives. Barry received the award at the association’s Annual Synergy Awards Luncheon and Celebration of Community Service on April 18 in New York City. The Outstanding Association Executive Award is presented annually to an association executive who demonstrates exceptional qualities of leadership and service in his or her own association, as well as other community professional, civic, charitable and service organizations.

The FASB is trying to provide guidance so everyone is on the same page.

David M. Rottkamp, CFR Subcommittee chair

---

Barry named Outstanding Association Executive

By AMI OLSON

Trusted Professional Staff

Effective April 11, the emergency regulations that implemented the state’s cross-border practice mobility law were made permanent, according to the New York State Office of the Professions.

CPA cross-border practice mobility allows out-of-state CPAs to practice in New York state without obtaining a New York license, registering with the state or paying a fee. For out-of-state CPAs to perform audit or attest services in New York, a practitioner must operate through a New York State Education Department-registered public accounting firm.

The Regents had approved emergency regulations on Oct. 18 in order to comply with the effective date set by the law—Nov. 15, 2011. This most recent action effectively replaces the emergency regulations with permanent regulations, according to the Office of Professions. No changes to the regulations were made.

View the regulations concerning mobility online at op.nysed.gov/prof/cpa/part70.htm#temp.

---

FASB

Continued from page 4

---

Barry named Outstanding Association Executive

By AMI OLSON

Trusted Professional Staff

Effective April 11, the emergency regulations that implemented the state’s cross-border practice mobility law were made permanent, according to the New York State Office of the Professions.

CPA cross-border practice mobility allows out-of-state CPAs to practice in New York state without obtaining a New York license, registering with the state or paying a fee. For out-of-state CPAs to perform audit or attest services in New York, a practitioner must operate through a New York State Education Department-registered public accounting firm.

The Regents had approved emergency regulations on Oct. 18 in order to comply with the effective date set by the law—Nov. 15, 2011. This most recent action effectively replaces the emergency regulations with permanent regulations, according to the Office of Professions. No changes to the regulations were made.

View the regulations concerning mobility online at op.nysed.gov/prof/cpa/part70.htm#temp.

---

Barry named Outstanding Association Executive

By AMI OLSON

Trusted Professional Staff

Effective April 11, the emergency regulations that implemented the state’s cross-border practice mobility law were made permanent, according to the New York State Office of the Professions.

CPA cross-border practice mobility allows out-of-state CPAs to practice in New York state without obtaining a New York license, registering with the state or paying a fee. For out-of-state CPAs to perform audit or attest services in New York, a practitioner must operate through a New York State Education Department-registered public accounting firm.

The Regents had approved emergency regulations on Oct. 18 in order to comply with the effective date set by the law—Nov. 15, 2011. This most recent action effectively replaces the emergency regulations with permanent regulations, according to the Office of Professions. No changes to the regulations were made.

View the regulations concerning mobility online at op.nysed.gov/prof/cpa/part70.htm#temp.

---

Barry named Outstanding Association Executive

By AMI OLSON

Trusted Professional Staff

Effective April 11, the emergency regulations that implemented the state’s cross-border practice mobility law were made permanent, according to the New York State Office of the Professions.

CPA cross-border practice mobility allows out-of-state CPAs to practice in New York state without obtaining a New York license, registering with the state or paying a fee. For out-of-state CPAs to perform audit or attest services in New York, a practitioner must operate through a New York State Education Department-registered public accounting firm.

The Regents had approved emergency regulations on Oct. 18 in order to comply with the effective date set by the law—Nov. 15, 2011. This most recent action effectively replaces the emergency regulations with permanent regulations, according to the Office of Professions. No changes to the regulations were made.

View the regulations concerning mobility online at op.nysed.gov/prof/cpa/part70.htm#temp.

---

Barry named Outstanding Association Executive

By AMI OLSON

Trusted Professional Staff

Effective April 11, the emergency regulations that implemented the state’s cross-border practice mobility law were made permanent, according to the New York State Office of the Professions.

CPA cross-border practice mobility allows out-of-state CPAs to practice in New York state without obtaining a New York license, registering with the state or paying a fee. For out-of-state CPAs to perform audit or attest services in New York, a practitioner must operate through a New York State Education Department-registered public accounting firm.

The Regents had approved emergency regulations on Oct. 18 in order to comply with the effective date set by the law—Nov. 15, 2011. This most recent action effectively replaces the emergency regulations with permanent regulations, according to the Office of Professions. No changes to the regulations were made.

View the regulations concerning mobility online at op.nysed.gov/prof/cpa/part70.htm#temp.

---

Barry named Outstanding Association Executive

By AMI OLSON

Trusted Professional Staff

Effective April 11, the emergency regulations that implemented the state’s cross-border practice mobility law were made permanent, according to the New York State Office of the Professions.

CPA cross-border practice mobility allows out-of-state CPAs to practice in New York state without obtaining a New York license, registering with the state or paying a fee. For out-of-state CPAs to perform audit or attest services in New York, a practitioner must operate through a New York State Education Department-registered public accounting firm.

The Regents had approved emergency regulations on Oct. 18 in order to comply with the effective date set by the law—Nov. 15, 2011. This most recent action effectively replaces the emergency regulations with permanent regulations, according to the Office of Professions. No changes to the regulations were made.

View the regulations concerning mobility online at op.nysed.gov/prof/cpa/part70.htm#temp.
Welcome, New NYSSCA Members

New Members who joined the NYSSCA between Feb 17, 2021, and Mar 16, 2022; additional Chapters to come in future issues; names to come!
Private Company Accounting and Auditing Conference

Don’t miss this conference covering a broad range of critical new rules and regulations.

Featuring Keynote Speaker: Barry C. Melancon, CPA, CGMA, President and CEO, American Institute of Certified Public Accountants. Mr. Melancon will discuss the status of the CPA profession and share his views on future trends.

Who Should Attend? CPAs in public practice, including partners, managers, staff members, peer reviewers, and other individuals responsible for preparing, reviewing, or auditing the financial statements of private companies.

Why You Should Attend: Learn about the latest developments in audit, review, and compilation engagements, as well as receive practical guidance in the implementation of new standards.

Thursday, June 21, 2012
New York Marriott Marquis
at Times Square
1535 Broadway, at 45th Street
New York, NY 10036

Conference Information:
Course Code: 25137311 (In-Person); 35137311 (Live Video Webcast)
CPE Credit Hours: 8; 5 hours Accounting; 1 hour Auditing; 1 hour Ethics; 1 hour Specialized Knowledge and Applications
NYSSCPA Member Fee: $385 (In-Person); $285 (Live Video Webcast)
Nonmember Fee: $510 (In-Person); $410 (Live Video Webcast)

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

Why I’m A Member

With 28,000 members, there are 28,000 reasons to belong.

