SED: CPE deadline extended to Feb. 1 for CPAs affected by Superstorm Sandy

BY COLLEEN LUTOLF

New York CPAs and other professional licensees who are having difficulty meeting their CPE requirements because they have been impacted by Superstorm Sandy will have until Feb. 1, 2013, to meet their requirements, according to the New York State Education Department’s Office of the Professions.

“We recognize that the recent storm has caused numerous hardships for the citizens of New York, including our professional licensees,” theSED stated in an announcement posted to its website in November. “The Office of the Professions will allow professional licensees impacted by Superstorm Sandy additional time to complete required continuing education requirements, if necessary.”

In a Dec. 5 interview with The Trusted Professional, Jennifer Winters, executive secretary of the State Board for Public Accountancy, said that no action is needed on the part of licensees to take the extension. “The intent is to allow people, by relying on their professional integrity, to determine if they need an extension because they were unable to fulfill their CPE requirement due to Superstorm Sandy,” she said.

However, she added that any CPA who does take advantage of the extension cannot also apply those same credits earned to the 2012 reporting year. “The credits taken during the four-week extension have to either be applied to 2012 or 2013, you can’t apply additional time to complete required continuing education credits due to the storm,” she said.

Licensees who have lost completion certificates due to the storm should make reasonable efforts to replace lost documents and additional time may be granted during an audit to allow for document retrieval.

The self-employed have until April 30 to file a protective claim, should the Metropolitan Commuter Transportation Mobility Tax (MCTMT) be overturned.

BY CHRIS GAETANO

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NYSSCPA calls for less complexity in proposed FASB updates

BY CHRIS GAETANO

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The letter, published on Oct. 19, was written by members of the Financial Accounting Standards Committee According to the proposal, the purpose of the update, which was published in August, was to improve the presentation of reclassifications out of AOCI—gains and losses in AOCI.

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When called to serve, we answered

As we enter the season of goodwill, giving a quick glance around reminds us that many throughout our state are in need of it. In the month since Superstorm Sandy swept through the region, the difficult process of rebuilding has slowly begun. Some NYSSCPA members and staff were hit especially hard by the storm, and our thoughts go out to them. Others have been donating their time, resources and skills to help with recovery efforts. I’m proud to say that even though the Society lost power and was forced to close its midtown Manhattan headquarters, staff and members were working together to connect people with resources and to disseminate information. This is not surprising. Service is at the core of our profession and at the heart of our Society, which is evident when you check the list of Sandy-related volunteer opportunities on the Society’s homepage, www.nysscpa.org.

Service to the public is also why the NYSSCPA has partnered with NYC Business Solutions—a city agency that assists area businesses—in order to provide CPA volunteers who can assist small business owners affected by the storm with insurance claims, personal injury claims, economic damage calculations, business valuations and general business questions. More than 100 CPAs have volunteered, as well as firms like Getty Marcus Stern & Lehrer, CPA, P.C., which is generously offering to provide CPA volunteers for this effort throughout New York City.

Sandy is not the only critical situation to wreak havoc within the state. Consider New York’s housing crisis. According to the Neighborhood Economic Advocacy Development Project, a resource and advocacy center for community groups in New York City, more than 345,000 New Yorkers were at risk of losing their homes in 2011, with mortgages that were in default or delinquent. This year, the NYSSCPA began working with the Lawyers’ Foreclosure Intervention Network (LFIN), a joint project of the City Bar Justice Center and the Federal Reserve Bank of New York, to provide nonprofits and homeowners facing foreclosure with free financial consulting. Many of the cases that are referred to LFIN require a CPA’s expertise so that a comprehensive plan for assistance can be developed. When we asked members to donate their time to the cause, the response was so great that the number of volunteers soon outpaced the number of cases. The NYSSCPA is now looking to expand its work in this area by partnering with a statewide program committed to keeping New Yorkers in their homes.

There are so many NYSSCPA members who give generously of their free time in order to better their communities. Just a look through the messages from our chapter presidents on page 24 provides a glimpse into some of the remarkable volunteer projects that the chapters have planned for the holidays. We’d like to hear your stories and, what’s more, we look forward to honoring our colleagues through the tradition of the NYSSCPA award program. Through Jan. 28, 2013, members have the opportunity to help colleagues get the recognition they deserve by nominating them for a Society award. You can download nomination forms at www.nysscpa.org; a hardcopy is also available in the November issue of The Trusted Professional. Should you have any questions, you can contact Nereida Gomez at 212-719-8358, 800-697-7272, or ngomez@nysscpa.org. The nomination process is a simple one, and I do hope you take advantage of the opportunity to recognize a colleague.

To each of you, many thanks for all that you do for your fellow members and the public we serve. I wish you all the best for a joyous holiday season.

Are you an NYSSCPA member interested in writing for The Trusted Professional?

No matter what your practice area, The Trusted Professional might be interested in publishing your work. All published stories should be between 700 and 1,500 words in length and must follow Associated Press—not academic—style guidelines. Submitted stories should be geared toward the education and general interests of the readership. Articles written to sell a service or to promote a business or office will not be considered. Final acceptance of material submitted for publication is at the editor’s sole discretion. Interested members should email Nicole Saunders at nsaunders@nysscpa.org for more information about guidelines and the editorial process before submitting work.

The Trusted Professional

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Letter to the editor

A possible solution to churches’ battle with IRS

I read the excellent article “Pastors Challenge IRS on political speech” in the November 2012 issue of The Trusted Professional. I understand the issues from both sides, and I think there is a solution.

From the IRS’s—and Congress’s—perspective, the idea is that the charitable contributions made to religious institutions should not be used for political purposes. Otherwise, one could set up a PAC as a “church,” and grant tax deductions to the contributors. That is clearly contrary to current law, and rightly so, in my opinion.

The solution, I believe, is to keep the prohibition against contributing to any political campaign, and prohibit using funds to advocate for or against a particular candidate. However, there would be no prohibition against advocating for or on behalf of a professional advice candidate in a private setting. Religious services would be considered a private setting.

So, the church that purchased full-page ads in the newspaper would rightly lose its tax-exempt status. A church, synagogue or mosque where the clergy spoke, however, would not have an issue. The assumption is that no funds are being used for political purposes.

You would, in my opinion, have to draw the line with the megachurches that broadcast on television, because that is clearly a use of funds; politics would have to be off limits. Obviously, other questions may come up, but I suspect that this is a workable framework.

Barry C. Picker, CPA/PFS, CFP
Brooklyn, N.Y.

To submit a letter for possible publication in an upcoming issue, email the editor, nsaunders@nysscpa.org.
NYSSCPA calls for Board of Directors nominations

I am writing to all NYSSCPA voting members on behalf of the 2012–2013 NYSSCPA Nominating Committee, to encourage any of you who are interested in serving as a member or officer of the Society’s Board of Directors to send me an email expressing your interest. Additionally, if you know of another member who would be interested in serving as a member or officer of the Society’s Board of Directors, you can nominate him or her as well.

This year, the Nominating Committee will be nominating—

• a president-elect (who serves three years on the Board; one year as president-elect, one year as president and one year as immediate past president);
• four vice presidents (who each serve one year);
• a secretary/treasurer (who may serve two consecutive one-year terms);
• five at-large directors (who serve three-year terms); and
• directors from the Mid Hudson, Northeast, Queens/Brooklyn, Rockland and Utica Chapters (who serve three-year terms). Please contact the respective chapter president to express interest in these Board positions.

Their contact information is available at the Chapter Center portion of the website, located at http://www.nysscpa.org/chapters.html.

The time commitment to serve on the Board normally includes attendance at four, face-to-face, day-long meetings annually, plus participation in a one-hour conference call. The face-to-face meetings are generally held in Manhattan. Of course, if you agree to participate on a subcommittee of the Board, additional time is required and, on rare occasions, issues to be decided by the Board can necessitate additional meetings.

The Nominating Committee will be meeting on Jan. 10, 2013. We need your expressions of interest as soon as possible, but in no event later than Jan. 4, so that the committee has the time to vet and compare the candidates. If you want to learn more about what service on the Board or as an officer entails, feel free to contact one of the current Board members or officers, or contact me at nominations@nysscpa.org.

A list of the current Board is available at http://www.nysscpa.org/epass/Committees/BoardofDirectors.aspx.

The committee requests that, before placing your name or that of another in nomination, you confirm that the candidate is willing and able to serve. Also, the committee asks you to submit a biography or résumé for the candidate and an email or letter indicating why you or that person should serve on the Board or as a Society officer.

To serve on the Board, an individual must be a CPA member of the NYSSCPA for five continuous years and have at least two years’ service either on a statewide committee or a chapter executive board, or a combination of both.

Additional information on the nominating protocols can be found online at http://www.nysscpa.org/governance/protocols.htm. More information on the nominating process can be found online at http://www.nysscpa.org/page/about-us/governance/nomination-center.

Best regards,
David J. Moynihan, Chair
NYSSCPA Nominating Committee

2012–2013 NYSSCPA NOMINATING COMMITTEE

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SUPERSTORM SANDY: HOW YOU CAN HELP

Small businesses need your expertise now more than ever. The NYSSCPA has entered into a partnership with NYC’s Department of Small Business Services and the New York City Economic Development Corporation to provide volunteer assistance to small-business owners across the city who suffered adverse losses as a result of Superstorm Sandy.

We are soliciting members of the Society to provide on-call telephone—and in some cases in-person—help to small-business owners affected by Sandy during the next three months, with up to 20 hours of dedicated time. Specifically, our CPAs will be offering help with several areas of forensic accounting, which includes insurance claims, personal injury claims, measuring business interruption, economic damage calculations and business valuations. If you would like to join this volunteer effort, please contact NYSSCPA Media Relations Manager Alonza Robertson at 212.719.8405 or via email at arobertson@nysscpa.org.

In addition, the Society is matching businesses uprooted by Sandy with those willing to temporarily share office space. If you are an NYSSCPA member whose office facilities are intact and functioning, and you have room in your office to share, please contact the Society’s Director of Member Relations, Bill Pape, at wpape@nysscpa.org.

For more information on how you can get involved in the recovery process or take advantage of the Society’s resources, visit www.nysscpa.org.
WELCOME!

NEW NYSSCPA MEMBERS

New Members who joined the NYSSCPA between Aug. 22, 2012, and Sept. 20, 2012
Beyond offering clarity, new standards have far-reaching impact

BY CHRIS GAETANO
Trusted Professional Staff
Corrected for accuracy by Renee Rampulla, CPA

Ed. Note: The following article initially appeared in the November 2012 issue of The Trusted Professional, but, because of reporting errors, has since been amended to include important factual corrections and clarifications, as well as additional details about the AICPA’s Clarity Project. We regret any errors or inaccuracy this may have caused.

The AICPA’s Auditing Standards Board (ASB) introduced its Clarity Project to assist auditors in understanding and improving their compliance with Generally Accepted Auditing Standards (GAAS), but at a continuing professional education session on Oct. 12, FAE speaker Renee Rampulla said that the Clarity Project is an important move toward globalization because the project intended to converge GAAS with International Standards on Auditing. Therefore, it is much more than a simple rearrangement of the existing private company auditing standards.

The Clarity Project was first launched in 2004, and the ASB began redrafting auditing guidance in 2008. According to Rampulla, a consultant and member of the NYSSCPA’s Professional Ethics Committee, the ASB decided to create user-friendly auditing standards in a plain-English format, and while the ASB’s Clarity Project did not intend to create additional auditing guidance or requirements, the practical implications of many of these clarified changes may significantly affect some audit practices. “CPAs doing audits under U.S. GAAS really need to look at these changes,” she said. As an example, she pointed out that guidance regarding an auditor’s use of another auditor, known as the “component auditor,” in what is referred to as a group audit, has been greatly expanded. The group audit guidance described in the clarified standards includes specific procedures, to the extent necessary, that the group engagement team, formerly referred to as the principal auditor, perform relating to the component auditors in order to have an effective audit. Group audit situations, for example, would include financial information related to a function, process, product/service, geographical location, or a domestic or foreign subsidiary that management includes in the group financial statements.

She also said that the definition of a component auditor does not only include an auditor from another accounting firm but can, at times, also include an auditor within the same existing firm. For example, the New York office of an accounting firm may have a client that has a subsidiary in the state of California. Assuming the New York office is considered to be the group auditor, they may, for example, their California office audit the California subsidiary, thereby possibly falling within group audit guidance.

The clarified standards are also “GAAP neutral” when it comes to accounting frameworks, vs. some of the previous auditing guidance, which at times made reference to Generally Accepted Accounting Principles (U.S. GAAP). According to Rampulla, the ASB felt that “if you can audit, you can audit an entity under [other comprehensive basis of accounting] or [International Financial Reporting Standards], why impose the GAAP?" Previous related-party guidance focused on auditing the amounts and disclosures in accordance with the provisions of FASB ASC 850, Related Party Disclosures, while the clarified guidance approaches related-party auditing procedures from a risk of material misstatements approach, irrespective of an entity’s financial reporting framework. Therefore, “it is irrelevant if a standards setter has related-party guidance and disclosures—you need to audit related parties from a risk-assessment standpoint,” she said. “So, it’s important that your client knows up front that just because the framework they chose doesn’t have disclosure requirements, that doesn’t prevent them from having to incorporate a related-party disclosure.”

There are more than 1,000 pages of redrafted guidance included in the clarified auditing standards, and Rampulla said that, even during the course of a half-day lecture on them, auditors cannot stop here, but must read and understand the standards and determine how these changes impact their firm and audit methodologies. In addition, while she urged the audience to familiarize itself with the new literature, she added that auditors should not abandon the old standards right away. Auditors will still need access to the old guidance when auditing clients with financial statement periods ending before the effective date of the clarified standards, for example, clients with financial reporting periods ending on Sept. 30, 2012. Rampulla said the clarified standards are effective for audits of financial statements for periods ending on or after Dec. 15, 2012, and therefore, these standards will be effective for clients with calendar-year 2012 audits. In order to avoid confusion between the clarified and preclarified standards, the ASB will maintain the new AU-C referencing through 2013. When the clarified auditing standards are fully effective for all engagements in 2014, the new AU-C sections will revert back to AU but will maintain the new numbering system in the codified sections.

