NYSSCPA Board votes to support non-CPA firm ownership

BY ROBERT BUSWIELE
Trusted Professional Correspondent

In a decisive vote, the NYSSCPA Board of Directors supported the concept of non-CPA firm ownership during its quarterly meeting on December 4.

The vote passed by a count of 29-1, with four members of the board abstaining. The board has been reviewing the issue extensively since it became clear that related legislation may be introduced in the New York State Legislature in 2013.

New York is one of three states—including Hawaii and Delaware—that currently do not have legislation in place that allows non-CPAs to have a minority ownership stake in CPA firms. All states with such legislation require CPAs to retain majority control (at least 51 percent) in the firm.

Society leadership has been discussing the issue with members throughout the state during the past two years at numerous town hall and governance meetings. It conducted additional outreach through a variety of methods, including a two-hour discussion forum held in February 2012 that was available to all members through a live webcast.

The decision by the board to support the concept of non-CPA firm ownership now puts the NYSSCPA in a position to engage with relevant stakeholders should legislation be introduced, said NYSSCPA President Gail M. Kinsella. Otherwise, the Society would risk not being part of the conversation at all.

“We anticipate legislation to be brought forward in the next session,” Kinsella said. “It is important for the state society to help set these guidelines.”

The vote was preceded by a lengthy discussion about the issue in general, which began with an overview from EisnerAmper CEO Charles Weinstein, who outlined his experience with non-CPA firm ownership. EisnerAmper operates offices in four other states—New Jersey, Pennsylvania, Illinois and California—as well as other countries.

Weinstein said his firm has a “great need for people who are not necessarily CPAs, but who have a very high level of skill” in areas outside of the attest function, such as business valuation of financial instruments. Without these experts, his firm would be unable to provide the same level of service to clients that it currently provides. He described the current structure in New York as requiring the firm to “jump through hoops” in order to retain top talent in the firm’s lines of business outside of the attest function.

“It makes for a more complex situation when you’re trying to bring talent into a firm,” he said.

When the firm successfully secured such talent, he said, such as the head of EisnerAmper’s corporate finance group, clients did not express concern over the individual’s lack of a CPA license.

“That’s never come up,” Weinstein said. “They don’t look at the designation; they see the talent.”

See Non-CPA, on page 7

Speaker tackles residency issues

BY RICHARD J. KORETO
Trusted Professional Correspondent

In the past year, few New York tax issues received as much attention as what constitutes state residency for tax purposes. CPAs and their clients saw some hints that the state may be taking a softer position in early June, with the release of new Nonresident Audit Guidelines. Although useful, the guidelines also raised questions. On Dec. 5, at the annual New York Taxation Conference, some of those questions were answered and further explanations delivered by John Congiolo of the New York State Department of Taxation and Finance.

Congiolo, a tax auditor in income/franchise field audit management at the NYSDTF, spoke about the evolution of the department’s approach, particularly in light of the landmark case, In the Matter of John Guiede, in which the New York State Tax Appeals Tribunal decided that a New Jersey resident who maintained a Staten Island home for his elderly parents, is a New York resident for tax purposes and, therefore, liable for state and city income taxes. A key aspect of that case was the strict rule. If you own it, it’s a permanent place of abode (PPA), and thus establishes an income tax nexus.

See Residency, on page 7

Tax official talks preparer regulations

BY RICHARD J. KORETO
Trusted Professional Correspondent

CPAs should keep an eye out for proposed new rules from the New York State Department of Taxation and Finance, which will be updating its regulation of tax preparers this year, according to NYSDTF executive deputy commissioner Jamie Woodward. She addressed the Dec. 5 NYS State Taxation Conference as part of a tax preparer panel with Steven Krantz, NYSDTF director of special investigations, and Chaim V. Kofinas, a member of the NYSSCPA New York, Multistate and Local Taxation Committee.

Although Woodward wasn’t ready to announce any proposed regulatory changes, she did give some hint of what CPAs can expect. She also emphasized that the department would be looking for input, with the proposed regulations to be distributed publicly for comment before being finalized.

The current regulatory initiative stems from a 2009 state task force charged with assessing government oversight of the preparer community. The NYSSCPA was represented on the task force, which issued its Report of the Task Force on Regulation of Tax Return Preparers in September 2011.

The task force’s key recommendations included increasing oversight of refund anticipation loans; requiring paid tax preparers who are not CPAs, attorneys or enrolled agents to take continuing professional education courses and complete competency examinations; and requiring all preparers to register with the state. Although the current New York registration program exempts CPAs, attorneys and enrolled agents, the task force noted that the IRS required all compensated preparers to register, even if they are members of other regulated professions. “The Legislature,” the report stated, “should consider whether ending these exemptions from registration would serve the overall purposes of the program.”

While supportive of the measures overall, the NYSSCPA has voiced its opposition to the recommendation regarding state registration of CPAs. This step, according to the Society, would be an unnecessary duplication given that CPAs already register with both the state department of education and the IRS. In September, Kevin J. McCoy, chair of the NYSSCPA Legislative Task Force, said that the Society’s “recommendation is that if, as a preparer, you’re federally registered, it should also cover you for the state, as is the case in almost all other states and jurisdictions.”

If the department does go forward with the task force’s suggestion and the legislature amends the current law, the Society is recommending that the state simplify the process for CPAs by allowing use of the federal PTIN (Preparer Tax Identification Number) with “maybe just a one-time notification to the state,” McCoy said. At the moment, paid tax preparers who aren’t exempt from the state’s existing registration program must undergo two separate processes to register with the IRS and with the state.

Woodward didn’t comment on whether CPAs would be exempt from registration. However, she did say that new state regulations would parallel, as much as possible, already existing federal regulations in order to avoid overlap and conflict. As one example, Woodward said that any licensing number system used would probably piggyback on the federal system.

See Preparer, on page 7
We Want You! Become an Advocate for Your Profession

This month signals a fresh start in many ways. Not only are we entering a new calendar year, but also a new legislative session in Albany—one in which a number of critically important accounting issues may be on the table.

On the front lines of our advocacy initiative in Albany is our Legislative Task Force, which monitors bills as they are introduced in the state legislature and works to identify those bills that the NYSSCPA Board of Directors and the Society should actively engage in support or opposition. Last year, the task force monitored several bills, including one that would expand the state’s Martin Act by granting public pension fund trustees the power to essentially force the state attorney general to initiate an investigation; and two others that would pare back or eliminate school district audit requirements (whose passage the Society initiated an investigation; and two others that would pare back or eliminate school district audit requirements (whose passage the Society monitored). These bills were passed by both legislative chambers, including those to CPA PAC, are not tax deductible, but unlike individual or firm donations directly to candidates, contributions that come directly from CPA PAC create a positive identification between the NYSSCPA and the candidate who receives that contribution.

The CPA PAC Board of Trustees, comprising mainly chapter representatives to allow for equal representation throughout the state, reviews issues affecting the profession and determines where PAC funds can best be distributed. With this year’s election cycle comes the possibility for new leadership on Assembly and Senate committees; CPA PAC helps us establish relationships with these lawmakers so we are in the best possible position to fight, for instance, a bill that would require CPAs who prepare tax returns to register with the State Tax Department in addition to the State Education Department. Please visit www.nysscpa.org/page/government-affairs/cpa-pac to learn more or find out how you can become a member.

CPA PAC is just one opportunity available to members who want to advocate for the profession through the NYSSCPA. Members can also support the Society’s efforts in Albany by becoming a Key Contact. Key Contacts are our local political leaders and share political contacts or alert the Society to any pending legislation affecting our profession. You can read more about this program on page 9 of this issue or by visiting the Government Affairs tab at www.nysscpa.org and clicking on Key Contact.