Name: Lynne M. Fuentes, CPA
Joined: 2004
Chapter: Nassau
Current position: Sole Practitioner in Bethpage

Society highlights: Nassau Chapter Newsletter Committee cochair
Hobbies/activities: Socializing with friends, eating out at restaurants, traveling, babysitting for her young nephew, Daniel, and her goddaughter, Avery.
Fun fact: First started doing tax returns for her friends in college.

Why I’m a member: “It definitely helps you in your career. You can learn a lot from going to the various networking events and especially the smaller CPE sessions at the individual chapters, because they have a more intimate setting. You can meet people and ask questions of practitioners who have been in the field for years.”

Personal quote: “I became an accountant because my father was an accountant. From watching him, I learned that accounting is the backbone of every business and that accountants are always needed. No matter what type of company or business, they will always need an accountant.”

To become a member, visit www.nysscpa.org/join or email Cara Patterson at cpatterson@nysscpa.org.
Tax experts share tips with community through tax panels

Continued from page 1

panels this year, technology played a role, as Queens/Brooklyn Chapter member Vincent Cervone answered questions via a live web chat during two of the three days.

“I was able to have a discussion with them,” Cervone said of answering questions on the web chat.

A picture tweeted by the Society of Cervone working at the computer was re-tweeted by the Daily News to its more than 50,000 followers.

Questions about filing status were among the most popular of those asked during the three-day sessions, volunteers said.

“We have gotten a lot of nonfilers,” said Manhattan/Bronx Chapter member Arthur Bloom. “A lot of people were asking, ‘Do I have to file?’”

Especially popular, said the Daily News, were questions about filing issues for those who collect Social Security income plus a small amount of other income. A member explained that when the other income is small, the Social Security portion is tax free. But if the additional income is significant, then 85 percent of your Social Security becomes taxable.

The Daily News featured five different articles printed before, during and after the tax panel, promoting the panels, in addition to a separate series of articles featuring answers to additional tax questions in the weeks leading up to the April 17 deadline.

The Buffalo News

Buffalo Chapter members participating in the March 21 tax panel sponsored by The Buffalo News split the duties, with separate teams handling the phone lines and web chat—and both venues provided plenty of questions for the CPAs to answer.

“All of us kept busy all night, with shifts from 5 to 7 p.m. and 7 to 9 p.m.,” said Buffalo Chapter member Timothy J. Hoelscher, who helped organize the event. “The online chat was great.”

Hoelscher said many of the questions asked

See Tax panels, on page 20

Clockwise from top left: Syracuse Chapter tax panel volunteers, back row, from left: Thomas J. Kamide, Andrew Vitello and Drew M. Donovan; front row, from left: Amy Woodward, Susan E. Peraino and Corinne Galavitz. Nassau Chapter member Robert J. Schaffer helped organize Long Island’s first NYSSCPA tax panel with daily newspaper Newsday. Buffalo Chapter member Jane E. Jewell reviews tax material while working the phone lines at The Buffalo News tax panel. Northeast Chapter member Kevin P. O’Leary works the phones during the Times Union tax panel on March 20. The Staten Island Chapter tax panel volunteers, back row, from left: Charles J. Weintraub, Donald Sarcone, Tony Khalt, Fred LaMarca, Frank J. Aquilino and M. David Bahr; seated: Raynard Zollo, Thomas J. O’Neill III, Margaret Horan and Doreen M. Inserna.
Buffalo Chapter Annual Summer Symposium
When: July 24 and July 25, 8:30 a.m.–5 p.m.
Where: Millennium Airport Hotel, 2040 Walden Ave., Buffalo
Contact: Gregory Altman (GAltman@sonarset.com)

Wine & Tour Networking Lunch
When: May 5
Where: Touring Wagner, Ventosa, and Zagibe vineyards (lunch at Wagner Vineyards)
Cost: $35 members; $45 nonmembers
Contact: Melissa Clingersmith (mclingersmith@doepkins.com)

Rochester Chapter Young CPAs Golf Tournament
When: May 8, 11:45–12:45 p.m. (registration 1 p.m.– shotgun start)
Where: Eagle Vale Golf Course, 4344 Nine Mile Point Road, Fairport
Cost: $60 per person (includes: green fees, cart, driving range, lunch at the turn, beverages and prizes)
Contact: Matt Hanley (mhanley@teardikb.com)
Space is limited: All registration must be received by May 4

Ace Your Behavioral Interviews
When: May 11, 12–12:30 p.m. (networking), 12:30–2:30 p.m. (lunch and speaking program)
Where: The Millerridge Inn, 585 North Broadway, Jericho
Cost: $35 per person
Contact: Gerg Gregor (516-336-2496 or gregor@grassicpas.com)
Featuring guest speakers: Ellen Cooperperson, CEO of Corporate Performance Consultants, Inc., and Barbara DeMatteo, director of human resources, Consulting, Portnoy, Messenger, Pearl & Associates.

Ellen Gordon CPAs 4(a): Cause 5K
Run/Walk to End Hunger
When: June 16, 9 a.m. (registration 8 a.m.)
Where: Wantagh Park, Wantagh

Joint Young Professionals Networking Event
When: Aug. 9
Contact: Michael Elias (516-992-5853)

Wine Tour & Networking Lunch
Where: Touring Wagner, Ventosa, and Zagibe vineyards (lunch served at Wagner Vineyards)
Cost: $35 members; $45 nonmembers
Contact: Maria Petrollese (845-401-8076 or maria@info-byte.com)

Presentation Skills for the Accounting Professional
When: May 8, 7:45–10:30 a.m. (breakfast buffet included)
Where: Monroe Golf Club, 155 Golf Ave., Pitsford
Cost: $30 members; $40 nonmembers
CPE: 2 (specialized knowledge and applications)
Course Code: 29050201
Contact: Jamie Shemps (585-381-7350 or Jamie@rochesterap.com)

Rochester Chapter Young CPAs Golf Tournament
When: May 8, 11:45–12:45 p.m. (registration 1 p.m.– shotgun start)
Where: Eagle Vale Golf Course, 4344 Nine Mile Point Road, Fairport
Cost: $60 per person (includes: green fees, cart, driving range, lunch at the turn, beverages and prizes)
Contact: Matt Hanley (mhanley@teardikb.com)
Space is limited: All registration must be received by May 4