The course concluded with a discussion on transition, and Rampulla explained how firms would have to address these changes from both a technical as well as an administrative perspective. “While it may, of course, be an administrative nightmare to just know the difference between pre- and post-[clarification], keep in mind you have carry-forward workpapers, and you will need to make sure that they are carried forward with the right referencing number, making reference to the right title,” she said. “Because if you don’t do that, you are referencing superseded guidance.”

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Partner, Blazek & Verfuerth, LLP

Eve Rose Borenstein, Esq.,
Partner, Eve Rose Borenstein, LLC, and Borenstein and McVeigh Law Office LLC

Jeffrey D. Mechanick, CPA, MBA,
Assistant Director, FASB

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www.nysscpa.org
FAE speakers offer tips for handling troubled investments

BY CHRIS GAETANO
Trusted Professional Staff

How might a savvy investor deal with a troubled investment? According to private equity attorneys Mitchell M. Brand and Andrew M. Kramer of Otterbourg, Steindler, Houston & Rosen, P.C., both of whom spoke at the FAE’s Private Equity and Venture Capital Conference on Oct. 25, it entails having the right information and relationships—and the right information about relationships.

As a first step, Brand and Kramer advised investors to first learn as much as they can about the investment in order to come up with an effective strategy for dealing with a distressed asset. For example, Brand said, the investor needs to understand what the company is and does, its corporate and capital infrastructure, who its management and board of directors are, and what sorts of relationships exist between them and key stakeholders, such as customers, vendors, partners and employees. According to Kramer, it’s also important to determine whether there are other players who might have influence, such as parent companies or guarantors, and whether management has any obligations to them.

“As there limited-use provisions in any company agreements, like with software providers? Are there equipment lenders or lessors? Is there real estate leased?” Kramer said.

Investors should also identify whether there are any operational issues like excessive inventory levels, manufacturing expediency issues, transportation and distribution problems, or regulatory agencies issues. Moreover, they should take stock of general industry conditions, which might prove to be a bigger problem than the company itself.

“If you were an investor in solar panels, there were obvious industry issues affecting company performance, similar to [those impacting] custom home builders and natural gas,” Kramer said.

Once the facts are gathered, Brand stakeholders regarding the plan, as disagreements across parties can make restructuring the operational side of a private equity investment much more difficult.

Another area to be cautious about, Brand said, is balancing the ability to own the investment without incurring liabilities. Kramer added that it might be a good idea to hire an outside professional such as a chief reconstruction officer, who can evaluate the financial situation. This, he said, can sometimes give credibility to the company’s best thing to do is minimize liabilities, the company may decide, instead, to simply liquidate, in which case, Brand said, filing for Chapter 7 bankruptcy may be the best option for the company, because it’s less expensive than Chapter 11 and, if someone is interested in buying the company’s assets, investors won’t lose as much control over the process.

However, Kramer said, Chapter 11 does offer the ability to sell assets free and clear of lien claims and encumbrances, which makes it possible to satisfy outstanding debts. It also provides an avenue for the investors to repurchase the company, without the burden of liens and liabilities. He also warned, however, that creditors may

“Knowing the facts of the investment and developing an appropriate game plan will allow clients to minimize pitfalls and work in a way to get a successful recovery of a troubled investment.”

– Mitchell M. Brand, private equity attorney, Otterbourg

Why I’m a Member

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

Name: Anthony S. Chan, CPA

Joined: 1989

Chapter: Manhattan/Bronx

Current position: Managing Director, UHY Advisors NY, Inc.

Society highlights: Past Chair, SEC Practice Committee; Past Chair, Young CPAs; Accounting and Auditing Oversight Committee

Hobbies/activities: Loves traveling with his family, golfing and long-distance running.

Fun fact: Enjoys driving sports cars.

Why I’m a member: “The technical requirements of being a CPA are fairly straightforward, but knowing the ins and outs and tricks of the trade is something more complex, and that can be learned through the experienced members you meet at the Society. Their real-life perspective has been very helpful.”

Personal quote: “We are in a client-service business and it is impossible to please everyone. Integrity is the cornerstone of our profession and we must be true to ourselves. Learn from every challenge that comes your way and make the most out of it. Work is only a part of our life; enjoy your family and try to find the right balance. Be a mentor and inspire those who could benefit from your valuable experience. Just remember, every day is a good day, and it is up to us to make a difference.”

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IRAs carry pitfalls in planning process

BY CHRIS GAETANO
Trusted Professional Staff

Estate planning can be difficult enough as it is, but add individual retirement accounts (IRAs) to the mix, and CPAs may be looking at a minefield of potential tax liabilities and other hurdles, according to Edward A. Slott, a speaker at the FAE’s Personal Financial Planning Conference on Nov. 13. Slott, who specializes in retirement planning and IRA issues, said that because IRAs are different from other assets that are usually considered in estate planning, such as a house, CPAs would be well served to understand the nuances behind including them in a plan. This is important, he added, because IRAs can potentially be someone’s single biggest asset, even bigger than the single biggest asset, even bigger than the

IRAs also confound a key strategy in estate planning—gifting—because they cannot be gifted. People might try, Slott said, but it doesn’t change the fact that if money is taken out of an IRA, it becomes taxable. IRAs also react poorly to another common strategy, shifting ownership, which can’t be done, according to Slott, just as a joint ownership cannot be arranged like one might do with a house. “The ‘I’ in IRA stands for individual,” he said.

Another difference, he noted, is that one can’t tap an IRA for equity like one could do with other assets, or borrow from it without voiding the entire account. Even if someone with a million-dollar IRA borrowed only $10,000, or 1 percent, the entire account would then be deemed distributed, just as if the owner had distributed the entire million and treated it as a taxable distribution.

When people don’t pay attention to the ways in which IRAs operate differently from other assets, it can create problems, Slott said. For example, he cautions against putting an IRA directly into a trust. People can leave an IRA to a trust, he said, but putting the money directly into that trust can actually lead to an even bigger tax liability than if the money had never been transferred to begin with. The only reason to leave IRA money in a trust, he said, is if there are additional concerns about control of that money after the owner dies, as when a beneficiary is disabled or when he’s irresponsible with money.

According to Slott, IRA planning has become more important than ever because of the strong possibility that taxes will be raised. This means that CPAs need to take advantage of low rates now before that happens, he advised, which flips the typical mindset upside down. “When the rates go up next year, it will be more expensive to use that money for planning. That is why you want to use that money now,” he said. “Everything I say goes against everything we think as CPAs—we always defer, always put it off, never pay a tax unless you have to, but everything is different now. … This is the year with the lowest rates in history.”

This also means that now is the ideal time to convert an IRA to a Roth IRA, he said. Roth IRAs are not subject to many of the restrictions that typical IRAs are, like required distributions. He also said that they’re more flexible when it comes to interacting with trusts. For instance, when a Roth IRA is payable to a trust, it’s tax free, he said.

Regardless of the time of the year, though, Slott urged his audience to be proactive when dealing with IRAs in the estate planning process. Too often, people seem to be under the impression that handling their IRA is someone else’s job, which means that it never gets accounted for, he said. “The lawyer thinks the accountant is doing it, the financial adviser thinks the lawyer is doing it, the accountant thinks everyone else is doing it while we’re just doing taxes. … I call it the ‘black hole of planning,’” he said.

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UPCOMING INDUSTRY COMMITTEE MEETINGS

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

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

IRAs, when doing estate planning, are a different animal than all other assets.”

– Edward A. Slott, NYSSCPA member
Who should be remitting the tax?

This was a more complex question, and Liebman went through an “on one hand…but on the other hand” argument. First, she did note that the petitioner is not involved in the agreements between customers and the AV provider. The equipment is the exclusive property of the AV provider, and only its employees handle it. Therefore, the petitioner is not purchasing either the equipment rental or the AV services, nor is it selling such services as part of its catering services.

Nevertheless, the petitioner is involved in collecting revenue and does receive a commission in exchange for allowing the AV provider to be the exclusive on-site audiovisual (AV) service company as the sole provider for AV equipment and services for conferences and business meetings held in the hotel. Although guests are free to bring in their own AV providers, the hotel may require the guests to hire—and pay for—an employee from the official provider for certain complex tasks. The AV provider has a base in the hotel but acts as an independent contractor, and pays the hotel a commission of about 40 percent.

The hotel has some control over the AV provider, including a say over the type and amount of equipment to be located at the hotel. The AV provider’s employees have to follow hotel rules relating to their appearance and conduct.

Hotel guests sign a contract directly with the AV provider for projectors or anything else they need, not with the hotel. Typically, but not always, the AV bill appears as a separate item on the hotel’s bill to the guest; the hotel then remits the amount, less its commission, to the AV provider—including any sales tax charged to the customer. The AV provider then has the responsibility of remitting that tax to the state. Conversely, when the hotel collects the receipts on the AV provider’s behalf and says it will remit the sales tax itself, the AV provider is jointly and severally liable for any sales tax due on the sales of AV services if the hotel fails to remit the tax.

In short, the state Tax Department is not going to delve into the particular arrangement between the hotel and AV provider. If it’s missing money, it’ll be reaching into both their wallets.

The ruling concludes with a requirement that’s also a good piece of advice for any company. The hotel also has authority over the type and amount of equipment available at the hotel, as well as some supervisory authority over the provider’s employees.

The decision? Both petitioner and AV provider are responsible for remitting sales taxes—they are “co-vendors.” This means the hotel is jointly and severally liable if it collects receipts and turns them over to the AV provider—only to discover later that the AV provider never remitted the tax to the state. Conversely, when the hotel collects the receipts on the AV provider’s behalf and says it will remit the sales tax itself, the AV provider is jointly and severally liable for any sales tax due on the sales of AV services if the hotel fails to remit the tax.

Nevertheless, the petitioner is involved in collecting revenue and does receive a commission in exchange for allowing the AV provider to be the exclusive on-site audiovisual (AV) service company as the sole provider for AV equipment and services for conferences and business meetings held in the hotel. Although guests are free to bring in their own AV providers, the hotel may require the guests to hire—and pay for—an employee from the official provider for certain complex tasks. The AV provider has a base in the hotel but acts as an independent contractor, and pays the hotel a commission of about 40 percent.

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No matter how it is billed, however, the hotel does not guarantee payment of charges; if a guest refuses to pay, for any reason, then it is the AV provider’s responsibility to start collection proceedings.

Is a tax owed here?

The first question is whether this sales tax was even required. New York State Department of Taxation and Finance Deputy Counsel Deborah R. Liebman wrote, “A sale of tangible personal property for use in performing certain enumerated services is not considered to be a retail sale and is not, therefore, subject to tax.” But catering services, under Section 1105(d), are not included in this category. Applicable here, said Liebman, is Section 527.8(1)(2)(i) of the New York Code, which says that “[t]axable tangible personal property or services used or consumed by a caterer in performing catering services are not purchased for resale as such and are subject to tax.”
Sandy figures into New York tax lag

BY RICHARD J. KORETO
Trusted Professional Correspondent

In a November 2012 announcement, New York State Comptroller Thomas P. DiNapoli said that the tax collections of $35.9 billion through October were behind expectations, falling $170.8 million below July estimates and $259.8 million below initial estimates. Considering new estimates going forward, DiNapoli said that adjustments should take into account the additional costs from Hurricane Sandy.

The release said the first-quarter update to the state’s financial plan released in July projected a yearlong tax growth of 3.1 percent. However, the collection of $35.9 billion through October rose only 1.5 percent. The state’s Division of the Budget has not yet released the midyear update to the plan, but the release said it is expected that it will include revised projections—“including fiscal implications associated with Hurricane Sandy.”

On the positive side, the “All Funds” balance at the end of October was $1.41 billion above current projections, due largely to higher than anticipated miscellaneous receipts and federal receipts. (The state has a “Federal Special Revenue Funds” line for all noncapital federal operating grants received by the state.) As explained in a footnote to the comptroller’s full report, miscellaneous receipts include such items as abandoned property, receipts from the State of New York Mortgage Agency, receipts from municipalities and fines.

The personal income tax (PIT) in the General Fund—the major operating fund of the state, which accounts for all receipts not legally required to be deposited into another fund—through October totaled $15.8 billion and grew 2 percent, or $303.4 million, from last year. However, year-to-date PIT collections were $17.1 million lower than current projections and $14.1 million lower than initial projections. General Fund business tax collections totaled $2.6 billion through the same period, which was $163.9 million more than the same period a year earlier, but $53.7 million less than updated projections.

**Other key figures highlighted**

The release also provided percentage comparisons between year-to-date this month and last for a number of tax figures. In the General Fund PIT, business tax, and consumption tax were all up over last year. Total receipts were up 3.4 percent.

There’s a somewhat different story, however, with the All Governmental Funds, which includes the General Fund as well as Special Revenue, Debt Service funds, Capital Projects funds and funds from the federal government. Total receipts in this larger category were down 1.9 percent. The single biggest drop, by percentage, was federal, down 11 percent.

**Spending down—for now**

Even as receipts went down, though, so did spending. Although the release notes that timing issues can account, in part, for the lower spending figures, it did go into more detail on other factors: The $1.4 billion drop was due, in part, to reduced spending for local assistance. It remains to be seen in future reports how Sandy might affect that line item.

**Sandy’s costs prompt a field trip**

Although various state and local politicians have tossed around estimates on Sandy’s costs, few of these have mentioned budget items, beyond asking for federal help. One of the most recent statements, on Nov. 28, was a joint release from New York’s Gov. Andrew M. Cuomo and New Jersey’s Gov. Chris Christie. Despite being called a statement on cost estimates, it didn’t mention a dollar figure. (It did mention that the two states would work together to get their share of the federal pie.)