Ensuring that lawmakers hear our voice on important issues where takes work and time, and more importantly, requires all of us to become involved. I urge each of you to become more engaged in the future of our profession. Best wishes for a happy and successful New Year.

SHERRY L. DELLE BOVI
PRESIDENT

Involvement in the Society’s advocacy work is not limited to the Legislative Task Force. There are opportunities for every member to participate. By becoming a member of the NYSSCPA’s political action committee, CPA PAC, members play a direct and vital role in our advocacy efforts with state legislators. The committee ensures that the Society is a steady presence in Albany. Throughout political donations, CPA PAC supports the political candidates for New York State office who have proven supportive of the CPA profession or those who are in a position to champion it through legislation that protects the profession and the public we serve.

CPA PAC is truly nonpartisan. CPA PAC support is never based on party affiliation and contributions are distributed equally to candidates of both parties. CPA PAC contributionsthatcomedirectlyfromCPAPAC are not tax deductible, but unlike individual or firm donations directly to candidates, contributions that come directly from CPA PAC create a positive identification between the NYSSCPA and the candidate who receives that contribution.

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SHERRY L. DELLE BOVI
PRESIDENT
Newsmaker: Richard J. Caturano, AICPA Chair

BY CHRIS GAETANO
Trusted Professional Staff

In October, Richard J. Caturano was elected chair of the AICPA for the 2012–2013 year, having previously served the institute in several different capacities, including as a member on its board of directors and governing council. Caturano, who said he is already at work on a number of new initiatives, spoke with Trusted Professional staff writer Chris Gaetano on Dec. 12 about diversity in the profession, changing technology and ever-increasing fee pressures.

Where do you want to bring the AICPA during your tenure? Where do you see it going?

Well, we have a lot to accomplish over the next year, and there are a lot of issues currently on the table. One would be private company financial reporting—we want to make sure we’re giving some meaningful relief to users and preparers of private company financial statements who find them way too complex and cumbersome. Another thing I want to make sure we get accomplished is to strengthen the Chartered Global Management Accountant enrollment and initiative. [Ed. Note: The CGMA is a credential that was launched by the AICPA and the Chartered Institute of Management Accountants at the start of 2012 for CPAs within and outside the United States who passed the CPA exam and have three years of management accounting experience.] We had great success over the last few months bringing aboard nearly 40,000 CGMAs. We want to continue the momentum in the CGMA area because it accomplishes two goals: It helps us expand our coverage and strengthen our brand internationally and it strengthens relations with CPAs in business and industry, which makes up a large percentage of our membership.

Finally, the big area I’m pushing and focused on is diversity within the profession. That includes gender diversity—we need to continue to make progress in that area—and more importantly, racial diversity, where we have made very little progress over the last several years. We want to make sure we look more like America within the next decade, and we plan to have some strong initiatives for that underway by the end of my term.

How do you plan to utilize your position as AICPA chair to meet this goal? Are you planning to launch new programs?

Let’s put the diversity challenge into three buckets. The first bucket would be supply. There is an inadequate supply of minorities coming out of colleges and universities or enrolled in accounting programs. The second challenge would be what I call right size, right fit. Right now, the majority of minority candidates coming out of college are hired by Big Four firms or large corporations who have the right programs to bring them in. But that can’t possibly be the right fit for 100 percent of them, so I think we have the wrong size, wrong fit in more than half the hires of quality minority students coming out of college. The third bucket would be keeping them engaged and active in the profession. The National Commission on Diversity, which we established, consists of different interest groups and groups involved with minority advancement in our profession, will be focused more on how to keep minorities in the profession. They are the retention part of it. The commission has had one meeting so far, and we have another next month. I intend to participate in all of them. We’ve established task forces within the commission that have sufficient resources to make some ground here, and by the end of my term [we] should come up with some good, concrete solutions for firms to follow.

The quick summary is that the minority population in the U.S. is increasing. Sometime around 2040, 50 percent of the U.S. population will consist of minorities, and we’re already seeing that businesses want to hire contractors or professionals who look more like the rest of America and are not white male dominated. So the business case is we’re going to see ourselves go into obsolescence if we don’t change the makeup of people in our firms. Clients will demand it—they are already starting to demand it. We’re starting to see it happen especially with the larger companies.

Part two of that is that the young people coming into our profession want to be in a diverse environment, they want our firms to look like our brochures. If you look at any of the brochures of the top CPA firms, you see people of all races in the photos, but if you walk through our halls, you see a lot of white people. The reason why the brochures have multiracial pictures is because that’s what’s attractive to the kind of people firms want to attract. And that to me is the most compelling part of the business case. Our brochures sell diversity because it’s important, but our firms don’t have it within them.

How have you addressed this as a partner at your own firm, McGladrey?

I was the managing partner in our firm, Caturano and Company, before we merged with McGladrey. The percentage of underrepresented minorities in our firm was in the low single digits. And the reason is that it was never one of my priorities as the managing partner. When I woke up in the morning and decided what I was going to try to accomplish for the day, it never made my top five or top 10 or top 50 list. When you look at all the issues firms are faced with—like pricing pressures and regulatory issues, partners you have to manage, staff you have to keep happy—when you get up every day and are hit with all that, and say, if I don’t do something about diversity today, is my firm going to go out of business tomorrow, it might depend on what you define as tomorrow. Does it mean the next day or next year? Probably not. Five or 10 years? Maybe you won’t go out of business, but you might not find yourself as successful.

So diversity was never a priority at Caturano and Company, and at McGladrey it’s desirable and aspirational. I’ve been meeting with our HR leadership at McGladrey and will be presenting the business case to our executive leadership. I am confident that we will move it up in priority in our firm.

If it wasn’t a priority for you before, what changed?

What changed was that I realized time is running out on us. We have to get there in the next decade, and to get there in the next decade, we have to start today. It’s just an awareness I developed since I got involved in the issue. This profession has been a path to the American dream for me, and in realizing that I think we should make it available to others. I’m in the stage of my life where I can look back at the success I’ve had and have a desire to spread that success to other groups going through the same struggle. But part of it is realizing we need to do something now, or else we will have a

“We can’t just be the American Institute—we’ve got to be a global brand so that people all over the world know who we are.”

— Richard J. Caturano, Chair, AICPA

See Chair, on page 4
problem 10 years from now.

What would you say are some of the biggest challenges the CPA profession will face over the next year? Over the next few decades?

One of the biggest challenges, I think, is that we have to prepare the CPA profession for a whole new generation that will take it over, which means the business model will have to change so that people will be able to work less time, but more efficiently.

The likely source of that is technology. If you look at other industries that went through technological revolutions, the CPA industry has gone through big parts as well, but in the audit area most of it has been in the tedious work we do, like adding columns. Computers do that for us now, but what about some of the higher level audit work? Can we get technology to help us with the more sophisticated work that we do?

How do we use cloud technology to service clients in the future? How do we bring services to clients to allow them to more effectively interact with us? How do we work with users of financial statements to be more efficient?

We’ve also got to make our firms more attractive. We want to get the best and brightest. It would become a mediocre profession if we didn’t. To do that, we’ve got to be a more attractive place to go to. We’re changing our image as CPAs—we are no longer the “green eyeshade people,” or the bookworms who don’t communicate. I see that as being a significant challenge to the profession, but also a significant opportunity.

Another of the challenges is increased regulation. I believe that more regulation increases the opportunity we have as a profession, but you hate to see regulation just for its own sake. No one wants that.