ROCKLAND
End of Tax Season Bash/Officer Induction Dinner
When: May 3
Where: Jade Village Restaurant, 606 South Paddock Road, Chestnut Ridge
Cost: $25 members; $35 nonmembers
Contact: Mitchell Davis (mdavrs@kbktlawx.com)

Binghamton Mets Pre-Game Picnic
When: June 15, 5:30–7 p.m. (7:05 p.m. game: Binghamton Mets vs. Altoona Curve)
Where: NYSEG Stadium, 211 Henry St., Binghamton
Cost: $35 per person
Contact: Marisa Colonna (mcollona@pminka.com)

SUFFOLK
Suffolk Chapter 41st Annual Golf Outing
When: May 14, 11:30 a.m. shotgun start
10 a.m. check-in and brunch)
Where: Southward Ho Country Club, 601 W. Montauk Highway, Bay Shore
Cost: $450 (golf, brunch and dinner)
$200 (cocktails and dinner only)
Contact: Irene Howell (631-434-9500)

401(k) Employee Benefit Plan Update
When: May 15, 8:30 a.m.–4:30 p.m. (8 a.m. check-in)
Where: Sheraton Long Island Hotel, 110 Vanderbilt Motor Parkway, Smithtown
Cost: $200 members; $300 nonmembers
CPE: 8 (auditing)
Course Code: 28108229

Suffolk Chapter 11th Annual Long Island Ducks Outing and Picnic
When: June 15, 5:30 p.m.
Where: Jones Beach Ballpark, Central Islip
Cost: $30 (10 years and older); $24 (under 10 years); $10 (game only)
Contact: Frank Tucker (631-665-7040 or ftucker@sheehanca.com)
Long Island Ducks vs. Southern Maryland Blue Crabs
of the volunteer CPAs dealt with the potential tax ramifications of estate planning and elder care. Many also called to ask questions about advice that they had previously received.

The Buffalo News volunteers worked on the tax panel, as well as additional stories covering it for the news outlet, in which the paper highlighted some of the questions answered by the panel.

“This is a lot of fun. I love doing it,” Buffalo Chapter member Joseph T. Kabacinski told The Buffalo News on the night of the tax panel. “Taxes paralyze people—just the thought of doing them. It just brings me a great feeling to be able to help people out.”

Hoeschler said the chapter is already firming up the date for next year’s tax panel with The Buffalo News.

“Tim and his team are just fantastic,” said Grove Potter, executive business editor of The Buffalo News. “The readers really appreciate all their effort, and so do we.”

**Westchester County Business Journal**

The Westchester Chapter held the first tax panel of the year, with 13 members volunteering their time to answer phone calls for six hours on Feb. 11—the Society’s only Saturday tax panel this year.

“It’s really a community service, from our perspective,” said the event’s organizer, Westchester Chapter Executive Board member Robert M. Winton. “We know the tax laws can be tricky.”

The chapter teamed up with the Westchester County Business Journal to put on the event, which was held this year at the Westchester offices of Citrin Cooperman in order to provide enough space. From 9 a.m. to 3 p.m., volunteers answered questions from residents and business owners in the Westchester area.

In addition to coverage from the Westchester County Business Journal, the tax panel was featured on local Patch.com websites, The Journal News, and radio station 100.7 WHUD-FM, which featured an interview with Winton prior to the tax panel to promote the service and offer basic tax tips.

**Newsday**

The Suffolk and Nassau chapters teamed up this year to partner with Long Island daily newspaper Newsday, providing the region’s first NYSSCPA-sponsored tax panel.

“I think it is great,” said Nassau Chapter President Ronald M. Finkelstein. He said it was “very helpful” to those asking the questions.

The Newsday event allowed two of the Society’s largest chapters to participate in the annual tax panels. The format was all web chat, and for three hours on March 6, the 11 members answered more than 80 questions. The webpage featuring the chat received nearly 1,000 page views.

“They were fun to have in, and I think they enjoyed it,” said Bob McGough, Newsday’s assistant managing business editor, who helped volunteers. “And clearly, there was a lot of interest from people in getting answers. So I’ll say right now we’re interested in doing it again next year.”

McGough added that members said they enjoyed the web chat format, which gave them a chance to formulate their answers. Participating members arrived early for their shifts to volunteer with the paper’s technical staff and familiarize themselves with Newsday’s web chat format, which allowed everyone in the room to see the questions as they were asked and discuss possible solutions before posting the answer online.

Newsday ran a full-page color promotional advertisement in advance of the tax panel and a two-page spread afterward, highlighting some of the questions the members answered.

**Times Union**

For the second year in a row, the Northeast Chapter paired up with the Albany-based Times Union to give capital-region residents and business owners expert tax advice.

During the three-hour event on March 20, a group of seven members worked about 60 calls and fielded more than 20 questions during a live web chat on the Times Union website.

Northeast Chapter President Patrick J. Hughes said the questions asked during the tax panel covered a variety of topics, ranging from the taxability of certain types of income to information about qualifying deductions.

“The chapter was happy to partner with the Times Union for the tax panel event,” Hughes said. “I believe that the event provides a valuable community service, and generates positive exposure for the Society and profession.”

Mike Span, associate editor of the Times Union, was very impressed. “We know where to turn when we do stories about tax law changes,” he said.

The Times Union featured coverage before and after the tax panel, and ran photos of the participating members answering questions.

Another new addition to this year’s tax panels was Utica’s Observer-Dispatch, which partnered for the first time with members of the Utica Chapter for a March 22 panel.

Eight volunteers answered questions that came through the dedicated phone line and through email during the session.

“It seemed there were many questions regarding if it was advantageous to file ‘married filing jointly’ or ‘married filing separately,’” Utica Chapter President-elect Brian M. Reese said. “There were some unique circumstances, but it is almost always better to file jointly.”

Reese said it was interesting to see the members volunteering come together and brainstorm on some tricky questions in order to come up with great answers.

“I thought it was an excellent way to give back to the community,” Reese said. “We plan on doing this every year going forward.”

“The CPAs were great,” said Kris Worrell, the Observer-Dispatch’s editor, “so helpful and fun to work with.”

The paper featured a story in advance of the tax panel and a recap story afterward, focusing on some of the more common questions the panel answered.

**Post-Standard**

Syracuse’s Post-Standard once again teamed up with Syracuse Chapter members for a tax panel held March 19.

Thirteen Society volunteers from the Syracuse Chapter answered nearly 100 phone calls during the four-hour tax panel session.

Syracuse Chapter member Paula D. Deckman said IRA questions popped up several times among the callers.

“There were question about taxability of distributions, contribution limits and one Roth [IRA] conversion question,” Deckman said.