Perhaps to prevent a budget and tax problem, Gov. Cuomo made his first trip to Washington since being elected governor, to lobby for federal aid, according to a Wall Street Journal article. Cuomo said that House Speaker John Boehner (R-Ohio) “agreed to support the passage of some sort of supplemental appropriations bill by the end of the year,” continued the article, which noted that Cuomo was seeking $42 billion. Boehner’s office has not made an official statement. The Trusted Professional will be following up on future budget statements—and how they’re affected by Sandy.

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BY CHRIS GAETANO

Trusted Professional Staff

Although the NYSSCPA agrees with many of the proposed revisions to the rules of the Appraisal Standards Board (ASB) that govern how appraisers conduct their work, it disagreed with the board on a significant point—that constitutes a report—and cautioned against changes that could affect the types of communication that are considered to be final.

The Society expressed its views in a comment letter published on Oct. 18 that was written in response to proposed changes to the Uniform Standards of Professional Appraisal Practice (USPAP). The ASB, under the auspices of the Appraisal Foundation, develops, interprets and amends the USPAP, and the proposed revisions are part of a regular cycle of changes, as the standards move from edition to edition. The board’s work plan for the 2014–2015 edition includes reviewing and revising areas that have to do with reporting and communication requirements, reporting options and the retirement of standards, as well as making other revisions that are needed to ensure clarity and relevance, according to the ASB.

Currently, the ASB defines a report as any communication, written or oral, of a final appraisal or final appraisal review assignment that is transmitted to the client upon completion of an assignment, with additional commentary noting “most reports are written and most clients mandate written reports. Oral report requirements . . . are included to cover court testimony and other oral communications of an appraisal, appraisal review or appraisal consulting service.” However, a proposed ASB revision would change that definition to “any written communication of an appraisal or appraisal review assignment that is transmitted to the client or any other intended user with a signed certification, or any oral communication of an appraisal or appraisal review.”

The NYSSCPA feels that this inappropriately includes draft reports, which means that, in litigation, the appraiser would need to reconcile changes in the assumptions, conclusions and opinions from draft one to draft two to draft three, and so on.

The Society proposed an alternate definition of what a report is: any communication, written or oral, of a final appraisal or final appraisal review assignment that is transmitted to the client upon completion of an assignment or any other intended user, as defined in the final report or oral communication of a final appraisal or final appraisal review; in the case of written communication, a signed certification would be part of the report.

However, the Society did agree with the ASB that the definition of a report should be linked when the certification is signed by the appraiser and the report is transmitted to the client.

The ASB had previously been asked to offer guidance on when an assignment is considered complete. Currently, the ASB defines “assignment results” as an appraiser’s opinions and conclusions developed specific to the assignment. They include the appraiser’s opinions or conclusions developed in an appraisal assignment, such as value; opinions of adequacy, relevancy or reasonableness developed in an appraisal review assignment; or opinions, conclusions or recommendations developed in an appraisal consulting assignment.

The ASB has proposed a new definition in which “assignment results” also include an appraiser’s opinions or conclusions developed in an appraisal assignment not limited to value, opinions or conclusions developed in an appraisal review assignment not limited to an opinion about the quality of another appraiser’s work, or opinions or conclusions or recommendations developed when performing a valuation service other than an appraisal or appraisal review assignment.

The NYSSCPA, however, felt that this proposed definition was too broad. Since the results of an appraisal are final, the Society said, it would make sense to add the word “final” in front of each instance of “opinions or conclusions” in the proposed definition.

“The Society seeks sense of finality in proposed changes to appraisal standards

“By defining ‘assignment results’ as final, this would eliminate the possibility of draft reports falling into the definition of Assignment Results. This would eliminate additional legal costs arising from the inclusion of draft reports as evidence in litigation,” the Society wrote. “This would also boost public trust, eliminating confusion and arguments coming from the comparison of draft reports to the final Assignment Result.”

The ASB will adopt whatever changes it decides upon at its public meeting in San Francisco on Feb. 1, 2013, with revisions becoming effective on Jan. 1, 2014, according to the exposure draft text.

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NYSSCPA comment letters

The following list includes all comment letters released by the NYSSCPA between Nov. 1 and Nov. 30, 2012. To read all comment letters published by the NYSSCPA, visit http://www.nysscpa.org/page/society-comment-letters.


Letter to New York State Board for Public Accountancy Executive Secretary Jennifer Winters, requesting an extension of the CPE filing year as a result of Hurricane Sandy: Released Nov. 7—Letter requesting an extension of the CPE reporting year by four weeks in light of the devastation wrought by Hurricane Sandy, and noting that the state took similar action after Hurricane Irene.

FAE 2013 Conferences

Taxation of Financial Instruments and Transactions Conference

Find out how current tax law developments will impact tax investment strategies

Tuesday, January 8, 2013
Citi Executive Conference Center
153 East 53rd Street
New York, NY 10022
8:30 a.m.—5:10 p.m.

KEYNOTE ADDRESS:
Viva Hammer of Brandeis University will discuss “Our Tax Future: A View from Washington”

HOT TOPICS:
○ The latest on classifying debt vs. equity
○ What you need to know about FATCA: How does it apply to investment funds?
○ Taxation of inbound investments: effectively connected income, FIPRTA
○ Tax planning for 2013 rate increases
○ Withholding on swaps and dividend equivalents
○ Section 475: 20 years later
○ Tax risk management: financial product considerations
○ Alternative incentive allocations: innovative nontraditional incentive allocations

Registration Details:
Course Code: 3562331 (In-Person); 35623311 (Live Webcast)
CPE Credit Hours: 9
Field of Study: Taxation
Member Fee: $385 (In-Person); $295 (Live Webcast)
Nonmember Fee: $510 (In-Person); $410 (Live Webcast)

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ADVOCACY
losses of a business that have yet to be realized—by disclosing their effects on
respective line items in the statement of operations, provided the reclassified item is
required, under U.S. Generally Accepted Accounting Principles (GAAP), to be
reclassified in its entirety to net income.

“The FASB’s objective for issuing this
proposed ASU [Accounting Standards Update]
appears to be focused on enabling the users of financial statements to easily understand the
impact that reclassifications from [AOCI] had on the various components of the statement of
operations,” said Robert Rollmann, vice chair of the committee and one of the letter’s
principal drafters. “Currently, GAAP requires detail disclosures of such reclassifications;
however, the disclosures are typically scattered throughout the financial statements.”

The FASB proposal calls for disclosures to be put in a column or table format, which
the proposal text said would “improve the presentation requirements without imposing
significant costs to preparers of financial statements.” The NYSSCPA, however, did
not feel this would be the case. In fact, the Society said that requiring the data to be
presented in a tabular format would “unnecessarily [add] disclosure that may be of
limited value to many financial statement users” and would “add unnecessary clutter and
length to the financial statements, expand ‘disclosure overload’ and in fact make it more complex for readers of the
financial statements to understand them.”

“Financial statement disclosures for both public and private companies are getting
extremely lengthy and cluttered,” Rollmann said. “The FASB should critically rethink the
need for tabular disclosure, at the expense of creating redundant disclosures in the
financial statements.”

While the NYSSCPA supported the goal of having financial statements provide
information regarding how reclassifications from AOCI affect earnings, it said that the
FASB could just as easily refer readers where disclosures were made in the
comprehensive income statement, which, Rollmann said, would eliminate the purpose
behind a tabular disclosure.

“‘For example, reclassifications related to
pensions could reference the pension
disclosure note, which would reduce
redundant disclosures,’” he said.

Regardless of what form the update
ultimately takes, the NYSSCPA also felt that
nonpublic companies should not be required to follow it, as mandating it as such would
“only serve to exacerbate the current private company disclosure overload and may be of
little or no value to many private company
financial statement users, in particular those
private companies that are not financial institutions,” according to Rollmann.

Financial instrument standard
needs clarity

Meanwhile, another comment letter
authored by the Society and published on
Oct. 16 said that the FASB’s proposed
standard on disclosure of liquidity and interest rate risks in financial instruments
needs additional guidance and clarification before being implemented, lest it cause
confusion among practitioners.

The letter was written in response to the FASB’s Proposed Accounting Standards
Update—Financial Instruments (Topic 825):
“Disclosures About Liquidity Risk and Interest Rate Risk,” which was released to
the public for comment this past June. The proposal is intended to give users a clearer
picture of the risks associated with financial instruments by mandating more specific
disclosures, with the proposal text saying that the measurement basis was inadequate in
representing the relevant risks involved.

Regarding liquidity risks, financial
institutions would need to disclose the
carrying amounts of classes of financial
assets and financial liabilities in a table, segregated by their expected maturities, including
off-balance sheet financial commitments and obligations; if that financial institution is also a depository
institution, it must also disclose information
about its time deposit liabilities, including
the cost of funding in a table or list during the
previous four fiscal quarters, according
to an FASB press release.

Organizations that are not financial
institutions, but happen to carry financial
instruments, must disclose their expected
cash flow obligations in a table, segregated
by their expected maturities, without being
required to include the reporting organization’s financial assets in that table, the
release continued.

Regardless, all reporting organizations
would be required to provide their liquid funds in a table, which includes unencumbered cash, high-quality liquid
assets and borrowing availability, as well as
provide additional quantitative or narrative
disclosure of the organization’s exposure to liquidity risk, including a discussion about significant changes in the amounts and
timing in the quantitative tables and how the reporting organization managed those
differences during the current period.

Financial institutions would also have
new disclosures on interest rate risk. They
would need to disclose carrying amounts of
classes of financial assets and financial liabilities according to time intervals based on the contractual
structuring of the financial instruments; produce an interest rate sensitivity table that presents the effects on net income and shareholders’ equity
of hypothetical, instantaneous shifts of interest rate risk, and then provide at least quantitative or narrative disclosures of the organization’s
exposure to interest rate risk, including
a discussion about significant changes in the amounts and timing in the quantitative tables and how the reporting organization managed those
differences during the current period.

The NYSSCPA noted that the proposal is
similar to a previous invitation to comment on
the disclosure framework that was released in July, which the Society also responded to. In
fact, said Robert A. Dyson, a member of the
commitee and one of the letter’s principal
authors, it would make more sense if the
FASB finished guidance related to the
disclosure framework in general, before
moving on to the more specific circumstances discussed in the proposal.

“The framework appears to be a trial
balloon,” Dyson said. “We recommended
that FASB set the policy in the framework and
then recommend disclosures consistent
with that framework. Instead, FASB is
recommending disclosures before
addressing the conceptual theory.”

The Society also said that the FASB
should work to address parts of the proposal that
contradict other parts of the accounting
literature. For instance, the letter said, “ASC 825-10-50-2A asserts that the disclosure
guidance in paragraphs [23A] through
[23AF] applies to all entities. Paragraph [23A]
contradicts this by asserting that the
liquidity risk disclosures in paragraphs [23E]
through [23K] and interest rate risk disclosures in paragraphs [23W] through
[23AF] apply only to financial institutions.”

Further, the NYSSCPA felt that the FASB
should make more of a distinction in the rules
between financial institutions and nonfinancial institutions, because their
relationships with financial instruments are
very different.

“We just found the liquidity risk disclosures confusing because they intermingle with the
disclosures required of financial institutions and operating companies … a lot of operating
companies raise funds through general operations which are used to settle financial
obligations … and not from financial instruments. This is different from a financial
institution, where a good part of their revenue structure is financial instrument returns,”
Dyson said.

The Society also cautioned that a
provision in the proposed rule that requires
information about expected maturities for financial assets and liabilities might lead to
difficulty in application, because
“contractual maturities convey information
on when the entity is required to settle the
liability to avoid a breach of contract. Expected maturities convey when the entity
expects to settle the liability which may be a
different date than the contractual
obligation.”

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With the release of that guidance, Gold said
that the state had made it very easy to file
for the claim, which taxpayers can do at

“Normally, you have to paper-file a
legalistic protective claim with multiple
components, but DTF created a very simple
procedure—just enter your name, tax ID
number and email address, click, and your
protective claim was filed,” he said.

The NYSSCPA will continue monitoring this issue as the Court of Appeals mulls over
the case and plans to keep members updated
on any developments regarding the tax.

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A look back in time: how CPE came to be

BY NICOLE SAUNDERS
Trusted Professional Staff

Ed. Note: This year, the Foundation for Accounting Education (FAE) reached a milestone, marking its 40th anniversary. In honor of the decades it has spent offering CPAs continuing education, we take a look back at the genesis of continuing professional education (CPE) in New York state. For more on the FAE anniversary, visit www.nyscpa.org/fae40years. And see the January 2013 issue of The Trusted Professional for help in planning a CPE strategy for the upcoming year.

F or a generation of CPAs, amassing the requisite number of CPE credits as mandated by state law has simply been a part of life, a necessary step for remaining in good standing. But for those seasoned enough to remember, there was a time when the decision to take, or not take, CPE was left up to the individual practitioner—and that didn’t happen easily, at least not in New York state.

CPE has long been a mainstay of the profession, with CPAs voluntarily using it to keep pace with changing laws and regulations, broaden their expertise and remain competitive. In some instances, employers required it. But it didn’t become mandatory on a statewide level until the 1970s, when more than a dozen state boards, led by Iowa, began to require it as a condition of license renewal. According to the 2007 book 100 Years of NASBA: Serving the Public Interest, by Dale L. Flesher, Ph.D., CPA, CMA, CIA, CFE, CGFM, that state legislatures had begun to require compulsory CPE for other professions was seen as a factor in the shift; some believed that if CPAs did not make an effort to regulate the profession themselves, lawmakers soon would.

The movement was led, according to Flesher, by heavyweights in the profession who pushed the issue. AICPA President Marvin L. Stone proposed the concept of mandatory CPE at the institute’s annual meeting in 1967; in 1971, the AICPA Council passed a resolution urging states to require that CPAs participate in CPE as a condition of their right to practice. The Board of Directors of the National Association of State Boards of Accountancy (NASBA) would also go on to prod each state to institute CPE requirements.