There’s complexity—I see the world continuing to become more complex every year. There’s an old rule that the technology doubles every year-and-a-half. I believe a similar rule applies to economy and business: I believe that our business world becomes more complex and doubles every couple of years. The kinds of transactions you see today are much more complex than those two years ago. And then there’s data, which is a huge opportunity for the profession in areas like cybersecurity. There are enormous challenges too, no doubt, but they also present opportunities for service.

Going global is also critically important, which is why we made the CGMA designation: We’re looking to say that we’ve become more involved in the global community and become a global brand. We can’t just be the American Institute—we’ve got to be a global brand so people all over the world know who we are.

What do you feel is an uncomfortable truth that, given time, the profession will simply have to accept?

I think the most uncomfortable aspect is that fee pressure and pricing pressure, particularly in the assurance area, will continue to present challenges. I don’t see fees rising going forward, yet the importance of a quality audit and the complexities associated with it continue to increase. I think we have to become more profitable through efficiency, because I don’t think businesses can afford to pay us more than they do. So to me, that is the most uncomfortable reality—that we can’t continue to put through client fee increases at the same rate gas prices go up or other items are rising. The reality is that we’ve got to find more efficient ways to perform and deliver our services and live with that.

What is something that’s causing a lot of worry in the profession right now that you think may be overstated?

I think what CPAs really worry about the most is complexity. They wonder, “How do I keep up with all this? I have to know taxes and auditing and technology and service my clients.” I think the key to navigating that in the future has to be narrowing things down a bit. You can’t have the general practitioner much in the future. You can’t. It will be almost impossible to keep up with everything. The general practitioner of the past gradually needs to figure out how to specialize. For a smaller firm to specialize, they’ll need to have more resources. They’ll need to either combine or share projects with other firms, develop those resources, or expand in a way that brings those resources. So the challenges are there, but so are the solutions. Our PCPS [Private Companies Practice Section] division has a treasure chest of ideas and materials to help practitioners find the right solutions.

What inspired you to become a CPA?

I think everyone in CPA America knows this story by now, but when I was young I grew up in a blue-collar, working-class neighborhood, and a CPA moved in across the street. His name was Tony, and he was admired throughout the neighborhood because he had a nice car and wore a nice suit to work. Everyone loved Tony and looked up to him and respected him. My father would tell me often, “You have to do what Tony does, you ought to be a CPA.” The thinking then was that if you were good at math, you’d be a good CPA. While not necessarily true, I was good at math and thought, what a great idea, I think I’ll become a CPA. If you look at my high school yearbook, my goal was to be a CPA, not a doctor or lawyer or venture capitalist. It was to be a CPA.

What was the last really good book you read?

I’ll give you my all-time favorite: “Our Iceberg is Melting,” written by a professor at Harvard Business School named John Kotter. It’s in plain English, 120 pages long, and you can read it in about an hour. It describes how to do every successful change I ever led our firm through. I think it’s an awesome book and I know it works, because I’ve lived it.

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BY TRUSTED PROFESSIONAL STAFF

F or New York CPAs, the New Year typically means the start of another CPE year. But 2013 is unlike years past: last fall, after Hurricane Sandy swept through the region, the state’s Office of the Professions granted CPAs and other professional licensees who, because of the storm, had trouble meeting their 2012 requirements until Feb. 1 to complete their credits or renew their licenses.

“Because it is now possible, 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,” said State Board of Public Accountancy Executive Secretary Jennifer Winters. “No action on the part of the licensee is necessary to take the extension.”

What’s more, CPAs should keep in mind that the ethics requirement is also tied to the calendar year. According to the State Education Department (SED), for each registration ending on or after January 1, 2013, a registered licensee is required to complete at least four contact hours in professional ethics during the prior three calendar years.

Whether you’re still taking courses to satisfy your 2012 requirements or not, now’s the time to devise a strategy for 2013. For one, Winters has emphasized that there can be no “double counting” with credits—any CPA who was affected by the storm and 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 them to both years,” she said in an interview with The Trusted Professional.

CPE: Back to basics

All licensed CPAs in New York, including those in industry, government and academia, are required to complete annually either 40 hours or 24 hours (in a single concentrated area) of continuing professional education credits in the following subject areas: accounting, advisory services, attest, auditing, specialized knowledge or applications related to specialized industries, taxation, or another area approved by the SED.

Ultimately, CPAs are required to complete a minimum of 120 CPE hours every three years (or 72 hours of specialized education) to be eligible for triennial registration of their licenses. CPAs are exempt from the mandatory CPE requirement only for the triennial registration period in which they are first licensed. According to state law, the only option for the exception to the rule is for reasons of health certified by a physician, for extended active duty with armed forces of the United States, or “for other good cause acceptable to the department which may prevent compliance.” These exceptions must be granted by the SED.

Licensees who supervise attest or compilation services, or sign the accountant’s report on financial statements (or authorize someone to sign them), have must completed 40 hours of CPE in audit, accounting and/or attest during the three years immediately prior to performing such services.

What happens if you don’t fulfill your annual CPE requirement?

It’s worth a reminder of what the consequences could be, if for whatever reason, the CPE minimum is not met by the end of each calendar year. According to state regulations, failure to satisfy the mandatory CPE regulations results in a straightforward penalty: your attempt to reregister your license with the state will be denied, which means you’ll have to stop practicing or providing your employer CPA services “unless and until the CPE requirement has been met, satisfactory to the department.”

A CPA who fails to meet the annual mandatory CPE requirements could be subject to disciplinary action, which can include fines of up to $10,000 per specification and, potentially, revocation of the license. “It’s a felony if you’re not in compliance with the law,” Winters said. Filing a false report with the SED constitutes unprofessional conduct, and would incur the same consequences.

To ensure that licensees are meeting the requirements and reporting their compliance truthfully on reregistration, the SED conducts random audits of CPE compliance each month. The SED may issue conditional registration to a licensee who did not meet the deadline, but agrees to make up the deficiencies and take any additional education required—but there’s no guarantee the additional registration will be issued, and continuing to practice following notification by the state of registration denial is cause for disciplinary proceedings.

Soon, there’ll be even more reason to make sure that you have a firm handle on the CPE regulations and you are meeting the state’s requirements: The SED has been working on developing and implementing a statewide electronic license management system that will improve the department’s ability to effectively capture and monitor CPE compliance. Winters said the system will be ready by midyear 2013, though there isn’t yet an exact date for it to go live.

How to get your credits

Live CPE conferences, seminars and technical sessions are offered year-round by state-approved sponsors, such as the Foundation for Accounting Education. Many of FAE’s live webcasts are converted to on-demand programs that will improve the department’s ability to effectively capture and monitor CPE compliance. Winters said the system will be ready by midyear 2013, though there isn’t yet an exact date for it to go live.

Additionally, if you’re a self-employed CPA or member of the firm, you can participate in self-study programs that can be completed at your pace, from home or the office. The variety of programs and sessions offers a range of credit hours; visit www.nyscpa.org/page/continuingeducation for more information.

The National Association of State Boards of Accountancy maintains an extensive online resource of nationally approved CPE credit-bearing courses and programs at www.learningmarket.org. If courses are approved by NASBA, they are valid for New York CPE credit, too—just be sure to select New York state when searching for courses and programs.

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

Moreover, ethics credits work double-duty. That is, you have the option to earn an additional four credit hours to satisfy the state’s ethics education requirement? Not quite; when you complete the mandatory four credit hours of ethics, they’re rolled into your overall CPE total for that calendar year in which they were completed. So get your ethics credits out of the way as early as possible.