The Post-Standard featured a story in advance of the tax panel, and Deckman appeared in an interview with radio station WSYR to promote the event as well. Deckman wondered if the abnormally favorable weather may have kept more people from calling in, however.

“It is sunny and 77 [degrees] here, where it is normally 30 degrees and snowing,” Deckman said the day of the tax panel.

“People are taking advantage of it and will go back inside and use them again,” Deckman said. “People are taking advantage of it and will go back inside and think about their taxes when the nice weather goes away next week.”

**State Island Advance**

State Island Chapter members and the State Island Advance teamed up for the second year in a row to provide tax advice to locals and business owners, and volunteers answered more than 100 questions from 5 to 8 p.m. on Feb. 23.

The State Island Advance also used a two-pronged approach to draw in questions, enabling community members to call in for advice, or talk to the CPAs via a live web chat. Two of the volunteers were stationed at computers to answer the flood of online questions, while the rest of the team took to the phones.

The vast majority of questions the volunteers received were personal, said Rosemarie A. Giovinazzo-Barnickel, a member of the Society’s Board of Directors and a Staten Island Chapter Executive Board member.

“There were several calls placed by elderly individuals who were unsure if they were required to file a tax return,” Giovinazzo-Barnickel said. “There were also lots of ‘deductions’ questions, such as whether college tuition is deductible.”

The Advance featured stories about the event both before and after the tax panel.

**Poughkeepsie Journal**

The Mid Hudson Chapter teamed up with the Poughkeepsie Journal for its March 28 tax panel.

The “Dial-a-CPA” event, as the Poughkeepsie Journal billed it, lasted for three hours and saw more than 100 people get their tax questions answered during the last few weeks before the April 17 tax deadline.

Area residents could call, email or live chat with their questions. Those questions that came into the live web chat included requests for information regarding savings bonds, 1099s and audit red flags.

Caller questions included a number about the filing requirements for unemployed retirees, Schedule D reports for investments and electronic filing.

The Poughkeepsie Journal ran stories about the tax panel before and after it took place. Mid Hudson Chapter Executive Board Member Tracy Badgley also participated in an interview with the “Good Morning Hudson Valley” radio show on WBNR.

**Next year**

All of the participating chapters and newspapers have already shown interest in setting up the tax panels for 2013. The Society will be looking to expand the tax panel program into other chapter areas as well.

Anyone interested in volunteering for tax panels or starting up additional panels in chapters that did not participate this year should email Public Relations Manager Lois Whitehead at whitehead@nysscpa.org.
One of the first things I’d recommend is developing a plan for networking, which involves knowing whom you want to meet and where you are most likely to meet them. This can include conferences, committees and networking events, though websites like LinkedIn or Facebook can also serve as an effective contact point.

When you know whom you want to meet, it allows you to prepare in advance by studying things like news about their companies. If I’m going to a party to meet a CEO, for example, and I read an article in the paper about his or her company, I can bring it up and have a dialogue immediately, instead of fumbling and not knowing how to start a conversation. People are very impressed when you know about them and their company.

Have your “elevator speech” down pat. It is essential that you are prepared to deliver an articulate and concise message to a prospective customer at any time. You typically have only one or three minutes to get your message across, which should include some substantive material on a value-added service that you can provide for them.

Be sure to exchange business cards with the person you’re meeting (and on that note, remember to bring business cards!), so you’ll always have their contact information. However, just as important as getting the business card is immediately following up on the contact through email, which is something a lot of people forget—many people collect stacks of cards but never do anything with them. People remember you in the short term, but if you wait a week or two they’ll have forgotten who you are.

Think of this as long-term relationship building, not short-term. When you’re developing contacts, you want to make something that can be sustained for years to come, not just “give me a referral” and then never talk to them again. Vital to this is understanding that networking is a two-way street. Your immediate goal may be to get an introduction, but if you don’t return the favor, you may lose a valuable contact. So be sure to also offer assistance and provide help when you can.

Networking may seem like it comes naturally to people who have been doing it for a long time, but it can be easy to forget that not everyone knows how to walk into a room and immediately begin talking to people—these are things that we had to learn throughout the course of our careers. Experienced networkers can do a lot to help out their less-experienced colleagues by taking them under their wing during events and helping make introductions. Walk around with them and look for people you know—or don’t know—and say something along the lines of, “I’m Geri Gregor, and this is so and so.” This helps them feel comfortable not having to break the ice alone, while acclimatizing them to the general idea of introducing themselves to people. A few minutes after making the introduction, you can walk away while they continue the conversation. Of course, at some point you need to let people start making their own introductions. In cases like this, I like to tell less-experienced colleagues that there are other people in the room who feel just as uncomfortable as they do, so they should identify the one person who’s wandering around shyly and not talking to anyone, and introduce themselves.

One of the most successful things that has worked for me is actually remembering to follow up. At the end of a networking event, we all have this pile of business cards, but a lot of people don’t do anything with them. So what I do is specifically identify a handful of people I met at the event and follow up with them, usually with an email. But sometimes I like to send a handwritten thank you note—which seems really archaic, but people think, “Wow, you took the time to do this?” Really commit to your follow-ups: go meet with them for a cup of coffee and get to know them better, because if you don’t, you’ve pretty much wasted your time. Networking is about the relationships you build, not the business cards you collect.

I teach a networking class at my chapter’s Career Opportunities in the Accounting Profession program, and what I tell students is that networking happens all the time. It’s not just going on at networking events; it’s in the everyday course of business. You can be networking at the gym or on the bus, making new contacts and expanding your circle, not just to enrich your career but your life as a whole. It can happen anywhere—I recently made an acquaintance at a dance class at my gym—so you just have to be open to it and be aware of how these opportunities present themselves.

Of course, a lot of networking does happen at events, such as conferences, and at work and Society get-togethers. When I bring new staff from my firm to an event, I show them how to network by setting them up in a buddy system and encouraging people to attend these events together. If you work together as a team, you can each expand your network twice as fast, as you may each know people the other doesn’t. Then there are some of the more practical aspects of events like this: One thing I always tell people is that if you’re hungry, eat before you walk around trying to get to know people. Don’t walk around holding food because you can’t shake hands, pass out business cards and hold a plate of food all at once.