By the middle of the decade, 32 states had either enacted or endorsed such provisions. But the conversation played out differently in New York, which, until the mid 1980s remained one of the nation’s few holdouts, and the only major state not to make CPE compulsory.” “We were almost like outliers,” recalls Robert L. Gray, who served as the NYSSCPA’s Executive Director from 1970 to 1998. Of course, there had long been opportunities for voluntary continued professional education within the state, particularly through the NYSSCPA: In the 1950s and ‘60s, all education seminars in New York were products of the Society’s committees; the Society ran two to three large conferences a year created by the tax or auditing committees; and it established the Foundation for Accounting Education (FAE) in 1972, to develop much of its own education materials, according to a 2008 white paper by the Society’s Quality Enhancement Policy Committee. However, Gray says, the idea of mandating continued education received pushback for various reasons. According to a 1985 New York Times article on the profession’s push toward mandatory CPE, podiatry was the only profession in New York to require CPE at the time, and the state was not convinced that mandatory continuing education for CPAs or any other licensed professionals would help to protect the public. The New York State Education Department took the position that “courses of instruction were not the most direct way to deal with incompetence,” and was said to have preferred peer review instead, with then-Assistant Commissioner Thomas E. Sheldon telling the Times that “obviously individuals ought to expand their knowledge and skills in a profession, but we are not sure that mandating that achieves the desired result of making them competent”.

Robert Fagliarone, the Society’s president from 1988–1989, noted other stumbling blocks, including concerns among some CPAs that mandatory CPE would prove costly. There were also differences in educational styles at the time, he added. Unlike today’s crop of young professionals, older generations weren’t as accustomed to the idea of being perpetual students, and “some old timers gave it a hard time,” according to Gray, there was also plenty of regional hubris to blame. The feeling, he said was “that people didn’t care what the rest of the country did because we’re New York.”

Gray himself was a big supporter of mandatory education and saw the benefit of it for professionals. He had been a college professor for senior and postgraduate students at Syracuse University and the State University of New York at Binghamton, and became responsible for educating younger members of his firm. As the Society’s executive director and a member of the FAE Board of Trustees, he’d helped beefed up FAE’s offerings and increased the number of courses it offered.

He would lead the push to get New York to do as other states had done and mandate CPE, though the issue divided the Society, with “a prominent minority opposed to it,” he said.

Gray worked to convince Mark A. Siegel, then-chairman of the Higher Education Committee in the state Assembly that education worked. “I kept sending him information on it,” Gray said. “Finally, he said ‘I’m not convinced—but if you can really measure the benefit and measure whether continuing education is effective, I will sponsor the legislation.’”

Gray then enlisted the help of Arden D. Groteleschen, a respected researcher who had studied issues related to adult education. Groteleschen analyzed available literature, and developed and tested a questionnaire for professionals in CPE programs. His work demonstrated that CPAs do gain value from continuing education; he identified five basic areas in which professionals benefited from CPE, including professional improvement and development, collegial learning and interaction, and professional commitment and reflection.

After reading the research, Siegel said he would sponsor a three-year-long trial legislation requiring that CPAs take CPE. Before he did so, however, he held a hearing on the matter. Gray insisted that members of the Society who occupied both pro and con sides of the debate be present. “I wasn’t trying to BS anybody,” Gray said. “We had an extensive hearing, with people who were for it and against it, and Siegel listened and was convinced.”

By the close of the 1980s, public accountantancy became the second profession in New York state to mandate continuing education, with a 40-hour minimum per year. After the trial legislation’s three-year period expired, according to the Society’s white paper, a state review brought about another revision in the early 1990s: CPAs were allowed to choose between 40 hours of general CPE a year or a 24-hour concentration in either audit, accounting or taxation. The 24/40 rule remains the law today, with six approved areas of concentration: accounting, advisory services, attestation, auditing, specialized knowledge and applications, and taxation.

Requirements also include an ethics obligation of four credits every registration period.

“People didn’t care what the rest of the country did because we’re New York.”
—Robert L. Gray, NYSSCPA past executive director

For more information and to see more FAE 40 Reasons, visit www.nyscpa.org/FAE40.

The Trusted Professional / December 2012

www.trustedprofessional.com
New board secretary reflects on what’s to come

BY CHRIS GAETANO
Trusted Professional Staff

Jennifer Winters, the new executive secretary of the New York State Board for Public Accountancy, gave a hint as to what the profession might expect from her in her new role, in a Nov. 8 interview with The Trusted Professional.

Winters, who was appointed to the position on Sept. 12, said that she plans to take a collaborative approach with board members and office staff, as well as interested parties in the profession.

In terms of priorities, she said that in the short term, her first concern would be to acclimate herself to the position, but in the long term, her focus would include fostering statewide licensing projects such as firm registration, and finalizing the Board of Regents’ rules, in relation to the 2009 accounting reform law. Winters also said she thought the biggest issues facing CPAs in New York mainly have to do with regulatory oversight and changes within the profession, such as adjusting to issues related to International Financial Reporting Standards and cloud computing.

Winters replaces Daniel J. Dustin, who left in January after 13 years, for a vice president of state board relations position at the National Association of State Boardsof Accountancy. Like her predecessor, she will continue to work with the Quality Review Oversight Committee, the Regents-appointed, five-member body that oversees New York’s mandatory quality review program that went into effect at the beginning of this year. She said that she has already attended the October meeting and that she looks forward to working with the committee members on the oversight process in the future.

Other duties of her position include providing assistance to the Board of Regents through the State Education Department by developing requirements for licensure, convening disciplinary panels, providing technical assistance to legislative staff, preparing bill comments and assisting in the development of departmental bills. Winters’ responsibilities also extend to serving as executive secretary for the state’s Board for Certified Shorthand Reporting.

“T here’s really a lot to learn in the new role that I have as executive secretary over the profession, so all I can say at this time is I’m very thankful for the assistance of the board members and office that has been provided to me to transition into this new position,” she said.

Winters was raised in the Syracuse area and now lives near Albany. She was selected for what Douglas Lentivech, New York State Deputy Commissioner for the Professions, said was a “unique blend of knowledge and background in public accountancy,” as well as her managerial skills, which, he said, were “necessary to assume the responsibilities as the executive secretary to the New York State Boards for Public Accountancy and Certified Shorthand Reporting.”

According to Winters’ LinkedIn page, she spent four years as the internal control officer for the state’s Division of Military and Naval Affairs, which has authority over the National Guard and similar organizations. From 2006 to 2008, she was the senior internal auditor for the New York State Police, and her public accounting experience includes a two-year stint as an associate auditor at KPMG, from 2004 to 2006. Winters also holds an M.S. in accounting information systems and a B.S. in accounting, both from SUNY Albany (University at Albany).

She said she will bring an industry perspective to the profession, drawn from her previous experience with the New York State Police and the Department of Military and Naval Affairs.

cgaetano@nysscpa.org
Superstorm Sandy

Superstorm Sandy raged along the East Coast at the end of October, killing more than 100 and causing billions of dollars in property damage that included ruined homes, businesses and destruction to the area’s physical infrastructure. With the destruction, though, also came an outpouring of support from all sectors of society for those affected. On the CPA front, the NYSSCPA began a program matching businesses that lost their work sites to the storm with businesses willing to temporarily open up their offices to them, and another that organized CPAs willing to provide pro bono assistance to small businesses affected by the storm’s impact. The Society also advocated for an extension to various tax filing deadlines in affected areas as well as an extension to the continuing professional education schedule, which the Office of the Professions granted. New York professional license holders now have until Feb. 1, 2013 to fulfill their annual CPE requirement. The deadline is usually Dec. 31 of each year.

Reelection of President Obama

President Obama’s reelection in November holds particular significance for CPAs. Since retaining his hold on the office, an emboldened Obama is now engaged in a showdown with congressional Republicans over the expiration of the Bush-era tax cuts that, if no action is taken, could mean a tax increase for many in a still recovering economy. Other issues that the president will face in his second term include addressing the national debt, implementing the healthcare reform law and working to bring more Americans back into the job market after the most recent financial crisis.

The Supreme Court’s health care ruling

The U.S. Supreme Court ruled in favor of the Affordable Care Act (ACA), known colloquially as “Obamacare,” on June 28, and upheld the individual mandate—which requires most Americans to maintain some measure of health insurance coverage or pay a penalty that would be processed through the IRS—as constitutional, provided the mandate was construed as imposing a tax. This means that, starting in 2014, if an employer with more than 50 full-time employees does not offer health care coverage, it will need to pay a monthly penalty. In addition to the individual mandate, the ACA also contains a 0.9 percent increase in the Medicare tax rate and a 3.8 percent tax on unearned income for high-income taxpayers. There will also be a 40 percent excise tax on health insurance premiums exceeding $10,200 for individuals and $27,500 for families. In addition, manufacturers and importers of some medical devices will be subject to a 2.3 percent tax and the adjusted gross income floor for medical expense deductions will rise from 7.2 to 10 percent.

Trouble with China

The Securities and Exchange Commission (SEC) has spent much of 2012 working to improve relations with its Chinese counterparts in order to better understand the workings of what is currently the world’s second largest economy. This year saw the drafting of an initial agreement that would allow U.S. regulators to observe Chinese inspectors at work in the hopes that this will eventually lead to a full cooperative agreement similar to those already completed with countries like Switzerland, Israel and Norway. Such an agreement would give Americans the ability to conduct inspections of Chinese firms, about which the SEC has expressed concerns regarding the veracity of the financial information associated with them—particularly, Chinese reverse mergers, where Chinese companies go public after acquisition by a publicly traded U.S. company, thereby bypassing many of the required checks. Further underscoring U.S. regulators’ desire for information was the charging this past December of Chinese affiliates of BDO and each of the Big Four accounting firms, with violations of U.S. securities law by failing to produce audit workpapers and other vital documents.

Clarity Standards

In 2004, the AICPA’s Auditing Standards Board (ASB) launched the clarity project, a redrafting and recodification of U.S. Generally Accepted Auditing Standards, to help auditors better understand and improve their compliance with GAAS and move toward converging GAAS with International Standards on Auditing. This year, the clarified standards became effective for audits of financial statements for periods ending on or after Dec. 15, 2012. It is the first time in four decades that the standards have been completely redrafted and recodified. As the AICPA cautioned on its website, though the purpose of the project was “clarity and convergence and not to create additional requirements,” auditors will still need to pay close attention to the more than 1,000 pages of redrafted guidance to determine how it will impact their firm and audit methodologies.

For New York CPAs, 2012 may be remembered most for the storm that wreaked havoc on the area’s residents and businesses, and a presidential election that holds major implications for tax planning and health care. But those are just a few of the developments that affected the profession, both at the local and national level. Here’s a look back at some of the biggest game-changing events of the year. Turn to our CPA Roundtable on page 20 for members’ takes on 2012, and tweet @nysscpa, hashtag #YearInReview to offer your own.
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The JOBS Act

In April, President Obama signed into law the Jumpstart Our Business Startups (JOBS) Act, legislation intended to encourage entrepreneurs by relaxing some of the rules and regulations that surround starting a business. The act’s many measures include allowing equity crowdfunding for investments, but CPAs took note in the creation of the new Emerging Growth Company (EGC) classification. EGCs are defined as any issuer with total gross annual revenue of less than $1 billion during its most recently completed fiscal year, provided that they registered on or before Dec. 8, 2011, and are exempt from having to undertake SOX 404(b) internal control audits. EGCs only need two years of audited financial statements instead of three, and are exempted from having to follow any new or revised financial accounting standards created since the law’s passage. In an article about the law published in the May issue of The Trusted Professional, members noted that these changes make a big difference, as startup companies will have more capital to work with, but also warned about possibly destabilizing results due to the relaxed oversight.

Formation of the PCC

Users of private company financial statements had long pushed for the creation of a body that better addresses their needs. In May, after years of outreach and collaboration with key stakeholders, the Financial Accounting Foundation (FAF) officially launched one: the new Private Company Council (PCC), a board charged with overseeing financial accounting issues related to private companies. Though the council is largely autonomous, it’s still subordinate to the Financial Accounting Standards Board (FASB), which must approve whatever changes the PCC submits; however, the amount of control and influence the PCC has over the PCC was relaxed, after extensive feedback called for a more independent body. The Society was among those who argued for such a structure, and was also pleased to learn that the PCC boasts three NYSSCPA members: Mark Ellis, Neville Grud, and Lawrence Weinstock all have extensive experience dealing with private companies.

Mandatory quality review

At the beginning of 2012, CPA firms providing attest services in New York state, with the exception of sole proprietorships and those with two or fewer CPAs, became required to undergo a quality review every three years and submit copies of these reports to the State Education Department (SED). The requirement was a provision of the Accountability Reform Law of 2009, which contained several items that were supported by the NYSSCPA, including expanded registration and continuing professional education requirements. The implementation of the new measure is overseen by the Quality Review Oversight Committee, a five-member panel housed within the SED that held its first meeting last June. The NYSSCPA, after submitting a quality review administration plan to the SED, was approved this past February as a sponsoring organization allowed to administer and oversee mandatory quality reviews in New York state.

Tax advocate leaves post

After two years and more than 2,000 successful cases, Jack Trachtenberg, the first leader of the New York state Office of the Taxpayer Rights Advocate (OTRA) since its creation, formally left his position in February in order to pursue opportunities in the private sector. Founded in October 2009, the OTRA serves as a mediator between the state tax department and the taxpayers, directly assisting taxpayers who have been unable to get their issues resolved through conventional bureaucratic channels. Beyond direct assistance, the office also serves as a voice for the taxpayers in the state government, advancing programs and initiatives that might be of assistance to them, such as successfully promoting legislation that created the 20-year statute of limitations on tax liabilities, as well as new hardship settlement provisions that assist taxpayers experiencing undue economic struggles. The state has still not hired his replacement.