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

• Teach a CPE course. Teaching a course offered by an approved sponsor can earn a CPA up to two additional credit hours for each hour taught (a nod to the time spent preparing the class). That means teaching a CPE course worth three credit hours could earn the instructor up to nine total hours—nearly one quarter of the annual requirement.

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

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

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

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

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

Generally, if professional records that you are required, after taking reasonable steps, to maintain safely were damaged or lost due to a disaster that was beyond your power to prevent, you would generally not be subject to a charge of professional misconduct, according to the state Office of the Professions. You should try to establish a listing of such files as soon as possible after the disaster and record the circumstances and date of the loss for future reference. A new professional record for current patients/clients should be established.

It’s January: What’s your CPE strategy for 2013?

“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.”

Jennifer Winters, State Board of Public Accountancy Executive Secretary

If your license was destroyed during Superstorm Sandy, an executive order by Gov. Andrew Cuomo allows New Yorkers to replace at no cost certain state-issued documents destroyed as a result of the disaster. To request the replacement of the following documents that they were unable to timely renew because of the disaster, to replace a lost or destroyed registration certificate, please write or call the Records and Archives Unit for an application to replace your license parchment: Office of the Professions, Division of Professional Licensing Services, Attn: Records & Archives Unit, State Education Building — 2nd Floor, 89 Washington Avenue, Albany, NY 12234-1000; (518) 474-3817, ext. 380.

To replace a damaged, lost or destroyed registration certificate, you need to contact the Registration Unit and request a replacement application. On the replacement application, you must state the circumstance under which your certificate was damaged, lost or destroyed, sign the application and return it to the State Education Department. To request a replacement application, contact the Registration Unit by e-mail at opregfee@mail.nysed.gov, calling (518) 474-3817, ext. 410, or writing to the Office of the Professions, Division of Professional Licensing Services, Registration Unit, State Education Building — 2nd Floor, 89 Washington Avenue, Albany, NY 12234-1000.
BY CHRIS GAETANO
Trusted Professional Staff

Though the federal government, as the result of regulations such as the Dodd-Frank Act and Basel III, is asking for additional data from financial institutions during the regulatory reporting process, there are several common misconceptions about some of its other requirements, according to federal officials who participated in a panel discussion on the regulatory environment at the FAE’s Banking Conference on Nov. 14.

For example, John Conneely, assistant regional director for the Federal Deposit Insurance Corporation (FDIC) said that the FDIC does not require every bank of every size to have a formal enterprise risk management program, despite what bankers may have heard from salesmen offering “a pitch for consulting services or software.”

“Let me address this concern—to the extent that enterprise risk management is being characterized as the cutting-edge new requirement being imposed by regulators on all banks, regardless of size and complexity, it’s not true,” he said.

Dodd-Frank does require bank holding companies and some nonbank financial companies with combined assets over $10 billion to form a risk committee that is responsible for the oversight of enterprise risk management, such as those companies with combined assets over $10 billion to form a risk committee that is responsible for the oversight of enterprise risk management, despite what bankers may have heard from salesmen offering “a pitch for consulting services or software.”

And while there is regulation concerning enterprise risk management, such as those examples of a financial institution either having total reported loans for construction, land development and other land loans that represent 100 percent or more of the institution’s total risk-based capital, with the outstanding balance of the institution’s commercial real estate loan portfolio increasing by 50 percent or more during the prior 36 months. But “the 100 percent and 300 percent thresholds noted in existing guidance are not hard limits imposed on construction and [commercial real estate] loans,” according to Conneely. “They are primarily concentration thresholds above which examiners will look to management to have enhanced and appropriate risk management practices to monitor and control the potential consequences of such concentrations,” he said.

Conneely also addressed what he said was a myth regarding the leverage ratio required to be considered by regulators to be well-capitalized, namely that “8 percent is the new 5 percent.” While there have been some banks that were required to raise their leverage capital to 8 percent because they held large numbers of what he said were problem assets, as well as having sizeable operating costs or other risks, not all actions have this target, he said.

“Some require higher ratios and some require lower ratios. The appropriate level of capital for any bank is a function of its asset composition, levels of problem assets and overall risk profile,” he said. “And, in any event, the median leverage capital ratio for banks in the New York region is approximately 10 percent, so for most banks this is no issue in that regard.”

Overall, he urged bankers to reach out and communicate with regulators on a periodic basis, especially when they have concerns or questions.

“Early and ongoing communication will help to avoid misunderstandings and is key to an effective and productive supervisory process,” said John Conneely, assistant regional director, Federal Deposit Insurance Corporation (FDIC).

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.nyscpa.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 212-710-8358 or ngomez@nyscpa.org, to find out more information.

Upcoming Conferences

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CPAs IN INDUSTRY

January 2013 / The Trusted Professional
**Non-CPA**

look at the skill set."

Board member Elliot Lesser asked Weinstein whether there is a concern that advisory services would surpass the attest function in importance if the firm non-CPA firm ownership was passed into law. "How would you feel on a cultural [basis]?" he asked.

While Weinstein said he expects firm growth will mostly be found in non-attest lines of business, the EisnerAmper culture remains deeply rooted in that of a CPA firm. "From the top-level standpoint, this is a CPA firm," he said. "Our core mission is the attest business. That is always one thing we do as a CPA firm. Anyone who is not a CPA can’t do it. Building careers inside the firm is not limited to one designation, but the CPA designation is first and everything else is behind that."

Kinsella told the board that most states allow non-CPAs to own a minority stake in a CPA firm have used the Uniform Accountancy Act as a starting point. "That is true in every state, almost without exception," he said. "There are some concerns about the due diligence in the process of ownership stakes in a firm should be based on the number of owners or the amount of equity owned by CPAs versus non-CPAs."

Woodward noted that CPAs—like enrolled agents and attorneys—have also been exempt from additional IRS testing requirements, and said this exemption would likely continue, especially with the AICPA and the National Association of the State Boards of Accountancy (NASBA), UAA includes the following requirements:

- CPAs must maintain a majority stake of at least 51% in a firm;
- a licensed CPA or a CPA with practice privileges must be responsible for registration of the firm—passive ownership is not permitted;
- the partner or owner in charge of attest services must be a licensed CPA or a CPA with practice privileges; and
- all non-CPA partners must be actively engaged in working for the firm or for an affiliated entity.

But the board didn’t go so far as to endorse the UAA or the concepts in it. The board only voted to support the concept of non-CPA firm ownership as a starting point for further discussion. Some of the issues surrounding the concept that the board will continue to discuss going forward include what percentage of ownership non-CPAs should have in a firm and whether the new guidelines support the development of a "relationship test, is it suitable for year-round living or more complex. He said that he knew that tax practitioners were still unsure about the details, while many CPAs are used to a de facto standard out there, even if it wasn’t formal. "We want to be clear about the non-CPAs."

"This case caused considerable consternation," Coniglio said. "Taxpayers had to ask themselves, ‘If I maintain a home for my parents or grown children, will the state say it’s a PPA?’"

As Coniglio pointed out, the New York State Tax Appeals Tribunal, in Gaied, said: "There is no requirement that the taxpayer actually dwell in the abode, but simply that he maintain it. ... That is pretty serious language—you and me, a nonresidence test, does the taxpayer help maintain the dwelling with work or money? Does he or she receive U.S. mail or keep the personal effect of the person? Auditors will be asking all of these questions."

"The totality that determines PPA," Coniglio said, "is not just one item. ‘We’re telling the auditors to look at all the factors.’"