Networking may seem like it comes naturally to people who have been doing it for a long time, but it can be easy to forget that not everyone knows how to walk into a room and immediately begin talking to people—these are things that we had to learn throughout the course of our careers. Experienced networkers can do a lot to help out their less-experienced colleagues by taking them under their wing during events and helping make introductions. Walk around with them and look for people you know—or don’t know—and say something along the lines of, “I’m Geri Gregor, and this is so and so.” This helps them feel comfortable not having to break the ice alone, while acclimatizing them to the general idea of introducing themselves to people. A few minutes after making the introduction, you can walk away while they continue the conversation. Of course, at some point you need to let people start making their own introductions. In cases like this, I like to tell less-experienced colleagues that there are other people in the room who feel just as uncomfortable as they do, so they should identify the one person who’s wandering around shyly and not talking to anyone, and introduce themselves.

One of the most successful things that has worked for me is actually remembering to follow up. At the end of a networking event, we all have this pile of business cards, but a lot of people don’t do anything with them. So what I do is specifically identify a handful of people I met at the event and follow up with them, usually with an email. But sometimes I like to send a handwritten thank you note—which seems really archaic, but people think, “Wow, you took the time to do this?” Really commit to your follow-ups: go meet with them for a cup of coffee and get to know them better, because if you don’t, you’ve pretty much wasted your time. Networking is about the relationships you build, not the business cards you collect.

I teach a networking class at my chapter’s Career Opportunities in the Accounting Profession program, and what I tell students is that networking happens all the time. It’s not just going on at networking events; it’s in the everyday course of business. You can be networking at the gym or on the bus, making new contacts and expanding your circle, not just to enrich your career but your life as a whole. It can happen anywhere—I recently made an acquaintance at a dance class at my gym—so you just have to be open to it and be aware of how these opportunities present themselves.

Of course, a lot of networking does happen at events, such as conferences, and at work and Society get-togethers. When I bring new staff from my firm to an event, I show them how to network by setting them up in a buddy system and encouraging people to attend these events together. If you work together as a team, you can each expand your network twice as fast, as you may each know people the other doesn’t. Then there are some of the more practical aspects of events like this: One thing I always tell people is that if you’re hungry, eat before you walk around trying to get to know people. Don’t walk around holding food because you can’t shake hands, pass out business cards and hold a plate of food all at once.
FAE 2012 Conferences

Save the Date
Closely Held & Flow-Through Entities Conference

Be prepared to best assist your clients or your company in making the most of new tax developments.

Conference Highlights:
- Federal Tax Updates & Legislative Developments with: S Corporations
- Individual Tax Updates & Legislative Developments with: S Corporations
- International Issues
- Retirement and Pension Planning Options
- Estate and Trust Tax Planning and Updates

Registration Details:
Course Code: 25602311 (In-Person); 35602311 (Live Video Webcast)
CPE Credit Hours: 9
Field of Study: Taxation
In-Person Member Fee: $335; Nonmember Fee: $460
Live Video Webcast Member Fee: $235; Nonmember Fee: $360

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

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

NYSSCPA
Your Partner in Educational Excellence

CHAPTER NEWS

Not Yet a Member?
Well, You’re Missing Out!

As a member of the New York State Society of CPAs, you can…
- Utilize the new CCH TaxAware Center and gain FREE access to daily tax updates, current developments, tax journals and related publications on a single online platform. As a member, you get unlimited 24/7 access to all of them at no cost to you.
- Become an active member in one of our 15 regional chapters and over 60 technical committees to increase your networking opportunities while staying on top of the latest developments in the accounting profession.
- Contact our members-only Technical Hotline with your questions on taxes, auditing, financial planning and consulting services.
- Save up to $100 on your next Foundation for Accounting Education CPE webinar or live session.
- Keep up-to-date with your FREE subscriptions to our publications, The CPA Journal and The Trusted Professional.

Don’t be left out of the loop! Join the Society that focuses on your professional development. Contact Philip Federowicz at 212-719-8313, or apply online at www.nysscpa.org/join.

BUFFALO

Thank you for the chance to serve

By FRANCA TRINCIA
Buffalo Chapter President

While serving as Buffalo Chapter president this past year, I was fortunate to work with a great team of officers, chairs and committee members. Beginning June 1, our chapter will be headed by President-elect Patricia A. Johnson, a professor at Canisius College. She has been a chapter officer since 2010, and served two terms as treasurer. I am confident she will lead and inspire our chapter and membership.

The chapter and board work hard to deliver value to our membership, and the entire chapter benefits from the efforts of those who chair committees, serve on the board and volunteer to deliver a variety of continuing education courses and events. New seminars were introduced last year, including “Entry-level Staff Training” and “Quality Review and How to Prepare,” and the Young CPA Golf event was resurrected. In addition, the chapter cosponsored a variety of courses and events with other organizations, including the Bar Association of Erie County and local chapters of the Risk Management Association and United Way, which achieved common educational and outreach goals. I thank those organizations, as well as the chapter committee chairs and members who volunteered their time and talent to make each event successful. Our members have told us that they value high-quality continuing education; I believe that the increased attendance of our chapter CPE events is proof that we are meeting members’ expectations.

My appreciation extends to the Society’s statewide Board of Directors and staff, who work to enhance the value of our profession. The Society’s Political Action Committee is an advocacy tool that allows the power of our collective voice at Society members and CPAs to be heard in Albany, and I thank the volunteers who serve on the PAC. Special thanks to William Pape and Leila Dickenson at the NYSSCPA for their support throughout the year, and to any individuals or organization that I may have overlooked.

As my term ends, I am pleased to report that our chapter is financially sound. Good event attendance increases revenues and membership, but most importantly it boosts our chapter’s energy and momentum. This was a successful year, but much remains to be done. I look forward to our chapter’s continued success, and I have no doubt the chapter will grow and flourish with your continued participation.

Serving as president has given me a great opportunity to reconnect with many friends and colleagues. Thank you again to the officers, chairs and members of the Buffalo Chapter—I thank you for the opportunity to serve.

frtrincia@garappraisal.com
NYS comptroller liaison advises simple security tweaks for nonprofits

By CHRIS GAETANO
Trusted Professional Staff

Many nonprofit organizations lack adequate protection from potential fraud, but with a few small organizational adjustments, they can safeguard their resources, said speakers from the state comptroller’s office at a March 19 Buffalo Chapter continuing professional education event.

The CPE seminar, “Don’t Get Burned: Fraud Detection and Prevention for the Not-For-Profit Sector,” was organized by the Office of the New York State Comptroller and cosponsored by the NYSSCPA’s Buffalo Chapter, to help nonprofit organizations take steps to protect themselves against fraud. The talk was designed to address several instances of nonprofit organizations falling victim to fraud during the economic crisis, and was also offered at Adelphi University on Long Island on March 1, according to assistant state comptroller Jerry Barber.

For example, nonprofits tend to be particularly vulnerable to cash theft, said Barber. In January, a former employee of the Archdiocese of New York was charged with stealing approximately $1 million from the Church. The employee had previously been convicted of embezzling from two former employers, he said.