The SEC addresses IFRS

Though at one point, the adoption of International Financial Reporting Standards (IFRS) in the United States seemed imminent, a report assessing progress on this front by the Securities and Exchange Commission (SEC) in July concluded that delays and doubts still exist. While the report recognized that much work has already been done, it also asserted that there is little support within U.S. capital markets to make IFRS the definitive language of financial reporting among public issuers, thanks to factors such as cost of transition and the country’s legal and regulatory structure, still tightly bound with current Generally Accepted Accounting Principles (GAAP), that would be disrupted by a sudden move to IFRS. However, the same report also noted that there is substantial support for incorporating the international standards into the current U.S. framework, an arrangement that would almost certainly mean the continued influence of U.S. regulators and standards setters.
War story: Family drama sinks a cotrusteeship

BY RON KLEIN, J.D., CFE

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

Victor Holcomb had a knack for spotting and anticipating trends in the market for health foods, vitamins, herbal remedies and organic foodstuff. Working 12-hour days for more than two decades, he managed to build a chain of retail health stores worth about $50 million.

Holcomb was married and had three children, but when he wasn’t working, he chose to unwind by “acting like a rock star” and abusing alcohol and drugs. As a result, his personal life unraveled, and he wound up divorced and with children who were constantly at odds. His son Harold inherited his father’s penchant for alcohol and drugs.

However, Harold also had his father’s talent for business, so when Holcomb retired, he left the management of his business operations to Harold. Holcomb also put the business assets into a family trust and appointed Harold and Nicholas Smith as cotrustees. Smith, his trusted CPA for more than 20 years, as cotrustees, with all three children listed as beneficiaries. Smith’s engagement with Holcomb over the years was limited to listing them as beneficiaries. Smith’s engagement with Holcomb over the years was limited to listing them as beneficiaries.

Neither Harold nor Smith reported on the status of trust fund assets to the other two siblings, and the siblings’ distrust of Harold’s stewardship steadily grew. When Harold used trust assets to purchase an apple farm from a friend—ostensibly, as another asset for the trust—he paid $3.9 million for it, but the property had been appraised at $2.4 million. Smith felt that the transaction was justified as long as it made money for the trust, but Harold’s siblings suspected a kickback payment to Harold from his friend. The siblings filed a lawsuit against the cotrustees, Harold and Smith, and alleged mismanagement of trust funds and negligence of fiduciary duties to the trust.

Loss prevention tips

The most common sources of risk in trusteeships are—
• a lack of understanding of or appreciation for the duties and responsibilities of a trustee;
• a lack of clear and consistent communication between the trustee and the beneficiaries or other interested parties;
• a conflict of interest on the part of the trustee (or the perception of a conflict);
• a lack of appropriate engagement checks and balances on the activities of the trustee;
• dysfunctional relations among the beneficiaries, settlors (those who create a trust) and prior trustees;
• fee and billing issues; and
• weak or controversial investment strategies.

As with all engagements, the first issue is whether the CPA has the requisite skills and knowledge to do the work. CPAs should become informed and competent in the skills needed to administer trustee services before attempting to render them.

Proactive and careful management of trust issues is also essential in avoiding major problems. Consider the extent to which a trust attorney may be needed. All but the simplest of trusts will require at least an annual review by one. And be sure to have an attorney who specializes in trusts review the trust document prior to accepting a trusteeship. It may not be possible to change the document, but a trust specialist should examine it thoroughly.

Investigate and critically assess the answers to the following questions: “Why was the trust created?” and “Why were you asked to serve as trustee?” If a business is being managed by the trust, the trustee should understand the business as well as the kind of expertise required to manage the business. Dysfunctional relationships between beneficiaries are common sources of risk in trusteeships. If the CPA sees evidence of dysfunction before accepting a trusteeship, it is probably wise to not accept the engagement. Cotrusteeships are often unsuccessful, especially when there is a lack of cooperation or agreement between the trustees. Trustees may need their own attorney in some situations to protect themselves and the trust.

Risk can also be managed by applying engagement control and client screening techniques, and by minimizing risk through the trust document, if it has not been finalized or the settlor of the trust is still alive.

Ron Klein, J.D., CFE, is vice president—risk management counsel at Camico. He is responsible for advising the claims department, especially on high-exposure claims, and is the chief claims strategist.

For information on the Camico program, contact:
BY JOEL LANZ, CPA/CTP, CFE, CISA, CISM, CISSP, CFE

If you’re wondering what to get your favorite client or advisory services partner this holiday season, IT-related books really are the gifts that keep on giving. I’ve chosen three on this list based on the impact they’ve had on my practice and career, as well as on their ability to clearly communicate IT risk management strategies that CPAs and their clients should know. [Ed. Note: Lanz’s product selections are his own and should not be viewed as endorsements by the NYSSCPA.] And to better align this recommendation with the needs of your gift recipient, I’ve also indicated a targeted area of interest. I’m curious to hear about your favorite IT books, as well as any questions or topics that you would like this column to tackle next year. Please tweet @nysscpa.org to share your thoughts, or email the editor at naunalders@nysscpa.org. Have a healthy and happy holiday season!

**Title:** The CERT Guide to Insider Threats: How to Prevent, Detect, and Respond to Information Technology Crimes (Theft, Sabotage, Fraud), by Dawn M. Cappelli, Andrew P. Moore and Randall F. Tregoika (Addison-Wesley Professional, 2012)

**Best for those interested in:** IT audit, information security, business continuity planning and risk management. One of my favorite books this year, the CERT Guide is written by senior researchers from the Computer Emergency Response Team at Carnegie Mellon University, a premier information technology and security university. CERT has spent more than a decade analyzing Internet vulnerabilities and insider cybercrimes.

**Noteworthy features:** Though many businesses focus their efforts on external threats, this book highlights the internal threats that can compromise confidential data or financial assets kept by companies. What’s more, the CERT website contains additional research papers and other tools to keep readers updated on evolving theories and practices in this area.

**Title:** COBIT 5: A Business Framework for the Governance and Management of Enterprise IT (Information Systems Audit and Control Association [ISACA], 2012)

**Best for those interested in:** Auditing, COX risk management, information security and general information technology concerns. As the latest edition of the globally accepted framework for ISACA, an international professional association that engages in the development and dissemination of best practices for information systems, COBIT 5 will have a major impact on how CPAs and their clients manage and deliver technology risk management services.

**Noteworthy features:** This isn’t something you read from cover to cover, but rather, as a reference with lots of tools and guidance. If you are new to the COBIT family of products, start with the Executive Overview.

**Title:** Forensic Analytics: Methods and Techniques for Forensic Accounting Investigations, by Mark J. Nigrini (John Wiley & Sons, Inc., 2011)

**Best for those interested in:** IT audit, computer-facilitated fraud prevention and detection. Though many firms have invested in audit software tools such as IDEA, ACL, or Active Data to enhance their effectiveness in performing data analysis for both financial audits and fraud investigations, some staff may not have the appropriate skills and experience to develop creative analysis queries. This book helps to fill the gap by providing dozens of different ideas and techniques that can be used to brainstorm different procedures and analysis.

**Noteworthy features:** The book provides descriptive chapters on features in Excel and Access that would most likely be used by an auditor or fraud investigator. It also includes step-by-step instructions to facilitate reader understanding and aid in the application of the examples provided.

**Title:** The Basics of Hacking and Penetration Testing: Ethical Hacking and Penetration Testing Made Easy, by Patrick Engebretson (Syngress, 2011)

**Best for those interested in:** IT audit and information security, and general IT risk. This book, which provides a basic introduction into the penetration testing process, is a good resource for CPAs who are responsible for overseeing risk management and information security services at their firms.

**Noteworthy features:** Illustrations help the reader overcome some—though not all—of the technical detail required to perform these tests.

**Title:** A Practical Guide to Reducing IT Costs, by Anita Cassidy and Dan Cassidy (1. Ross Publishing, Inc., 2010)

**Best for those interested in:** CIO and financial management. Reducing costs is always in fashion. However, there’s a difference between reducing waste and cutting costs that should be considered an investment in growing or managing the business. This guide helps readers to distinguish between the two in the IT area.

**Noteworthy features:** The book provides checklists as well as practical advice derived from interviews with 60 CIOs and IT leaders.


**Best for those interested in:** CIO and leadership. Many in finance and related professions are challenged when it comes to understanding the role and pressures inherent in delivering and planning for IT services. The authors convert what would have been a typical “how to” book on leading the IT function into a novel, which better enables those unfamiliar with these roles to obtain a deeper appreciation of real-world IT challenges.

**Noteworthy features:** Because the reader learns about IT right along with the hero of the book (a financial professional who has just been assigned responsibility for the IT function at his firm), it’s easy to identify key concepts, like Westerman’s use of the pyramid to define the building blocks of the 4 As.


**Best for those interested in:** Information security and fraud prevention. This book, written by a reformed hacker, is the definitive reference on how to perform social engineering as part of a penetration test engagement. Readers will learn how hackers use methods developed by their predecessors—con men—to inappropriately obtain the trust and confidence of authorized users. Many readers may be unaware that a significant portion of successful hacking attacks result from this “nontechnical” approach. After reading the book, you probably will not rely on human controls to the same extent that you have in the past.

**Noteworthy features:** The text can easily be understood by nontechnical professionals, and offers fascinating true-life stories of computer break-ins, as well as advice that could have stopped them.


**Best for those interested in:** IT audit, information security, business continuity planning and risk management. Though this text is a bit dated, it’s one of my go-to references for business continuity planning. The challenge with those types of engagements is that the list of risks that should be considered continues to expand—as we saw with Superstorm Sandy. This book provides excellent ideas about the risks that should be considered, as well as practical solutions to implement that
Professional Development
Finding allies

How to identify and present yourself to power brokers and gatekeepers

BY PEI-CEN LIN, CPA, SPHR

Q: I’ve been out of the workforce for a while now. How can I make myself marketable?
A: Although unemployment often carries a stigma, recruiters do understand that it has been an especially volatile job market and will take that into consideration. What they’ll most want to know about your time unemployed is how you spent it.

Although unemployment often carries a stigma, recruiters do understand that it has been an especially volatile job market and will take that into consideration. What they’ll most want to know about your time unemployed is how you spent it. Were you active in your field and maintain your skills? Did you stop participating in industry organizations, or did you stay connected and participate as a volunteer? What did you do during your unemployment? Even if it was flying home from your grand Mediterranean cruise vacation, interviews can make you seem relaxed and more essential than ever. Many jobs are filled through word-of-mouth. Jobs are listed informally. Recruiters do like knowing how you spent your time. Were you taking classes, working on your education? While unemployed, it’s important that you stay active in your field and maintain your qualifications. It’s equally important that you list and describe your efforts to do so on your resume.

How you speak to a recruiter about your unemployment can also make a big difference. Avoid seeming desperate or anxious to find work and focus instead on communicating your drive, competencies and accomplishments. You want a potential employer to be assured that your desire to work for them is a well-thought-out career choice, and that you’re settling for whatever you can find. Continue to have the mindset that you are interviewing a potential employer as much as they are interviewing you. This will help you project a winning attitude.

During this time, networking will become more essential than ever. Many jobs are filled through word-of-mouth. Here’s an example: Earlier this year, as I was flying home from my grand Mediterranean cruise vacation, I found myself sitting next to a man who turned out to be the CEO of an international small business in the fashion industry. While we were talking, he asked for a referral for a position he’d been looking to fill. I was able to set up an interview for a friend with him that very week. The following week, my friend received an offer.

The moral of the story is you never know when or how opportunity will come knocking. So keep at it and network, anywhere and everywhere!

Q: How can I find a mentor in my profession and make the best use out of the relationship?
A: There are several formal mentoring programs that professionals can take advantage of. For instance, your company or professional organization may have one. When I entered the accounting profession, I joined the NYSSCPA and participated in its mentoring program at the time. My mentor, who later became my friend, has been instrumental in guiding me throughout my career.) If you are a college student, you can check your school’s mentorship programs that professionals can take advantage of. For instance, your company or professional organization may have one. When I entered the accounting profession, I joined the NYSSCPA and participated in its mentoring program at the time. My mentor, who later became my friend, has been instrumental in guiding me throughout my career.) If you are a college student, you can check your school’s or an affiliated department, or someone within your professional organization’s chapters and committees whom you respect.

In terms of making the best use of a mentor, remember that relationships are about give and take. You can only leverage a mentor’s knowledge, skills and abilities to the fullest by cultivating a lasting, vested relationship based on communication and trust. For your mentor to speak candidly with you, impart his or her knowledge without holding back, and have your interest at heart, you must do the same. Moreover, show sincerity and appreciation when seeking advice and guidance. A humble attitude, paired with a willingness to learn, goes a long way.

Once you make a genuine connection with your formal or informal mentor, you can then take the relationship to the next level, leveraging it to further your career growth. In addition to asking your mentors for their guidance on situations, ask them to introduce you to other people in your profession, analyze job opportunities you’ve found, keep you in mind when they hear of job opportunities that may be suitable for you and provide a reference in job hunting. These tasks should be well received once you have built a solid relationship.

Q: I’ve been out of the workforce for a while now. How can I make myself marketable?
A: Although unemployment often carries a stigma, recruiters do understand that it has been an especially volatile job market and will take that into consideration. What they’ll most want to know about your time unemployed is how you spent it.

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The moral of the story is you never know when or how opportunity will come knocking. So keep at it and network, anywhere and everywhere!

Q: How can I find a mentor in my profession and make the best use out of the relationship?
A: There are several formal mentoring programs that professionals can take advantage of. For instance, your company or professional organization may have one. When I entered the accounting profession, I joined the NYSSCPA and participated in its mentoring program at the time. My mentor, who later became my friend, has been instrumental in guiding me throughout my career.) If you are a college student, you can check your school’s or an affiliated department, or someone within your professional organization’s chapters and committees whom you respect.

In terms of making the best use of a mentor, remember that relationships are about give and take. You can only leverage a mentor’s knowledge, skills and abilities to the fullest by cultivating a lasting, vested relationship based on communication and trust. For your mentor to speak candidly with you, impart his or her knowledge without holding back, and have your interest at heart, you must do the same. Moreover, show sincerity and appreciation when seeking advice and guidance. A humble attitude, paired with a willingness to learn, goes a long way.