This new approach may give a taxpayer a better chance of making a case that a dwelling is not a PPA, since it’s not just one simple yes or no question and answer. The downside is that the nonresident audit, which has already been a lengthy process, Coniglio said, is likely to get even longer and more complex. He said that he knew that practitioners wanted a simple test. "We could say—’Own it and it’s a PPA’—but I don’t think you want that."

At the end of his presentation, Coniglio took questions from the audience that showed that tax practitioners were still unsure about the significance of the audit guidelines. In regard to Gaied, one participant wondered if in the case being examined under the new guidelines, would the residence in question be a PPA for the owner? Ironically, he probably would, Coniglio said, even though Gaied sparked the decision to reform the audit process.

However, the reasoning would be more subtle than mere ownership. The owner, who had claimed that the house was actually a residence for his elderly parents, had utilities in his name and received some mail there. He stayed there sometimes and had a key. "We want to open the floodgates. Should the Department of Taxation and Finance provide any future guidance in this area, The Trusted Professional will cover it."

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**Residency**

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**FROM THE COVER**

The Trusted Professional / January 2013

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**Taxpayer advocate looks at who is and isn’t compliant**

BY CHRIS GAETANO  
**Trusted Professional Staff**

During the keynote address at the FAE’s Annual Tax/Plenary Conference on Dec. 11, National Taxpayer Advocate Nina E. Olson said that her office’s soon-to-be released annual report will explore the United States’ unusually high tax compliance rate, as well as prevailing attitudes among those who don’t pay their taxes on time.

Olson said that about 84 percent of the revenue collected by the IRS—excluding seizures of things like drug money—is done so voluntarily and without need for further enforcement, which she described as “pretty astonishing” compared to tax collection in the rest of the world.

While some, she said, have suggested that this country’s high rate of tax compliance is due to tax withholdings, Olson noted that 97 percent of businesses voluntarily pay over the withholdings they take out of paychecks. Individual compliance is also not a product of fear, she said, but appears to be a personal decision. “[Being compliant] is not, in fact, influenced by your peer groups or trade associations or religious associations or sports associations or [parent-teacher associations],” she said. “It doesn’t seem to be influenced by the attitudes you’d think are reflected in groups you belong to.”

Those and other findings, which, she said, will include greater detail when the annual report comes out this month, come from a study the IRS commissioned that examined a representative sample of both compliant and noncompliant Schedule C taxpayers, based on the Discriminant Index Function—which is how the IRS rates returns for their audit potential. Researchers found that people who are compliant generally tend to be so only for themselves, Olson said.

This is in contrast to the sample’s least compliant 10 percent. With noncompliance, she said, there is a “definite correlation between the groups you belong to and your own attitudes.” Olson added that the noncompliant tend to cluster in areas. She said her original thinking was that these would mostly be large, metropolitan areas, but the research found that, by and large, these zones were actually quite compliant. “The noncompliant communities cluster in the south and the west, and they also seem to cluster around the shore, around the waterline of the U.S.,” she said.

The study found that what drives noncompliance, she said, was distrust of government, distrust of the IRS and distrust of the tax code, meaning that “[the noncompliant] think the tax code is profoundly unfair.”

People are looking at the code and thinking, “it’s stacked against me,” she said. Olson added that she believes she can leverage this information into more appeals for tax reform. Since the perceived unfairness of the tax code appears to be a factor, she pointed out, reforming the laws should have the effect of increasing voluntary compliance, though she did not offer details on how or what type of reform would promote it.

This is only a fraction of the data that the study has turned up, with Olson adding that it will also include things like what industries the examined taxpayers work in, what their annual gross incomes are, and more. The Taxpayer Advocate’s office, she said, will be processing this information for a long time to come.

“We will slice and dice and see if we can identify certain industry code [numbers that represent what industry a filer works for] in certain areas. This tells us where you need to do your outreach or a compliance project. …

“The noncompliant communities cluster in the South and the West, and they also seem to cluster around the shore, around the waterline of the U.S.”

– Nina E. Olson, National Taxpayer Advocate

**State Tax Officials to Provide In-Person Help with Online Accounts in Free CPE Session**

BY RICHARD J. KORETO  
**Trusted Professional Correspondent**

Tax professionals with New York clients can gain access to taxpayer account information, receive alerts, respond to notices, and view and pay clients’ tax bills—that is, if they have an online services account. Later this month, the NYSSCPA’s New York, Multistate & Local Taxation Committee is sponsoring a session that not only helps CPAs learn about this system from NYSDTF staffs, but grants both in-person and teleconference attendees an hour of CPE.

Christine Belden, director of the Revenue Services Bureau, and Beth Ostwald, a taxpayer services administrator, will be presenting “NY Online Service for Tax Professionals” on Jan. 10 from 9 a.m. to 10 a.m. Topics will include Web filing certain business tax returns, paying taxes directly from a bank account, signing up for email and subscription services, and accessing videos, demos and webinars.

The department presenters will also go into details directed toward tax professionals, such as how to use online services for clients and businesses, and running user permission reports. Attendees will learn how to work with the EZRep form, which grants tax professionals instant authorization to online services and the opportunity to speak with NYSDTF staff about clients’ tax matters. Also covered will be the range of electronic communication, such as filing reminders, general department notices, billing notices, refund notices and protest resolution notices. The NYSDTF presenters will also be discussing new features on the horizon.

The session will be held at NYSSCPA offices at 3 Park Avenue in New York. Both the in-person and teleconference options are free for NYSSCPA members and $15 for nonmembers. For more information, visit http://www.nysscpa.org/taxstringer/2013/jan/koreto.htm.
BY ROBERT BUSWEILER 
Trusted Professional Correspondent

By representing more than 29,000 members, the NYSSCPA acts as the unified voice for CPAs throughout New York state. While we are often able to use our strength in numbers to take action, political advocacy also sometimes requires a more grassroots approach. This is why the NYSSCPA is unveiling its revamped Key Contact Program. Much in the same way networking is vital to professional advancement, developing a strong political network of connections is important to any government advocacy program.

Recent examples of this political involvement by the NYSSCPA include the passage of CPA mobility legislation and fighting for the exclusion of CPAs from overbearing new regulations on tax return preparers.

Signing up for our Key Contact Program is easy. Simply fill out the online form at http://www.nysscpa.org/governance/actionform.htm, and the information will be automatically sent to the NYSSCPA.

Q: What is an NYSSCPA Key Contact?
A: A Key Contact is an NYSSCPA member who has identified himself or herself as someone who has either a personal or business connection with a legislator or political party official in New York state.

Q: Why are you asking for this information?
A: By compiling this information, the NYSSCPA is able to more effectively advocate for Society issues in Albany in order to ensure that CPAs are protected from overly burdensome or misdirected legislation or new regulations. When this type of legislation is proposed or officially introduced, the NYSSCPA determines who the primary sponsors of the bill are. With a robust member-supported Key Contact Program, the NYSSCPA can then utilize those connections to open the flow of communication with the relevant lawmakers or state officials, so that we may get our point of view across more effectively.

Q: I'm already very busy; how much time do I have to devote to this?
A: Unlike committee, chapter or board service, the NYSSCPA Key Contact program is completely voluntary in terms of how much of a time commitment you are willing to devote to professional advocacy.

All we ask is that you fill out the form online with as much information as you’re willing to submit, and be willing to receive periodic calls or emails with requests for support. If you’re unable to assist us when we reach out to you, just let us know and we’ll move on to another member.