Some warning signs of potential cash theft include payments that make no sense, missing checks, a large number of cashed checks, cash accounts that don’t match records, and receipts that either haven’t been deposited, or are handwritten, according to Barber. Nonprofits that suspect cash theft should conduct surprise cash counts, review the endorsement of checks, review bank reconciliations and check with banks in the area for open accounts.

Nonprofits often see misuse of the organization’s credit cards as well, Barber said. “But it’s not elaborate fraud,” Barber said. “It’s usually pretty simple things that happen and we think there are some relatively easy tools that can be implemented” to prevent fraud.

This vulnerability often comes from a lack of basic anti-fraud controls—duties are not separated between employees and departments, and employees who handle money are not adequately screened—typically because many nonprofit organizations are small, with fewer than 100 employees. This can make it very difficult to separate duties, Barber said; due to limited resources, smaller nonprofits don’t always recruit people with strong financial backgrounds, which also increases fraud vulnerability.

Basic background checks for employees can go a long way, Barber said, as does a clear organizational structure for who receives and deposits cash, and reconciles current bank receipts. These duties tend to be mingled in smaller organizations, which presents significant risk, as fraudsters generally need three things to succeed: access to the money, the chance to get it out of the organization, and the ability to cover up the fraud. The more roles one employee has, the easier this is to do. Organizations should limit the nature and amount of transactions that individual employees can conduct with-out oversight, by installing safeguards such as requiring board approval for contracts or purchases over a certain amount, he said.

Barber also recommended establishing an ethics policy and code of conduct, which puts everyone on notice of what is and is not acceptable behavior, making it harder for fraudsters to rationalize unacceptable behavior, and easier for others to recognize and report it. Establishing clear procedures for how routine tasks are performed allows people to be able to better identify when anomalies occur.

Additional guidance, publications and forms relating to nonprofits and charities are available online, at charitiesnys.com, from the New York State Attorney General’s Charities Bureau.

Buffalo Chapter President-elect Patricia A. Johnson said that the audience was very receptive and that the presentation served as a sort of “reality check” for those working in the nonprofit sector, which can be “a little too trusting.”

“They still need to put controls in place and keep those assets that they do have coming in,” she said, adding that as a college professor she teaches many of these principles to students.

The comptroller’s office plans to bring the seminar to other areas of the state, including New York City, central and western New York and the north county.

From left: Assistant Comptroller for State Government Accountability Jerry Barber, presenter Suzanne Mazone, Jewish Family Services and the Erie County Agency Executives Association’s Marlene Schillinger, New York State Comptroller Thomas P. DiNapoli, presenter Sharon Salembr, Buffalo Chapter President-elect Patricia A. Johnson, and Michael Weiner, CEO of the United Way of Buffalo & Erie County.
What today’s leaders need to know about millennials

By CHRIS GAETANO
Trusted Professional Staff

A bout 12 years ago, New Jersey Institute of Technology librarian Richard Sweeney began to notice something curious about the students coming into the library. Speaking at the FAE Higher Education Conference, held April 20 at the offices of KPMG in New York City, Sweeney said those students acted different from their older peers: They were more hands-on in their approach to education, more collaborative and friendly.

“I began wondering whether this was something that was going on outside the library,” Sweeney said. “I thought at first that generation Y was that way because we have a university or among our science and technology students. But, I noticed soon, it was much bigger.”

Sweeney was witnessing the coming of age of the millenial generation, a demographic of people born between 1980 and 2000 (though the cut-off year of the generation of people born between 1980 and 1990 was 1990). Their numbers were increasing and were considered to be coming into the work force.

In a presentation to the Queens/Brooklyn Chapter, which organized the content, Sweeney’s findings showed that millennials tend “to be more collaborative, but much less individualistic on their own. And doing solitary work is not as strong with them.” Millennial students need much more mentoring in the classroom, and need lessons more focused on things such as problem solving and case studies, he said, instead of the typical lecture model.

He added that because millennials grew up when the Internet was at its ascendancy, they were more comfortable with using computers and mobile communication devices, and have a much more intuitive grasp on how to use them.

As more millennials leave college and enter the working world, they adopt a different approach to their work, he said. Because they prefer practical on-the-job training that would allow them to advance faster in their companies, employers looking to appeal to them would do well to configure their training model along these lines. Millennials also needed more free time compared to their predecessors, which “is not something that the older generation has been likely possessed the necessary ability to be ‘very tough and aggressive,” during a time when women were not as well represented in the profession.

“Carrie took it upon herself to become an expert in this area that no one else wanted to deal with, because doing [IRS Form] 990s wasn’t the most glamorous thing you could do right then.”

— Richard W. Hayden

Former Westchester Chapter President Carrie S. Finlayson, the first woman to occupy the chapter’s highest leadership role, passed away on April 3 at age 69. After joining the NYSSCPA in 1978, Finlayson became a partner in her firm, which she had started, and eventually expanded to two other offices. She left Ernst & Ernst many mornings immediately to attend the chapter presidency in 1990. Her tenure as chapter president was marked specialized professional education and development, said Westchester Chapter member Jerold S. Gatto, who served as chapter president in 1996.

“Back when we practiced early on, there weren’t special courses in that direction, that [specialized knowledge] was what we needed to deliver in terms of training for other practitioners—not just general tax knowledge but absolute specializes. That was sort of a hallmark [of Finlayson’s presidency].”

Westchester member Richard W. Hayden met Finlayson in the mid-’70s when he came into his first public accounting job at what was then Ernst & Ernst, where she had been working for a number of years. They were two of a kind, both of whom worked with clients and very, very professional, they spent a lot of time at work “bouncing ideas off each other,” Hayden said that during the time that she knew her there, Finlayson developed a knack for working with nonprofit organizations.

“Carrie took it upon herself to become an expert in a field that no one else wanted to deal with, because doing [IRS Form] 990s wasn’t the most glamorous thing you could do back then,” he said.

Over time, Finlayson’s knowledge of nonprofit accounting made her the go-to person for anyone who had questions about nonprofit organizations, said Hayden.

Laurence Keiser, who became Westchester Chapter president in 1991 immediately following Finlayson’s term, bonded with her over their shared tax background, regularly talking taxes when they would run into each other at chapter events. Keiser remembered her as a very professional person with a knack for organization, and that she ran things in the chapter “very, very well” during her time as president.

Finlayson’s sense of professionalism was the first female president of the Westchester Chapter didn’t seem especially significant at the time, simply because she was widely accepted as the best person for the job. It was natural, he said.