Once you make a genuine connection with your formal or informal mentor, you can then take the relationship to the next level, leveraging it to further your career growth. In addition to asking your mentors for their guidance on situations, ask them to introduce you to other people in your profession, analyze job opportunities you’ve found, keep you in mind when they hear of job opportunities that may be suitable for you and provide a reference in job hunting. These tasks should be well received once you have built a solid relationship.
The CPA Roundtable is a monthly feature where we ask CPAs from around the state to weigh in with their thoughts on an issue relevant to the profession. If you are interested in becoming a Roundtable participant, drop us a line at cgaetano@nysscpa.org.

**JOHNPAUL CROCENZI**
Nassau Chapter

**MICHAEL J. CORKERY**
Nassau Chapter

**DEBRA A. MARELLO**
Westchester Chapter

**GRACE M. KACZOROWSKI**
Manhattan/Bronx Chapter

---

**What was the most significant development in the CPA profession this year and why?**

John Paul Crocenzi

With the reelection of the President, many of the tax-related provisions of the Patient Protection and Affordable Care Act will start kicking in next year. From a tax perspective, this means that there will be a new 3.8 percent tax on investment income and a 0.9 percent increase in the Medicare tax. Still, with all the changes that this law is going to bring about, it’s very uncertain what the end results will be. While these changes don’t go into effect until next year, they have still had a significant impact on the present day because we’ve had to do a lot of planning and projections as we advise clients who want to know what they should and should not be doing this year, like making big purchases at the end of the year.

Debra A. Marello

hat’s been significant to me this year hasn’t been so much anything that’s changed but, rather, the uncertainty about the tax code that a lot of clients have been feeling. Many clients are concerned about whether the Bush-era tax cuts will expire at the end of the year and what sorts of planning decisions they will need to make with regard to things like capital gains and the impact on their businesses, before that time comes.

Another big issue is the estate tax. The exemption is supposed to expire at the end of the year and go from $5 million to $1 million, so we’ve been looking at all the assets of our clients, seeing which ones will increase and what they can manage before the cuts go away because, frankly, even if we can’t get an entire $5 million exemption, we can still benefit from exemptions in the future.

Right now, with the estate tax, we’ve been telling people to be proactive. As far as the Bush-era tax cuts, they can now take advantage of the lower tax rates by disposing of assets that would leave them better off. You’ll probably see businesses making more negotiations to sell stock, and you’ll see transactions close by Dec. 31 so that the seller can take advantage of the lower capital gains.

Michael J. Corkery

The Clarity Project, absolutely. The Clarity Project was undertaken by the AICPA to reformat the standards and try to bring them more in accordance with international auditing standards. It has forced us to take a look at everything we do because some of the requirements for auditing are changing with the new clarity standards, and it’s going to result in basically having two sets of auditing standards for 2013. If you’re doing an audit of an entity with a fiscal year-end in, say, October or November, you have to use the old standards, but when you’re working with someone who has a Dec. 31 year-end, you have to use the new standards. You may be using both at some point, and you’ve got to remember which client you’re working for and which standards are applicable.

It also changes the format of the auditor’s report, which means we’re going to need to sit down with our clients and communicate to them what the changes are. It also requires us to get our staff more familiar with the report, because the way we made modifications to it in the past is changing.

The part of the clarity standards that will need the most attention, I think, is the aspect of supervision—especially when it comes to what they now call group financial statements—because we need to be familiar with and supervise the work of other auditors. There have been instances that I’ve heard about where, for example, you hire an auditor in another country, they don’t speak English and their workpapers are all done in their own language. So, how do you review the papers? I think that’s one of the considerations and something that people need to be aware of with group financial statements.

Grace M. Kaczorowski

The clarity standards, effective for Dec. 15, 2012, are very important. There are a lot of changes, and consequently, we’ve had to educate the staff about how to work with them, and make sure that they are informed. The language has changed substantially, which also changes the language of reporting, which means that you have to be prepared to use different approaches in the auditing. For example, if you had two responses for accounts receivable, you didn’t have to send the conference; you just had a memo right away to alternate procedures. Now, regardless of poor response, it must be confirmed, even if you get zero responses. And also, when you adjusted journal entries, you would do it at the end. With the new clarity standards, however, you have to communicate during the audit what entries you are marking. While this isn’t a change for me, since it was always my practice, this has not been the case for many other auditors who would just mark zero entries at the end of the audit, give them to the client and, boom, done. That’s not the case now.

Jcrocenzi@rem-co.com

Gkaczorowski@grafrepetti.com

Michael.corkery@nybkw.com

dmarello@darcangelo.com
# FAE EVENTS and CPE OFFERINGS

**BUFFALO**

IRS/NYS Update CPE Session  
**When:** Jan. 15  
**Where:** Millennium Hotel, Cheektowaga  
**Cost:** $30 members; $60 nonmembers  
**CPE:** 3 (taxation)  
**Course Code:** 29010305  
**Contact:** Christine A. Learman 716-773-7265

**MANHATTAN/BRONX**

Healthy Business Group Measures-Based Health Improvement  
**When:** Dec. 6, 6–8 p.m.  
(5:30 p.m. registration)  
**Where:** FAE Conference Center, 3 Park Ave., 19th floor  
**Cost:** $20 members; $30 nonmembers  
**CPE:** 2 (specialized knowledge and applications)  
**Course Code:** 29150311

Practice Continuation & Partnership Agreements for CPA Firms  
**When:** Dec. 11, 6–8 p.m.  
(5:30 p.m. registration)  
**Where:** FAE Conference Center, 3 Park Ave.  
**Cost:** $20 members; $25 nonmembers  
($10 additional for walk-ins)  
**CPE:** 2 (advisory services)  
**Course Code:** 29150308

**NASSAU**

Nassau Chapter All Day Tax Conference  
**When:** Dec. 1 or 2, 9 a.m.–5:15 p.m.  
(8:30 a.m. check-in)  
**Where:** Long Island Marriott, 101 James Doolittle Blvd., Uniondale  
**Cost:** $175 member; $250 nonmember  
**CPE:** 8 (taxation)  
**Course Code:** 28603323

Holiday Mixer and Toys for Tots  
**When:** Dec. 5, 5:30–8 p.m.  
**Where:** Pamela’s on the Hudson One Park Place, Newburgh  
**Cost:** Free  
**Contact:** Beth Vought at bvought@kgcpa.com or 845-567-3600  
**RSVP by Dec. 3

**NORTH EAST**

Northeast Chapter Annual Tax Conference  
**When:** Dec. 4, 8:30 a.m.–4:30 p.m.  
**Where:** Hilton Garden Inn, Troy  
**Cost:** $175 members; $275 nonmembers  
**CPE:** 8 (taxation)  
**Course Code:** 28604341

**QUEENS/BROOKLYN**

Holiday Party  
**When:** Dec. 19, 6:30 p.m. (start)  
**Where:** Gargiulo’s Restaurant, 2911 West 15th St., Brooklyn  
**Cost:** $50 per person  
**Contact:** Edward F. Esposito at edcpa@me.com

**ROCKLAND**

Annual Networking Event  
**Special Guest Speaker:** Carl Banks, former New York Giants Linebacker  
**When:** Dec. 4, 6–9:30 p.m.  
(8:15 a.m. check-in)  
**Where:** Casa Mia Manor House, 577 Route 303, Blauvelt  
**Cost:** $99 per person  
**Contact:** Michael Millisits at 201-693-9818

**SOUTHERN TIER**

Young CPAs & Lawyers Group  
**Hockey Game and Mixer**  
**When:** Jan. 11, 5:30 p.m. (Dillinger’s Networking Mixer); 7:05 p.m. (Binghamton Senators vs. Adirondack Phantoms)  
**Where:** Dillinger’s  
**Cost:** $16 per person for hockey game (snacks will be provided at Dillinger’s, beverages NOT included)  
**Contact:** Jacqueline McDonnell at jmcdonell@davidsonfox.com or 607-722-5386  
**RSVP by Jan. 1

**SUFFOLK**

Suffolk Chapter Annual Tax Conference  
**When:** Dec. 8, 8:30 a.m.–4:30 p.m.  
(8 a.m. check-in)  
**Where:** Islandia Marriott, 3635 Express Drive North, Islandia  
**Cost:** $150 members; $250 nonmembers  
**CPE:** 8 (taxation)  
**Course Code:** 28608325

Casino and Networking Night  
**When:** Jan. 9, 6–9 p.m.  
**Where:** Sheraton Smithtown  
**Contact:** Ruby Nello at rnello@mwelp.com or 516-240-4268

**SYRACUSE**

Getting to Know INCOTERMS 2010  
(Part of a four-series session)  
**When:** Dec. 5, 9 a.m.–12 p.m.  
**Where:** Mohawk Global Logistics Offices, North Syracuse  
**Cost:** $40 member $60 nonmember  
(Take all four parts for only $120 member; $180 per nonmember. See flyer for details or call 800-537-3635)  
**CPE:** 3 (specialized knowledge and applications)  
**Course Code:** 29090305

**WESTCHESTER**

Chapter CPA Ethics Update  
**When:** Dec. 5, 6-8 p.m.  
(NOTE: NEW DATE)  
**Where:** 800 Westchester Ave., Rye Brook  
**Cost:** $25 members; $50 nonmembers  
**Course Code:** 42773311  
**CPE:** 2 (ethics)
Edward A. Slott does not often find himself at a loss for words. He is an in-demand, nationwide speaker, author and TV personality. And it all began, he says, at the NYSSCPA, where his place on the Estate Planning Committee gave him his first opportunity to speak professionally.

“It opened every door for me,” he said.

Slott decided to make estate planning his focus after the 1981 Tax Act was adopted, when he realized that although he could be a general practitioner, he could also make himself stand out and have a marketing advantage. A key provision of the act was the major overhaul of the estate tax system. Slott saw that change as the gateway to an area to specialize in since most practitioners would be taking advantage of retirement accounts. Their clients would eventually find themselves with newfound confidence in themselves and their assets. Slott would be one of the first to capitalize on this untapped opportunity.

The Estate Planning Committee helped Slott with establishing himself as an expert in this new niche practice area. “Joining this committee was one of the best single professional decisions that I have ever made as a CPA,” he recalled.

Upon joining the committee in 1990, Slott became active right away. He began speaking at committee meetings and conferences, and noticed that people truly enjoyed his presentations. He decided that conducting his own seminars was a great way to spotlight himself and his business, and began doing presentations three to four times a month.

“People would come to hear me speak, and I guess they enjoyed it,” said Slott. “I explained tough and complex tax issues in an easy to understand way and made things interesting.”

With his spreading popularity as a public speaker and financial consultant, he began charging a speaking fee. That’s when he realized how much he enjoyed it. “When my career switched, I was excited. I felt liberated. A new door opened for me,” said Slott.

“Taxes will be the single biggest factor that separates people from their retirement dreams,” said Slott. Today, given the demographics and the tax atmosphere, that is even truer.

Even with its importance, retirement tax planning was not a very popular specialization back then, which inspired Slott to take advantage of this untapped opportunity. The Estate Planning Committee helped Slott with establishing himself as an expert in this new niche practice area.

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Slott said that every presentation he gives is targeted toward educating and entertaining his audience. He also went on to say that he loves when people leave his seminars with newfound confidence in themselves and their careers.

Of course, IRA issues are always changing, and as much as any CPA, Slott has to stay on top of the issues. But it’s especially difficult for him, since his travel schedule is so busy. The key is a great team and continuous education, he said.

“I look at tax services every day; I have access to all of it online,” he said. “I have it open all the time and always read. I read all the time. My staff includes several IRA technical experts and as soon as anything new comes up, we’re all over it. We research every day. People are relying on us.”

Even though he’s busy and no longer filing tax returns for a living, Slott still maintains relationships with his original clients, and even has relationships with their grown-up children.

“I still have my hand in some relationships. I still talk to certain clients and some still call me just to chat,” he said.

Slott spends a lot of his time conducting seminars, appearing on television and writing books. Indeed, he has numerous titles to his credit, most recently The Retirement Savings Time Bomb and How to Defuse It. However, he also enjoys spending time with his family and watching football—he roots for the New York Jets (even this year)—and is a big Tim Tebow fan.

Slott’s advice for anyone pursuing similar goals of becoming a professional speaker, no matter what their area of expertise: “You have to love it. It’s either for you or it’s not. Being a public speaker fit me like a glove. I felt natural with it and truly enjoyed it. It’s not for everyone. You can’t try it once. You have to do it consistently; you can’t test the waters, you either go all in or you don’t.”

Aside from the above advice, Slott’s father also told him something that he will never forget, and continues to base his professional life on: “The best professional investment you can make, my father taught me, is in yourself and your business. You can’t look at the cost. If you believe in your mission and goals, invest in yourself and it will work out.”

arakowsky@nysscpa.org

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Celebrating FAE40: 1972 Trivia Quiz

Have some fun in celebrating the Foundation for Accounting Education’s 40th Anniversary by taking our 1972 Trivia Quiz, where you can win a complimentary registration to attend a full-day FAE CPE Conference of your choice (in person or via live webcast)!

All Quiz entries with correct answers will be placed into a drawing, and one entry will be selected for the complimentary Conference registration.

DEADLINE
The deadline for submitting your 1972 Trivia Quiz entry is December 31, 2012, so don’t delay!

ENTER
To enter and to submit your Quiz answers, visit www.nysscpa/fae40. See website for Contest rules.

TRIVIA QUIZ
1. What product was banished to the history books with the introduction in 1972 of the first scientific handheld calculator, the HP-35?

2. The first financial derivatives exchange opened in May 1972. What is it called?

3. Which Broadway show won the Tony Award for 1972 Best Musical?

4. John Hicks and Kenneth Arrow won the 1972 Nobel Prize in Economics for their pioneering contributions in what areas?

5. Increased agricultural irrigation caused which major Chinese waterway to temporarily dry up for the first time in 1972?

6. What was the name of the first video game system that went on sale in August 1972 and sold 330,000 units before it was discontinued in 1975?