Q: I don't have any political connections, but I still want to get involved in the NYSSCPA's grassroots political advocacy program. Should I still fill out the form?
A: Yes. Even if you don’t have political connections, the NYSSCPA is always looking for members who are willing to help out our grassroots political advocacy efforts. Just let us know what state Senate and Assembly district you live in, and we’ll add you to a roster of members who have indicated to us they’re willing to assist in our advocacy efforts. To look up your district, go to latfor.state.ny.us/maps.

Q: What if I don't feel comfortable advocating for a specific issue or connecting with my contact at the time the NYSSCPA would make such a request?
A: If you have any issues with a request from the NYSSCPA through its Key Contact Program, simply let us know, and we’ll move on to another member. The NYSSCPA will never force or pressure you into reaching out to a Key Contact if you do not wish to get involved in a specific issue.

Q: What if my connection is only at the town or county level? Should I still participate in the program?
A: Absolutely. Many members of the state Legislature got their start in town and county governing boards. Every year, our Key Contact database is updated, and we track those connections through their political careers.

Q: What if I'm politically involved in my community, but I don't necessarily want to publicize this information?
A: The information gathered in the Key Contact Program will never be made public or be shared or sold to any third parties. If, at any time, you want your information removed from our database, simply let us know and you’ll be taken out of the program.

rbusweiler@nysscpa.org

We’re online!
www.trustedprofessional.com
NYSSCPA: wording for ethics draft could be improved

BY CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA agreed, for the most part, with an AICPA exposure draft that would revise the definition of “practice of public accounting” and “professional services,” and would eliminate the term “holding out.” All of this would be done in order to expand the scope of the AICPA’s ethics rules to encompass those who, while members of the institute, may not yet be CPAs, or if in public practice or business choose not to hold out as CPAs. However, the Society did suggest wording changes that would hold even more members accountable.

The Society’s remarks, made in a comment letter published Dec. 3, were in response to an exposure draft, “Omnibus Proposal: Interpretations and Definitions,” which was released on Sept. 19 by the institute’s Professional Ethics Executive Committee (PEEC).

In the exposure draft, the AICPA proposed a new definition for “partner equivalent” to capture members who are acting in a partner capacity with respect to attest engagements but are not partners as defined in the AICPA Code, as well as a revision to the definition of “manager” because of the proposed new definition of “partner equivalent.” The new definition of “partner equivalent” and “manager” would be effective for engagements covering periods beginning on or after December 15, 2014.

The exposure draft also included several proposed conforming changes to other definitions and interpretations as a result of the revised definitions of practice of public accounting and professional services.

While the NYSSCPA said that it supports the proposal, it did recommend some changes.

One of those changes involved the proposed phrase: “offering to perform or performing,” after “all services performed, by a member” as the Society’s wording expands the definition and holds more members accountable for their actions. Under the current proposed definition, the NYSSCPA wrote, the term “performed” could be interpreted to mean services in which the member was engaged to perform, while “offering to perform” would ensure that members acted professionally in soliciting potential clients. The Society also suggested adding review and compilation services, as well as business valuation, in the list of services described in the above definition.

The NYSSCPA suggested adding the revision of the definition of professional services. The exposure draft definition said that professional services “include all services performed by a member for a client, an employer, or on a volunteer basis requiring accountancy or related skills, including, but not limited to, accounting, audit, tax, bookkeeping, management consulting, financial management services, corporate governance, personal financial planning, litigation support services, educational services, and services for which standards are promulgated by bodies designated by Council.”

The NYSSCPA suggested adding the definition of Professional Services in the Code of Professional Conduct was focused on performing a service, as the definition is going to hold weight into whether the Code is applied to you,” she said.

The comment period for the exposure draft closed on Nov. 19.

cgaetano@nysscpa.org
Society stresses flexibility in PCC framework

BY CHRIS GAETANO
Trusted Professional Staff

I
n a recently issued comment letter, the NYSSCPA recommended that the newly formed Private Company Council (PCC) take a user-oriented approach to decision making when it deliberates on whether and how to make modifications and exceptions to U.S. Generally Accepted Accounting Principles (GAAP) for nonpublic companies. The letter was in response to the invitation to comment on the Financial Accounting Standards Board (FASB) discussion paper, “Private Company Decision-Making Framework: A Framework for Evaluating Financial Accounting and Reporting Guidance for Private Companies.”

The PCC was formed after a joint outreach effort by the National Association of State Boards of Accountancy, the AICPA, and the Financial Accounting Foundation found that many private companies felt that the current accounting literature was not as relevant to their needs and circumstances as it was for public companies. A blue-ribbon panel, which included representatives from each organization, issued a report recommending the formation of a standards-setting body akin to the FASB that would oversee matters germane to private entities.

The end result—the PCC—is housed within the FASB but, rather than making modifications and exceptions to GAAP, only suggests them to the FASB, which then ratifies them.

The FASB released a proposed framework that outlined how the council would operate, including the process through which it might determine whether or not to consider an exception or modification to GAAP standards for private entities, as well as the type of thinking that would go into the decision-making process. The framework said that the PCC wouldn’t consider an exception or modification unless there was demand on the part of private entities and new guidance would be able to provide relevant information to the users of private company financial statements. If so, it would then need to determine the relevance of the potential changes, and the cost and complexity of implementing them.

The NYSSCPA wrote that it agreed with most of the basic premises of the proposed framework, though it stressed that the PCC should keep the users of financial statements foremost in its mind when making its decisions. While other considerations—such as the difference in investment strategies and ownership criteria between public and private entities—are relevant, “it is more relevant to focus on the users and purpose of the financial statements,” the Society said.

“For example, it should be considered whether volatility and sensitivity analysis are meaningful to the users of private company financial statements,” the letter continued. “The same is true of consolidated entities.”

This is because the NYSSCPA wants the framework to be flexible so that it can meet a wide variety of challenges that would come with the task of overseeing private entity accounting matters, according to NYSSCPA past president and Financial Accounting Standards Committee member Margaret M. Wood.

“Who are you preparing these statements for? … It may be a family-run private company preparing statements for members of the family, so there’s that group. In other cases, you’re preparing for a bank, so you have that group,” she said. “If you’re preparing statements for banks and/or private equity funds, these users may require public standards to be followed. The main issue is, who is your audience?”

It is for this reason, she said, that the Society felt it would be best if private companies would also be able to elect to use standard GAAP if they so chose, noting that there are also private companies that aim to go public soon and would be required to follow public rules. The Society, in its letter, said that this approach provides flexibility and maintains disclosures that are relevant to the financial statements. However, it also said that with this a la carte standards method, there should be clear guidance on disclosures so that users would know what is and is not the result of a private company exception or modification of standard GAAP, such as a statement in the financials that notes, “The company has adopted [private company GAAP] except for the following recognition and measurement policies which are only mandatory for [public companies].”

“I think the key is [that with] private companies, there is no one-size-fits-all,” Wood said.

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Correction

The November 2012 story “NYSSCPA Cautions IAASB Against Expanding Role of Auditors,” incorrectly states that the NYSSCPA’s Oct. 2 comment letter was in response to the IAASB’s May 2011 proposal, “Enhancing the Value of Auditor Reporting: Exploring Options for Change.” The comment letter was actually in response to the IAASB’s “Invitation to Comment: Improving the Auditor’s Report,” published June 21, 2012. We regret the error.
WHILE well intentioned, a proposed set of auditing standards released by the Information Systems Audit and Control Association (ISACA) largely restates what preexisting auditing standards from other organizations had established long ago, the NYSSCPA said in a comment letter published on Dec. 3.

The letter was written in response to a proposed draft of the Information Technology Assurance Framework Information System (ITAF IS) Audit and Assurance Standards, which was released for comment by the ISACA on Sept. 20, 2012. The ISACA is an international professional association that provides guidance, best practices and tools for users of information systems.