“Sandra made anyone a made of saying, ‘Oh, Carrie is the first female president.’ It was just her year,” Keiser said. “And she did it very well.”

“Carrie was my first female mentor. She really saw a strong future for these women in this profession, long before it was really popular or feasible [for a woman], she pushed and she pushed and she was very successful.”

— Sandra Napoleon-Hudson

“In 1960s and early 80s). There were also marked differences in how they solved problems.

Sweeney’s findings showed that millennials “tend to be more collaborative, but much less individualistic on their own. And doing solitary work is not as strong with them.” Millennial students need much more mentoring in the classroom, and need lessons more focused on things such as problem solving and case studies, he said, instead of the typical lecture model.

He added that because millennials grew up when the Internet was at its ascendancy, they were more comfortable with using computers and mobile communication devices, and have a much more intuitive grasp on how to use them.

As more millennials leave college and enter the working world, they adopt a different approach to their work, he said. Because they prefer practical on-the-job training that would allow them to advance faster in their companies, employers looking to appeal to them would do well to configure their training model along these lines. Millennials also needed more free time compared to their predecessors, which “is not something that the older generation has been likely interested in providing,” said Sweeney; this can be a factor when millennials decide where they want to work. Furthermore, professionals of this generation are generally much less focused on compensation than they are on recognition and the approach to education, more collaborative and friendly.

Sweeney has conducted more than 60 research, Sweeney found that this generation—[more] similar to American millennial behavior than they do to their own parents.”

— Richard Sweeney, New Jersey Institute of Technology librarian
AICPA Pricing Schedule
For AICPA-developed courses, the following pricing schedule applies.

<table>
<thead>
<tr>
<th>Course</th>
<th>Fee (Member/Nonmember)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-hour course</td>
<td>16-hour course</td>
</tr>
<tr>
<td>A member of both AICPA and NYSSCPA:</td>
<td>$305</td>
</tr>
<tr>
<td>Only a member of the NYSSCPA:</td>
<td>$395</td>
</tr>
<tr>
<td>A member of neither AICPA nor NYSSCPA:</td>
<td>$495</td>
</tr>
</tbody>
</table>

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/Bronx. To search within Albany, refer to Northeast.

MANHATTAN/BRONX

ACCU Counting

05/08 Nonprofit Accounting and Auditing Update (WEBCAST) AC/1, AU/1 FAE Conference Center Foundation for Accounting Education $75/$100

ADVISORY SERVICES

05/21 Business Valuation Conference AD/9 FAE Conference Center Foundation for Accounting Education $335/$435

05/21 Business Valuation Conference (WEBCAST) AD/9 Foundation for Accounting Education $235/$335

06/12 Anti-Fraud Conference AD/4, EL/SK/3 35111231 New York Marriott Marquis at Times Square Foundation for Accounting Education $385/$510

06/12 Anti-Fraud Conference (WEBCAST) AD/4, EL/SK/3 Foundation for Accounting Education $285/$410

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. AD/9 FAE Conference Center AC/5 $335/$435/$305/$405

05/02 How to Prepare for Your Peer Review This session will help practitioners to manage their anxiety and prepare for peer reviews administered under the new Mandatory Quality Review law. AD/4 FAE Conference Center Foundation for Accounting Education $170/$220

05/03–05/04 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. AD/6 FAE Conference Center Foundation for Accounting Education $535/$635/$475/$575

05/08 Nonprofit Accounting and Auditing Update (WEBCAST) AC/1, AU/1 FAE Conference Center Foundation for Accounting Education $75/$100

05/29 OMB Circular A-133 Basics (WEBCAST) AU/2 FAE Conference Center Foundation for Accounting Education $75/$100

05/29 The 2011 Yellow Book (WEBCAST) AU/1 FAE Conference Center Foundation for Accounting Education $45/$70

ETHICS

06/12 Anti-Fraud Conference See course listing under Advisory Services.

06/12 Anti-Fraud Conference (WEBCAST) See course listing under Advisory Services.

SPECIALIZED KNOWLEDGE AND APPLICATIONS

05/01 Apparel & Textile Breakfast Conference SK/3 FAE Conference Center Foundation for Accounting Education $105/$130

05/01 Apparel & Textile Breakfast Conference (WEBCAST) SK/3 35353212 Foundation for Accounting Education $105/$130

05/09 Broker/Dealer Conference SK/9 New York Marriott Marquis at Times Square Foundation for Accounting Education $385/$485

05/09 Broker/Dealer Conference (WEBCAST) SK/9 35353212 Foundation for Accounting Education $385/$485

05/09 Broker/Dealer Conference (WEBCAST) AD/1, AU/1 FAE Conference Center Foundation for Accounting Education $335/$435

05/09 Federal Tax Update: Nichols’ Notes (WEBCAST) T/2 Federal Tax Update: Nichols’ Notes (WEBCAST) T/2 FAE Conference Center Foundation for Accounting Education $285/$385

06/12 Anti-Fraud Conference See course listing under Advisory Services.

06/12 Anti-Fraud Conference (WEBCAST) See course listing under Advisory Services.

06/12 Anti-Fraud Conference See course listing under Advisory Services.

06/12 Anti-Fraud Conference (WEBCAST) See course listing under Advisory Services.

06/29 Anti-Fraud Conference See course listing under Advisory Services.

06/29 Anti-Fraud Conference (WEBCAST) See course listing under Advisory Services.

06/29 Anti-Fraud Conference (WEBCAST) See course listing under Advisory Services.

05/04 Sec. 263–New “Repair Regulations”: Analyzed and Explained: Nichols’ Notes (WEBCAST) AU/1 FAE Conference Center Foundation for Accounting Education $75/$100

05/04 Oil and Gas Working Interest: An Introduction to Tax Accounting Issues: Nichols’ Notes (WEBCAST) T/1 FAE Conference Center Foundation for Accounting Education $45/$70

05/17 An Overview of International Tax Forms Receive a broad overview of the international tax forms that are needed but, due to lack of awareness, are not always included in the filed tax return. T/7 FAE Conference Center Foundation for Accounting Education $45/$65

05/17 An Overview of International Tax Forms (WEBCAST) See course listing under Advisory Services.