7. The Godfather was released in 1972. What actor plays a Vatican accountant in Part III of the movie series?

8. Who was governor of New York in 1972?

9. Which song won the Grammy Award for the 1972 Record of the Year?

10. Who became the first Foundation for Accounting Education president when FAE was established in 1972?

40 REASONS to turn to FAE for Quality CPE

#30

The annual NONPROFIT CONFERENCE, a must-attend event and FAE’s longest-running and largest conference, focuses on the impact of changes affecting practitioners and nonprofit financial managers.

FOR MORE INFORMATION AND TO SEE MORE FAE40 REASONS, VISIT WWW.NYSSCPA.ORG/FAE40.
Mid Hudson reaches out to military personnel, children for the holidays

BY WILLIAM F. BERARDI
Mid Hudson Chapter President

W e send our best wishes to all the members, as well as their families and neighbors, who were impacted by Superstorm Sandy, and our thanks to the Society staff who worked tirelessly to get services restored under very difficult circumstances.

Congratulations and thanks to our Enterprising Relations with Bankers and Attorneys Committee, which organized a fabulous networking reception on Oct. 24 in Poughkeepsie. The event provided members with the opportunity to listen to former Yankees/Mets baseball star Darryl Strawberry and drew more than 230 attendees. In addition, our best and brightest—the Young CPA Committee—raised $850 for Toys for Tots by raffling off autographed Darryl Strawberry items at the event.

The Young CPA Committee will close out its Toys for Tots gift drive with a holiday party at Pamela’s on the Hudson in Newburgh from 5:30 to 8 p.m. on Dec. 5. The event will provide attendees with eight timely, quality and affordable CPE credits in taxation.

Acknowledging the work and planning of our Board and committee members have resulted in many wonderful upcoming events. Please check our chapter Web page, www.nysscpa.org/midhudson, for registration information.

Our immediate Past President Tracy D. Tarso and Beth Vought have worked hard to streamline the handling of important sponsorships that help make our events possible. To contact them for information or with any offers of assistance, please email ttarso@daysceller.com and bvought@gkgcpa.com.

Another past president, Gary J. Cassiello, is heading up our Membership and Revitalization Committee. Please reach out to him at garyc@jgpcc.com to get in on the action.
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ROCHESTER

Rochester holds Hall of Fame induction

BY CHERYL L. YAWMAN
Rochester Chapter President

My sincere sympathies, thoughts and prayers go out to all those who were affected by Hurricane Sandy. Please let us know if there is anything that we, your fellow NYSSCPA members from upstate, can do to help.

Since I last wrote to you, we had our annual Clambake/Ethics session/Hall of Fame induction meeting on Oct. 23. While the weather did not allow us to do our usual patio format, we had a fabulous meal and a wonderful time at the Monroe Golf Club, nonetheless. Many thanks again to our cosponsors, Ovation Payroll and ESL Business Banking Services Group. Thanks also to Jo Ann Golden for presenting our two hours of Ethics CPE.

At the event, we were honored to recognize Virginia L. (“Ginger”) Goyer as our 2012 Hall of Fame recipient. Goyer was the first woman president of the Rochester Chapter (1988–1989), and was very active in the Society at the state level as well. She has been and continues to be very involved in the Rochester community, serving on various boards. She began her career at Deloitte, had her own firm for many years and, in 2011, joined Mengel, Metzger, Barr & Co. LLP. Please visit the Rochester Chapter website to see a picture of Goyer, as well as our 11 previous Hall of Fame recipients.

November was scheduled to be a busy month: We held our annual World of Accounting event for area high school students interested in accounting careers; our annual Tax Institute, in conjunction with the Monroe County Bar; and a Beer Tasting/Charity Happy Hour, hosted by our Young CPA Committee at the new Genesee Brew House. As I write this, not all of these events have occurred, so stay tuned for reports on them in future columns.

Happy Holidays to everyone! At the top of my holiday wish list is that each of you considers getting more involved in your profession and in your chapter. The good news is that this gift is not expensive, but brings tremendous rewards when you give it!

cyk@ccy.com

ROCKLAND

Rockland hosts Super Bowl champion

BY DAVID R. HERMAN
Rockland Chapter President

I write this article mere days after Hurricane Sandy devastated the New York area. Hopefully, everyone is safe—I know many people still have not had power restored. The Rockland Chapter offers its prayers for a quick and complete recovery.

We had to cancel our all-day Auditing and Accounting Update due to the hurricane. But we did hold a fascinating three-credit CPE seminar led by an FBI agent. The presenter, Jordan T. Loyd, a New York CPA, spoke about cybercrime and white-collar crime. He spent some time going over the Madoff case, which he had been and continues to be involved in. Later that month, on Nov. 28, we held our annual Ethics Update at Casa Mia Manor House in Blauvelt.

On Dec. 4, we’ll hold our annual holiday dinner and Toys for Tots night. This year, our guest speaker will be former New York Giants linebacker and two-time Super Bowl winner Carl Banks. Our two-day Individual and Corporate Tri-State Taxation Update will take place Dec. 5–6 at Rockland Community College. We have lined up speakers from the New Jersey Division of Taxation, the New York City Department of Finance and the Workers’ Compensation Board’s Bureau of Compliance to go over federal updates, New York state updates and Connecticut updates.

As always, if anyone has suggestions for speakers or topics, please contact me at the email address below or Shari E. Berk at seberkcpacp@netscape.net. Have a safe and healthy holiday season.

daves@cpaol.com

QUEENS/BROOKLYN

Queens/Brooklyn recovering from Sandy

BY MARK M. ULRICH
Queens/Brooklyn Chapter President

I write this message one week after Hurricane Sandy. Let’s take a moment to remember those we have lost during this tragedy. The gift of life is a great one, and we must always remember that.

Please stay tuned and check our chapter website, nysscpa.org/QueensBrooklyn, for updates about our programs. We’ve had to postpone many of them—including our Oct. 29 Ethics Update, our Nov. 1 Annual Tax Conference and our Nov. 8 evening CPE session. Of course, inconveniences such as these pale in comparison to the real issues going on in the city and surrounding areas. I wish you all the best.

ulrichm@stjohns.edu
IN MEMORIAM

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

The names below are of those previously unreported members whose profiles were updated with their passing between July 1, 2012, and Nov. 13, 2012.

Information is presented here according to what is on file in the Society’s database.

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Bradley C. Baker, Director, Full Force Consulting Services LLC, New Hyde Park, N.Y. Resided in Hollis Hills, N.Y. Born in 1952. Member of the Society since 1983. Member of the Queens/Brooklyn Chapter.

Irving J. Bernstein, Retired, Newtonville, Conn. Born in 1914. Member of the Society since 1946. Member of the Manhattan/Bronx Chapter.

Harold R. Blakeman, Resided in Wilmington, N.C. Born in 1910. Member of the Society since 1948.

Irving B. Block, Sole Practitioner, New York, N.Y. Born in 1929. Member of the Society since 1982. Member of the Manhattan/Bronx Chapter.

Franklyn R. Bonnet, Retired, La Porte, Ind. Born in 1915. Member of the Society since 1949.

Denis R. Cunynghame, Sole Practitioner, Denis R. Cunynghame, CPA, Sleepy Hollow, N.Y. Resided in New York, N.Y. Born in 1921. Member of the Society since 1956. Member of the Westchester Chapter.

Alfred E. Damia, Retired, Penfield, N.Y. Born in 1932. Member of the Society since 1965. Member of the Rochester Chapter.

Marvin M. Douppe, Retired, Montclair, N.J. Born in 1922. Member of Society since 1953. Member of the Adirondack Chapter.


George E. Doty, Retired, Rye, N.Y. Born in 1918. Member of the Society since 1947. Member of the Manhattan/Bronx Chapter.

Arthur Estrine, Sole Practitioner, Arthur Estrine, CPA, Baldwin, N.Y. Resided in Baldwin, N.Y. Born in 1942. Member of the Society since 1996. Member of the Nassau Chapter.

Leo Friedman, Retired, Matawan, N.J. Born in 1919. Member of the Society since 1956.


Harold S. Gelb, Retired, Swampscott, Mass. Born in 1920. Member of the Society since 1949. Member of the Northeast Chapter.

Jerome H. Greenwald, Retired, New York, N.Y. Born in 1921. Member of the Society since 1964. Member of the Manhattan/Bronx Chapter.


Jack A. Kiefer, Retired, Buffalo, N.Y. Born in 1936. Member of the Society since 1963. Member of the Buffalo Chapter.

Frederick M. Kormann, Retired, Pelham, N.Y. Born in 1943. Member of the Society since 1969. Member of the Westchester Chapter.


Seymour Laskow, Retired, New York, N.Y. Born in 1919. Member of the Society since 1944. Member of the Manhattan/Bronx Chapter.

Nathaniel E. Leichter, Retired, Born in 1926. Member since 1961. Member of the Manhattan/Bronx Chapter.

Stanley J. Lieber, Retired, New York, N.Y. Born in 1922. Member of the Society since 1964. Member of the Manhattan/Bronx Chapter.

Dante R. Maggiotto, Retired, Munice, Ind. Born in 1922. Member of the Society since 1959. Member of the Southern Tier Chapter.


Richard A. McManus, Retired, Morris, N.C. Born in 1921. Member of the Society since 1969. Member of the Suffolk Chapter.

John M. Nice, Executive Officer, Hiscock & Barclay LLP, Syracuse, N.Y. Resided in Baldwinsville, N.Y. Born in 1963. Member of the Society since 1992. Member of the Syracuse Chapter.


Richard Pasternak, Senior Vice President and Treasurer, George Little Management LLC, White Plains, N.Y. Resided in Briarcliff Manor, N.Y. Born in 1957. Member of the Society since 1983. Member of the Westchester Chapter.

Jerome Pinter, Associate Professor. Resided in Brooklyn, N.Y. Born in 1945. Member of the Society since 1977. Member of the Manhattan/Bronx Chapter.


Jerry Rosenberg, Retired in Danvers, Mass. Born in 1933. Member of the Society since 1993. Member of the Adirondack Chapter.

Sidney Rubin, Retired, New York, N.Y. Born in 1922. Member of the Society since 1953.


Robert Schechter, Partner, Schneider Schecter & Yoss LLP, New York, N.Y. Resided in New York, N.Y. Born in 1946. Member of the Society since 1975. Member of the Nassau Chapter.


William S. Trachtenberg, Retired, Woodmere, N.Y. Born in 1905. Member of the Society since 1964. Member of the Nassau Chapter.


Kenneth M. Webdale, Faculty Student Association of State University College, SUNY Fredonia, Resided in Sun City West, Ariz. Born in 1942. Member of the Society since 1970. Member of the Buffalo Chapter.


Harvey D. Zucker, Managing Partner, O’Connor Davies, LLP, Harrison, N.Y. Resided in White Plains, N.Y. Born in 1943. Member of the Society since 1969. Member of the Westchester Chapter.
According to New York State Regulations, courses may only be categorized as the following fields of study for CPE accreditation:

- Accounting
- Advisory Services
- Auditing
- Ethics
- Specialized Knowledge
- Taxation

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

### Accounting

**Agreements for CPA Firms**

- **Auditor's Responsibilities**
- **Client Understanding and Evaluation**
- **Ethics**
- **Client Relationship Management**
- **Financial Statement Reporting**
- **Tax Planning and Compliance**

**AICPA Pricing Schedule**

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

<table>
<thead>
<tr>
<th>If you are:</th>
<th>8-hour course</th>
<th>16-hour course</th>
</tr>
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<tbody>
<tr>
<td>A member of both AICPA and NYSSCPA:</td>
<td>$305</td>
<td>$475</td>
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<tr>
<td>Only a member of the NYSSCPA:</td>
<td>$335</td>
<td>$535</td>
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<tr>
<td>Only a member of the AICPA:</td>
<td>$430</td>
<td>$660</td>
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<tr>
<td>A member of neither AICPA nor NYSSCPA:</td>
<td>$460</td>
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For 4-hour courses, see course description for price information.

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

### Taxation

**Cloud Security and Compliance:**

- **Your Responsibility**
- **Proactive Protection**
- **Risk Assessment**
- **Compliance**

**Executive-Level Skills for Financial Managers**

- **Decision Making**
- **Strategic Planning**
- **Performance Measurement**
- **Risk Management**

**Specialized Knowledge and Applications**

- **Ethics**
- **Regulatory Compliance**
- **Technology**
- **Risk Management**

**Ethics**

- **Risk Analysis and Management**
- **Ethics in the Workplace**
- **Ethics in the Boardroom**

**TAXATION**

**12/10**

**Accounting: More Changes on the Financial Reporting Horizon**

This course will familiarize you with IFRS’ impact on public companies, the potential changes resulting from FASB’s convergence project, and the effect of proposed accounting standards for nonpublic companies.

**Auditing**

- **Revenue and Cash Receipts: Common Frauds and Internal Controls**
- **Common Frauds and Internal Controls for Revenue, Purchasing, and Cash Receipts**

**12/11**

**Revenue and Cash Receipts: Common Frauds and Internal Controls**

Revenue and cash receipts are two critical areas that require strong controls to prevent intentional fraud or unintentional misstatements. This course will teach you how to tailor an internal control system to ensure that the areas of greatest risk receive the most attention.

**AP/4, E/2**

FAE Conference Center

$335/$460

**12/12**

**FAE’s Financial Statement Disclosures for Small- to Medium-Sized Businesses**

This course will familiarize you with frequently encountered measurement and disclosure issues associated with preparing financial statements for nonpublic small- to medium-sized businesses, including the discussion of and solution to problems that may arise.

**AC/6**

FAE Conference Center

Foundation for Accounting Education

$335/$460

**12/13**

**FAE’s Ethics Update 2012**

This course provides you with the basic understanding of the fundamental concepts underlying ethical responsibilities and increases your awareness of critical standards and regulations. Available tools and resources, which will help you understand and comply with relevant requirements, are also highly substantiated.