The exposure draft, according to the document, is meant to be a practice-setting reference model that establishes standards addressing IT audit and assurance professional roles and responsibilities; defines terms and concepts; and provides guidance, tools and techniques on the planning, design, conduct and reporting of information system audit and assurance assignments. The exposure draft is one of several programs recently released by ISACA, including a cybercrime audit/assurance program, a biometrics audit/assurance program, an e-commerce audit/assurance program and a virtual private network (VPM) audit/assurance program.

While the Society thought that the goal of providing a single source for IT audit and assurance professionals to seek guidance laudable, it had concerns with the exposure draft as it.

Yigal Rechtman, the letter’s author and a member of the Technology Assurance Committee, said that the proposed standards tend to go over ground that has already been covered by other organizations. For example, he said, the exposure draft sets about defining “independence,” which he said is already defined “very well in the auditing standards” that the AICPA oversees.

“There really is a tremendous overlap,” he said. “The fact is, there is an existing framework that is in wide acceptance for a long period of time that can be used for that matter.”

Though the proposed standards aren’t exactly the same as the existing literature, this is, in itself, a liability, according to the Society.

“Publishing auditing standards that contradict these authoritative standards in an overlapping domain would cause unnecessary confusion and be disadvantageous to the auditors and users of their reports without providing sufficient clarification as to how and where specifically the ITAF IS Audit and Assurance Standards apply,” the Society wrote.

Beyond overlapping with already-existing auditing standards, the letter also said that the exposure draft was confusing in parts, especially to a special audience that the intended audience was meant to be. For example, the Society wrote, certain sections refer to internal audits, while other parts are “so general as to imply inclusion of any auditors who are ISACA members, including certified public accountants.”

“It is unclear from the exposure draft what authority the proposed IS auditing standard rests on,” the Society said.

Ultimately, the Society concluded that the ISACA would be better served by more closely aligning its standards with those of already-established organizations, such as the AICPA.

“We felt that our best advice, absent of simply not commenting, was to let them know that the AICPA had put forth a very good set of auditing standards, and they should basically appli them wholesale, with modifications that would have applications to information system audits,” Rechtman said.

NYSSCPA talks ISACA standards

BY CHRIS GAETANO
Trusted Professional Staff

The following list includes all comment letters released by the NYSSCPA during Dec. 1 and Dec. 31, 2012. To read all comment letters published by the NYSSCPA, visit nysscpa.org/page/society-comment-letters.

Comments to the Tax Commission of the City of New York—Proposed Independent Auditor’s Report Form TC309, Accountant’s Certification: Released Dec. 19—Proposed independent auditor’s report for purposes of New York City Tax Commission Form TC309, Accountant’s Certification, to conform with the Clarity Auditing Standards issued by the AICPA, effective for audits of entities with a fiscal year ending on or after Dec. 15, 2012.

Comments to the FASB on a Discussion Paper—Invitation to Comment, Disclosure Framework: Released Dec. 17—Response to an invitation to comment on FASB Discussion Paper, Disclosure Framework. The objective and primary focus of the FASB project is to improve the effectiveness of disclosures in notes to financial statement by clearly communicating the information that is most important to users of each entity’s financial statements.

Comments to the AICPA on Exposure Draft—Omnius Proposal, AICPA Professional Ethics Division: Interpretations and Definitions (Sept. 19, 2012): Released Dec. 3—Comments on the Professional Ethics Executive Committee’s Sept. 19, 2012, Omnibus Exposure Draft: Interpretations and Definitions. Proposed are revisions to the definitions of “practice of public accounting” and “professional services,” as well as the deletion of the definition of “holding out” from the AICPA’s Code of Professional Conduct.

Comments to the ISACA on ITAF™ IS Audit and Assurance Standards Exposure Draft: Released Dec. 3—Comments to the ISACA (Information Systems Audit and Control Association) on an exposure draft of proposed standards for an information technology assurance framework.
Tech Q&A for Today’s CPA
10 IT resolutions for 2013

Making these changes can help you reap big benefits for your clients and may boost your bottom line.

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

W

ith the holiday season over and a new year upon us, many CPAs, especially those in financial and business management, or those providing related management advisory services, are focusing their attention on mastering technology in order to more effectively achieve their objectives. Here are 10 resolutions that will help you meet this challenge and translate technology capabilities into business opportunities.

1. Develop an IT plan for the year. Although many businesses prepare an annual IT budget, unfortunately for some, it may not consider or reflect the agility needed by the IT function to achieve and support business strategies. For the plan to be successful and effectively request resources from executive management and the board, those responsible for IT must be instrumental in its development.

2. Inventory all IT assets. You can’t manage what you don’t know you have. Creating an inventory of all IT assets will not only enhance your ability to ensure that the IT vendor performs according to expectations by providing a unique service to deliver strategic value. Either way requires a business to ensure that the IT vendor performs according to expectations by implementing an appropriate oversight program over its IT vendors. This is especially important when nonpersonal data requiring regulatory mandated levels of protection are shared with a third party.

3. Reduce the impact of low-hanging threats. The management and reduction of information security threats can pose challenges for a business’s bottom line. However, there are a number of low-cost controls that can be easily implemented to reduce potential dangers. Before investing or requesting significant sums for security protection, make sure that you have deployed the security features that often come with software and other tech products.

4. Review the assumptions used in your business continuity plan (BCP). As a result of Hurricane Sandy, many businesses are reexamining their BCPs (while those that didn’t have a BCP are making the development of one a priority). Of concern is not just whether the BCP was effective during the storm, but if the assumptions used in performing risk assessments and business impact analysis to develop the BCP remain valid.

5. Develop an IT vendor management program. Today’s business reality dictates that businesses partner with IT vendors in order to deliver value to stakeholders. Some of these partnerships are based on a commodity product, where the vendor can be easily replaced. Others rely on a particular vendor providing a unique service to deliver strategic value. Either way requires a business to ensure that the IT vendor performs according to expectations by implementing an appropriate oversight program over its IT vendors. This is especially important when nonpersonal data requiring regulatory mandated levels of protection are shared with a third party.

6. Identify data stored by your business that are subject to regulatory protections. Of particular importance are “shadow data.” This type of data is extracted from protected databases and used by an individual in a variety of desktop applications that may not have similar types of protection. If the data are subject to regulatory protections (e.g., privacy compliance), the business may be facing unplanned issues.

7. Learn what cloud computing has to offer. The emergence of the cloud provides exciting opportunities for businesses to take advantage of the latest technological developments. However, it also presents challenges related to security and confidentiality. There are many different models and combinations of cloud computing solutions, each with unique cost-benefit trade-offs and technological complexity. Investing time in understanding these trade-offs will prove to be a smart move for those professionals advising their own companies or their clients about cloud computing strategies.

8. Take advantage of mobile technologies. The combination of mobile technologies and handheld devices has revolutionized the opportunities for professional practice. Besides allowing you to keep up with professional journals and read books whenever you want to, it also offers the ability to interact with remote databases and storage facilities. This can result in more effective time management and enhance your focus on helping clients to solve problems rather than on completing paperwork. It also lays the foundation for enabling practitioners to introduce new billing strategies, including value billing rather than traditional time billing.

9. Figure out how to use the technology you already have. As professionals, we all get excited about new technologies, and companies are usually happy to invest in ones that can enhance service delivery. The challenge facing both individuals and companies is to better use the software they already have. For example, Excel provides tremendous data analysis capabilities, yet few professionals know how to leverage these in their daily work. By not learning to fully use an existing resource, you are overpaying for the few bits of it that you do use. You may also end up purchasing new technology that you don’t really need.