05/17 An Overview of International Tax Forms (WEBCAST) T/7 37133201 Foundation for Accounting Education $45/$65

05/08 Federal Tax Update: Nichols’ Notes (WEBCAST) T/2 Federal Tax Update: Nichols’ Notes (WEBCAST) T/2 FAE Conference Center Foundation for Accounting Education $285/$385

06/08 Tax Exempt Organizations Update: Nichols’ Notes (WEBCAST) T/2 35111232 Foundation for Accounting Education $55/$80

05/15 Government Accounting and Auditing Conference (WEBCAST) AC/3, AU/5 35111231 Albany Marriott Hotel Foundation for Accounting Education $335/$445

05/15 Government Accounting and Auditing Conference (WEBCAST) AC/3, AU/5 35111231 Albany Marriott Hotel Foundation for Accounting Education $335/$445

05/15 Government Accounting and Auditing Conference See course listing under Accounting.

05/15 Government Accounting and Auditing Conference See course listing under Accounting.

05/14 How to Prepare for Your Peer Review This session will help practitioners to manage their anxiety and prepare for peer reviews administered under the new Mandatory Quality Review law. AD/4 FAE Conference Center Foundation for Accounting Education $170/$220

For more information about FAE programs, visit www.nysscpa.org, or call 800-537-3635.
ACCOUNTANT/PARTNERSHIP OPPORTUNITY

Partnership Opportunity
Established regional accounting firm with diverse practice and multiple offices on Eastern Long Island seeks seniors who desire to become partners. Heavy tax experience along with a willingness to relocate required. Strong leadership, business development and client/personnel interpersonal skills needed. Great opportunity for the right person. Please email resume and cover letter to terr@ms-cpas.com.

SPACE FOR RENT

OFFICE SPACE AVAILABLE THROUGHOUT MANHATTAN
300 square feet to 15,000 square feet.
Elliot Forest, Licensed Real Estate Broker, 212-447-5400.

AAA PROFESSIONAL OFFICES FOR RENT.

20-350rsf
1,2,3-room suites
facing Hempstead Tpke. FREE UTILITIES. FREE FRONT PARKING. 516-735-6681.

SITUATIONS WANTED

Looking for the right CPA to share/merge Move-in Hi-Tech hardware & software space info@goldnepca.com 212-714-6655

Per Diem - Extensive Audit Experience
Midtown, up to three days per week. Quality Review and ProfX Engagement experience preferred. Escaper@aol.com.

Goldstein Lieberman & Company LLC one of the region’s fastest growing CPA firms wants to expand its practice and is seeking merger/acquisition opportunities in the Northern NJ, and the entire Hudson Valley Region including Westchester. We are looking for firms ranging in size from $300,000 - $5,000,000. To confidentially discuss how our firms may benefit from one another, please contact Philip Goldstein, CPA at phil@glcpas.com or (800) 839-5767.

Nassau County/NY 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. muke@ecpabiz.com or 315-474-3986.

Are you an entrepreneurial CPA with quality public accounting, audit and tax experience? Would you like to acquire a $500,000 Long Island practice from a retiring CPA ratably over the next five years? If so, provide background for consideration to NassauCA@msn.com.

Rotenberg Meril, Bergen County’s largest independent accounting firm, wants to expand its New York City practice and is seeking merger/ acquisition opportunities in Manhattan. Ideally, 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 SEC audit practice would be a plus. Contact Larry Meril at lmeril@rmsbg.com, 201.487.8383, to further discuss the possibilities.

Rockland County CPA firm (3 Partners) seeks energetic dynamic sole proprietor CPA with small practice to presently rent open office space and share services with the primary objective of a long term association with potential buyout and transition. Contact Lance Millman at lmillman@ms-cpas.com.

CPC Firms or Partners
We represent a number of quality CPA firms who would like to merge with other CPA firms or Partners with business. Offices are in the Metropolitan area. This is an opportunity to insure your future as well as help your clients by expanding your services to them. Why settle when you can select?
For further info: please contact: Len Danon at D&R Associates Inc. 212-661-1090 ext 14
SERVING THE CPA COMMUNITY SINCE 1939

Full service midtown CPA firm w/ 12 professionals, providing personalized services to closely held businesses and successful individuals, seeks growth through acquisition or merger. Professional, congenial environment. Modern offices and procedures. BTSD2012@gmail.com.

Hudson Valley retirement minded practitioner looking to merge or sell. Gross revenues about $500,000. Reply to: petermia86@frontiernet.net.

Established Great Neck CPA firm, peer reviewed. seeks to acquire practice or accounts. We have successfully completed acquisitions with high client retention and satisfaction. References available. cpapraction185@aol.com.
Exp/accurate representative needed to work, he/she must be above 18 yrs old and must have good qualities to work. Interested applicant should please contact: bendaton@live.com.

Are you a CPA seeking to combine your practice with another? Firm is poised to assist retiring 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: Eliotcpa@gmail.com.

ROTFEG: Accounting Services
The New York Racing Association, Inc. ("NYRA") is soliciting bidders from independent accounting firms to provide audit, tax services and internal control attestation.
M/W/DBE participation is strongly encouraged.
Interested parties may fax their request for a bid package to the Purchasing Department: (718) 296-5109 No Later Than 5:00 PM on June 1, 2012.

TAX CONSULTANCY

Buxbaum Sales Tax Consultants www.buxbaumsales.com (845) 352-2211 (212) 730-0886
A Leading Authority in Sales & Use Tax For the State of New York
* Sales Tax Audits – Resolution with Client Satisfaction
* Tax Appeals Representation – Results at the NYS Division of Tax Appeals
* Collection Matters – Resolving Old Debts & New Liabilities
* Refund Opportunities – Recovering Sales & Use Tax Overpayments

More than 40 years of successful results! See our published decisions.

SALES TAX, ISAAC STEINHEIM & CO. Sales tax consultants, audits, appeals, & consultations. Principals with many years of experience as Sales Tax Bureau audit supervisors. (718) 436-7900.

SALES TAX PROBLEMS? Are you being audited? Free Evaluation
Former Head of NY Sales Tax Division
* Audits • Appeals • Refund Claims •
* Reasonable fees *
(212) 563-0007 • (800) 750-4702 E-mail: ltcobe@verizon.net

LRC Group Inc. Lawrence Cole, CPA Nick Hartman
FAE 2012 On-Site Learning

Bring targeted, high-quality education and training to your workplace.

Designed for professionals in accounting firms, private industry, government, and academia.

Popular Sessions Include:
- Professional Ethics
- Compilation and Review
- Accounting and Auditing Updates
- Clarified Auditing Standards
- Plus many more

Benefits of FAE’s On-Site Learning:
- Cost-effective and convenient
- Customized content to meet your training needs
- Helps fulfill your CPE requirements in the areas of ethics, taxation, accounting, auditing, and specialized knowledge and applications

For more information, contact Annette Davis, Associate Director, On-Site Learning and Development at

(212) 719-8305 or adavis@nysscpa.org.