**E/4**

FAE Conference Center

Foundation for Accounting Education

$335/$460

**12/18**

**FAE’s Auditing Update 2012**

In a changing global and domestic economy, this course helps in staying ahead of the emerging and current auditing guidance. Participants will receive overviews of new auditing guidance through a variety of discussions and questions.

**GA/8**

FAE Conference Center

Foundation for Accounting Education

$335/$460

**12/19**

**Risk Analysis and Management:**

What Every Financial Manager Must Know

Financial managers at all levels produce volumes of reports every year. Unfortunately, not all of these reports generate an equivalent degree of action. This course will teach financial professionals how to plan, process, and present effective reports and presentations.

**AU/6, E/2**

FAE Conference Center

Executive Education Inc.

$335/$460

**12/27**

**FAE’s Tax Ethics and Tax Practice in the 21st Century**

This seminar will discuss, in detail, guidance and case studies, and will also familiarize the practitioner with the quality control tools and technical resources available to address tax standards in the communication of tax advice and in the performance of tax preparation and planning services.

**E/4, T/4**

FAE Conference Center

Foundation for Accounting Education

$335/$460

**12/07**

**Accounting Methods: 130 Options for Federal Income Tax Reporting**

This course will review how CPAs who provide tax services to business clients must evaluate accounting methods in order to comply with changing accounting standards and business methods.

**T/6**

FAE Conference Center

Nichols Patrick OPE, Inc.

$335/$460

**12/12**

**Advanced Excel**

This course is designed to take experienced Excel users to the next level. It provides examples developed by accountants for accountants in six major topical areas: collaboration and workbook security; using tables to analyze and report data; integrating and manipulating data from external sources; creating and auditing complex formulas; advanced data analysis with subtotals, filters, and Pivot Tables; and using charts to analyze and communicate information.

**SK/9**

FAE Conference Center

$335/$460

**12/19**

**Expanding the Role and Influence of CPAs in Organizations**

This course will identify numerous practices, techniques, and analytical tools, and will relate them to tasks and functions of CPAs and other financial professionals. These activities include general business analysis, decision making, cost and capacity management, selection accounting practices, budgeting, forecasting, measuring, and reporting.

**SK/9**

FAE Conference Center

$335/$460

**12/22**

**Chief Financial Officer:**

Executive-Level Skills for Financial Managers

Effective chief financial officers are business people whose knowledge goes beyond accounting. This seminar deals with the CFO’s role in four important aspects of running a business.

**SK/8**

FAE Conference Center

Executive Education Inc.

$335/$460

**12/27**

**FAE’s Auditing Update 2012**

In a changing global and domestic economy, this course helps in staying ahead of the emerging and current auditing guidance. Participants will receive overviews of new auditing guidance through a variety of discussions and questions.

**GA/8**

FAE Conference Center

Foundation for Accounting Education

$335/$460

**12/31**

**FAE’s Ethics Update 2012**

This course provides you with the basic understanding of the fundamental concepts underlying ethical responsibilities and increases your awareness of critical standards and regulations. Available tools and resources, which will help you understand and comply with relevant requirements, are also highly substantiated.

**E/4**

FAE Conference Center

Foundation for Accounting Education

$335/$460

**12/07**

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FAE Conference Center

Nichols Patrick OPE, Inc.

$335/$460

**12/07**

**Accounting Methods: 130 Options for Federal Income Tax Reporting**

This course will review how CPAs who provide tax services to business clients must evaluate accounting methods in order to comply with changing accounting standards and business methods.

**T/6**

FAE Conference Center

Nichols Patrick OPE, Inc.

$335/$460
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<td>12/20 Closely Held Business Taxation: Smart Strategies to Slash Taxes</td>
<td>This course covers a variety of no-nonsense tax strategies that every closely held business should consider. Learn to employ specific approaches that maximize opportunities to minimize taxes for businesses and their owners.</td>
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<td>12/6 Excel Tips, Tricks, and Techniques for Accountants</td>
<td>Excel is the accountant’s tool of choice for analyzing and reporting financial data, yet most accountants have never received any formal Excel training.</td>
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<td>12/10 FAE's Accounting Update 2012</td>
<td>This course delivers information about current and emerging accounting guidance and recent developments. Participants will receive an overview of new and proposed relevant accounting guidance, along with practical application through a variety of discussions and questions.</td>
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<td>12/07 The Most Common Financial Statement and Asset Fraud Schemes: How to Detect and Prevent Them</td>
<td>This course describes how the most common types of financial statements and misrepresentation of assets fraud schemes are detected. Cost-effective internal controls that can be implemented to prevent these schemes are provided. Classic and contemporary cases are reviewed in detail to reinforce how these schemes are perpetuated—due to internal control failures and other factors.</td>
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<td>12/08 Specialized Knowledge and Applications</td>
<td>Excelisthe accountant’s tool of choice for analyzing and reporting financial data, yet most accountants have never received any formal Excel training.</td>
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<td>12/13 Case Studies for the Financial Manager: Real-World Lessons Learned</td>
<td>This new program presents a way of teaching financial subjects through a problem-solving case study format. Some of the financial problems discussed in this course will include financial and operating leverage, increasing department efficiency, planning, and the proper use of metrics. During the program, financial professionals will face real problems and will work in small groups to come up with the best solutions.</td>
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<td>12/07 Expand Your Value-Adding Skills: Uncovering the CPA’s Worth to the Organization</td>
<td>This course identifies practices, techniques, and analytical tools, and relates them specifically to key tasks/functions of CPAs and other financial professionals. These activities include general analysis, decision making, cost management, selected accounting practices, budgeting, forecasting, measuring, and reporting. The course also provides discussions on managing through a business cycle and demonstrates some ideas about risk management. Examples and exercises, using actual companies and/or events, are included.</td>
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<td>12/08 Nonprofit Accounting and Auditing: Avoiding the Icebergs</td>
<td>Professional work for or with nonprofits needs advanced notice of where key accounting and auditing &quot;icebergs&quot; lie. This course helps you chart a course through nonprofit accounting and auditing.</td>
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<td>Foundation for Accounting Education</td>
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12/17
FAE's Individual Taxation: Review and Update for Experienced Practitioners
This course will teach you the latest rules and procedures, tips, and techniques, as well as how to avoid potential federal and state (with an emphasis on New York, New Jersey, Massachusetts, and Connecticut) tax return preparation pitfalls.
1/8 21637322
Mobile Marriott Long Island
Foundation for Accounting Education
$335/$460

12/18
FAE's Performing Small- to Medium-Sized Business Audit Engagements
This course covers planning, internal controls, analytical procedures and updating, and synthesizing all pronouncements to improve documentation of controls, risk factors, and decision making in performing the engagement.
All/8 31202331
DoubleTree Hotel Tarrytown
Foundation for Accounting Education
$335/$460

12/18
Financial Reporting: Turn Information into Action
This course will enable participants to stay up-to-date with the latest developments, rulings, cases, and regulations in New York personal income, corporate, and sales taxation of your clients at the state level.
1/7 21637331
DoubleTree Hotel Tarrytown
Foundation for Accounting Education
$335/$460

12/19
Preparing Individual Tax Returns for New Staff and Paraprofessionals
This course will train new staff accountants, data processing employees, paraprofessionals, and bookkeepers on how to prepare a complicated federal individual income tax return.
1/8 33634332
DoubleTree Hotel Tarrytown
Surgent McCoy CPE LLC
$335/$460

WEB EVENTS

12/7
FASB Update: Renee's Roundtable (WEBCAST)
AC/2 35211337
Foundation for Accounting Education
$65/$90

12/11
Annual Tax/Plenary Conference (WEBCAST)
1/8 35203421
Foundation for Accounting Education
$285/$410

12/12
Exempt Organizations Conference (WEBCAST)
1/8 35203421
Foundation for Accounting Education
$285/$410

12/13
Federal Tax Update: Nichols' Notes (WEBCAST)
1/2 35211326
Foundation for Accounting Education
$65/$90

12/13
Love and Marriage: Tax Planning (WEBCAST)
1/3 37143520
Foundation for Accounting Education
$65/$90

12/13
Tax Exempt Organizations Update: Nichols' Notes (WEBCAST)
1/2 35211334
Foundation for Accounting Education
$65/$90

12/18
Partnership Taxation Conference (WEBCAST)
1/8 35203421
Foundation for Accounting Education
$285/$410

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WALL STREET CPA looking for right individual to share and merge into our office space. Move in ready with ultra high tech hardware and software built in. info@goldfinecpa.com 212-714-6655.

To any owners of a C-corp. I am the sole owner of Wallstreetink Inc which would allow your corp a $250,000.00 tax deduction!!! For more information contact Edward Nolan at: enwls@yahoo.com.

CPA with a $200,000 diversified practice, looking to affiliate with long island firm. Practice is very profitable. I have at least three months of time to work for the firm that I associate with.

In addition I plan to retire in no more than 10 years. This would be a good opportunity to any firm, since my clients are very solid, and overtime a good transition could happen.

I am open to any reasonable opportunity. If interested please email me with the kind of firm you are looking to affiliate with.

Contact Edward Nolan at: enwls@yahoo.com.

Small full service LI CPA firm looking to acquire practice with revenue of at least $250k. We are ready to help the right individual(s) in transition and acquisition of your practice. We have extensive experience in tax and financial statement reporting and will take great care of your clientele. Contact: Eliteps@ymail.com.

NASSAU COUNTY / NEW YORK CITY CPA FIRM

Established firm with offices in NYC and Long Island, which has successfully completed transactions in the past, seeks to acquire or merge with either a young CPA with some practice of his own or a retirement-minded practitioner and/or firm. Call partner at 516.328.3800 or 212.576.1829.

Retirement minded Western New York CPA seeks association with sole proprietor or firm for future buyout. Gross $250K. Reply to ejnwls@yahoo.com.

Are you a Retired CPA? I have Money to invest. I need a Mentor. 516-258-8899

Want to purchase – Long Island or NYC 1040 based tax practice $300-$1.5M annual. Motivated and approved buyer please contact via e-mail at: ruedas@att.net.

Successful 2 partner firm in Midtown with quality infrastructure looking to merge for mutual benefit. CPA10040@gmail.com

Established Long Island CPA firm seeks to expand. We are interested in acquiring a retirement-minded small to medium-size firm in the NY Metro Area. We have a successful track record of acquiring practices and achieving client retention and satisfaction. Please contact Andrew Zwerman at arwerman@wzcpafirm.com.

Nassau County peer reviewed solo practitioner with Masters in Taxation has available time to assist overburdened practitioner. Open to merger, buyout or other arrangements. bern117@yahoo.com.

Successful Midtown NYC Firm (founded 1958) with SIM+ practice seeks a firm grossing $500K - $1M with retirement minded owners for merger and eventual transition. Contact in confidence: 212-901-6114.

Goldstein Lieberman & Company LLC one of the region’s fastest growing CPA firms has recently acquired a second office 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 Phillip Goldstein, CPA at phil@clyceus.com or (800) 839-5767.

MayerMeinberg, one of the fastest growing CPA firms with offices in New York City and Long Island is looking to continue expanding its practice through merger and/or acquisition opportunities. We are seeking entrepreneurial practices ranging from $500,000 to $3,000,000. Also considering firms with areas of specialization in Forensic and Litigation Support and other industry specialization. Please contact: rmayer@mayermeinberg.com.

New York City Metro Technical Accounting/Audit Practice seeks qualified tax professional for Tax Preparer role.

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Windowed Office in CPA Suite, Plainview. Includes Secretary/Bookkeeping Services. NR11804@aol.com.

650 sq. 5th Avenue @ 34th St. 550 sq. 2 offices. Avenue views. 24/7 access. Elliot @ 212-447-5400.

WALL STREET CPA looking for right individual to share and merge into my office space. Move in ready with ultra high tech hardware and software built in. info@goldfinecpa.com 212-714-6655.

Nassau County wanting to merge with a retirement-minded practitioner. Willing to open another location for the right practice. We are a client service oriented and have successfully purchased in the past. paul@petrocelligroup.com.

Small full service LI CPA firm looking to acquire practice with revenue of at least $250k. We are ready to help the right individual(s) in transition and acquisition of your practice. We have extensive experience in tax and financial statement reporting and will take great care of your clientele. Contact: Elitepax@gmail.com.

Small midtown CPA firm that completed similar transactions seeks to acquire/associate with retiring practitioner. Staff, office space and services available. Contact: jae@nyc-cpa.com.

Small CPA firm seeks to acquire or associate with a colleagues in the region. Four years experience in audit and practice. For confidential discussion contact: Nowickiand Company, LLP 516-482-7777 ray@nowickico.com.

Small full service LI CPA firm looking to acquire practice with revenue of at least $250k. We are ready to help the right individual(s) in transition and acquisition of your practice. We have extensive experience in tax and financial statement reporting and will take great care of your clientele. Contact: Elitepax@gmail.com.

Tax Preparation - Experienced (Flushing, New York)

Small CPA firm seeks Experienced tax preparer familiar with Lacerte for Tax Season. E-mail: richp@petrocelligroup.com or fax to: 718-961-4587.

Small midtown CPA firm that completed similar transactions seeks to acquire/associate with retiring practitioner. Staff, office space and services available. Contact: jae@nyc-cpa.com.

Per diem accountant - 25 years experience - all areas taxation/write ups 917-304-9484.

Small CPA firm seeks to acquire or associate with a colleagues in the region. Four years experience in audit and practice. For confidential discussion contact: Nowickiand Company, LLP 516-482-7777 ray@nowickico.com.

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Per diem accountant - 25 years experience - all areas taxation/write ups 917-304-9484.
The all-new FAE Value Pass (FAE VP) gives you more savings choices and more flexibility! Save now on quality CPE from FAE with:

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**Firm/Company FAE Value Pass (FAE VP)—Choose FAE VP40 or FAE VP80**
Register any staff member from your firm/company for FAE VP eligible events up to 40 or 80 credit hours.

**Save over 22% on CPE!**

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Visit [www.nysscpa.org/faevp](http://www.nysscpa.org/faevp) for more information or to purchase your FAE Value Pass, or call 800-537-3635.