10. Perform an IT audit. If a number of the issues above relate to your business, then perhaps it’s time to do an IT audit. The purpose of the audit would be to ensure that your company has appropriate governance and risk management processes over its technology, information and related investments. Typically, these audits would address information security, business continuity planning, IT vendor management, governance strategies and appropriate IT asset management controls. Such an audit can help ensure that your investments and use of technology are appropriately aligned.

Joel Lanz, CPA/CITP, CFF, CISA, CISSP, CFE, is the sole proprietor of Joel Lanz, CPA P.C., and an adjunct professor at SUNY-College at Old Westbury. He is a member of the NYSSCPA’s Technology Assurance and Banking committees, and The CPA Journal Editorial Board. He is a past chair of the Technology Assurance Committee. Mr. Lanz can be reached at jlanz@joellanzcpa.com.

What are your tech resolutions for 2013? Tweet us @nysccpa, hashtag #CPAtech

Join the conversation
Have you taken these steps to secure your data?

BY RANDY R. WERNER, CPA, J.D., LL.M/TAX

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PA firms of all sizes are vulnerable to cyberattacks and data breaches. Generally, the larger the firm, the more points of entry there are to information that is valuable to hackers. However, small- to mid-sized firms are just as prone to attacks because of the perception that smaller firms have invested less in security systems and are softer targets. Regardless of size, there are specific and effective risk management steps all firms can take to reduce their exposures. Be sure to take action in the three areas below.

Risk assessment

The basic purpose of a security/risk assessment is to identify and prioritize risk exposures due to events such as theft, loss, unauthorized access, virus or malware infection, or improper disposal. There are software tools for assessing and analyzing the security of most computer systems, and many software companies issue security updates to protect systems from common threats that are identified. Most updates are applied automatically online, if requested.

Another prudent diagnostic step is to have an information technology (IT) specialist or consultant conduct a thorough assessment and analysis. For example, an “ethical hacker” can perform an electronic penetration test on your system in order to highlight vulnerabilities and provide risk-reduction tips. Vulnerabilities can be as simple as outdated software programs, viruses downloaded along with free movies or music software, or malware infecting a system through a social networking game being played by an employee.

The decision regarding how much IT expertise to hire or contract depends on factors such as the size of your firm’s network and its security requirements. Remember, data security measures are usually much less expensive than a data breach, which might entail not only the costs of notifying clients but also potential fines from regulatory agencies, potential loss of business and even class-action lawsuits.

Comprehensive written plan

A comprehensive written security plan is fundamental to data security risk management. It outlines how your firm plans to protect confidential data, including physical, administrative and technological safeguards for laptop and desktop computers, servers and networks. A few examples of safeguards include building access keys; computer locks; user permissions and restrictions; firewalls; antivirus software; passwords; and hard-drive, data and file encryption.

The written plan sets forth policies, procedures and staff responsibilities for protecting data, files and drives, including what employees are required to do, what they are allowed to do, and what they are not allowed to do. Policies should also cover areas such as the Internet, social media, email usage, and record retention and destruction.

Just as important are policies in the event of a data breach. Adopt a strict policy requiring all staff members to immediately report, without any fear of consequences, any actual or potential security problems, such as misplaced flash drives. The firm will want to begin the retrieval process right away, and an increasing number of states have enacted laws requiring that clients be notified within a short period of time following the detection of a data loss.

Some states require firms to be compliant with the state’s privacy laws, if the firm has the privacy data of a resident in that state—even if the firm is located in another state. The written plan should, therefore, specify the reporting criteria of the states in question and the state agencies to which breaches are to be reported.

In some states, a written information security plan is required by law—an indication of the importance of the written plan as a way to get organizations to consider and address the issues pertaining to data security.

Regular staff training

A written plan is also valuable as a tool to help training staff understand what their responsibilities are. Teaching the plan to staff ensures that each employee knows what the firm is doing and what he or she is required to do. Employees will need to know about the new developments. Schedule training sessions to update staff and teach them best practices for addressing new and continuing risks. For example, staff should be well aware of social engineering, phishing, and web application attacks and how to avoid them. Social media users should be aware that websites may host applications that have minimal security controls, allowing hackers to take advantage of unsuspecting users.

As part of the training program, employee knowledge and understanding can be tested through techniques such as “inoculation,” in which users are sent a phishing email message that is benign. Those who fail the test should receive more training or lose their user rights. Regularly updating and teaching the written plan to staff makes it a dynamic, living document that staff use and rely upon.

Becoming well versed in data security measures will yield several benefits. Private information is more likely to remain confidential, accurate, complete, available and accessible to authorized parties. Your firm will avoid or reduce the high costs associated with data breaches, and will be better able to assist clients with their own data security issues. Perhaps best of all, your firm’s data security measures will become new selling points to clients and prospective clients.

Randy R. Werner, CPA, J.D., LL.M/TAX, is a loss prevention specialist with Camico (www.camico.com). She responds to Camico loss prevention hotline inquiries and speaks to CPA groups on various topics.

For information on the Camico program, contact:

Upstate:
Reggie DeJean
Lawley Service, Inc.
716-849-8618

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

Or call Camico direct at 800-652-1772
Professional Development
New Year’s resolutions every CPA should make
Practical steps for advancing your career in 2013

BY PEI-CEN LIN, CPA, SPHR

A new year presents new opportunities to move your career forward or stretch in ways you hadn’t thought possible. Here are a few resolutions to help you take stock and get started. Pace yourself so that the steps don’t become too overwhelming and are realistically achievable. And good luck in the coming months!

1. Own your career.

Don’t wait for your company’s annual or semiannual performance review to consider career plans and set goals. Create your own career road map. Be proactive in thinking about where you’d like to be in a year, two years or five years from now, and formulate a strategy to get there. Communicate your career plans to your managers and, instead of waiting for them to assess your progress, ask for feedback and guidance so that you can make timely improvements or needed adjustments along the way. What’s more, ask them to suggest challenging projects you can participate in to develop the skills you’ll need for that next position. The key is not to sit back and let life take its course, but to take life by the reigns. Be your own career champion.

2. Set SMART goals.

A SMART goal is one that is specific, measurable, actionable, realistic and time-bound. These criteria are key, because they force you to be clear about what it is you want to accomplish and then hold yourself accountable. Set one goal that allows you to seize opportunities, challenge yourself and stay ahead of the game. (If you have a long-term goal, pare it down into digestible chunks.) To ensure that your goals are meaningful for career development within your organization, align them with the business objectives of your firm.

3. Hone self-awareness.

Self-awareness is a key leadership skill. After all, one must understand his or her own strengths and weaknesses in order to grow. To get a clearer picture of your skills and areas for development, in addition to performing a self-assessment, perform a 360-degree assessment, in which you systematically gather opinions about your performance from a range of colleagues. This way, not only will you be looking within yourself, but you’ll also be obtaining feedback from others who may have observations about your blind spots.

4. Create change, welcome change, embrace change.

You may have heard the saying, “Change is the only constant.” Though that’s true, there’s another saying I like: “Change is also opportunity.” Try something new to get out of your comfort zone, whether it is learning another tax, auditing or accounting area, or marketing your services to a different audience. Taking that first step will open doors for you, since change is all around us, personally and professionally. As you read this, there is some level of change taking place within your organization. Participate in it. In fact, be a change champion and drive the change, if you dare. In this day and age, everyone is expected to be a change agent, and you must be one to succeed.

5. Have more face-to-face meetings.

Technology enables us to easily connect and communicate with one another via email, phone, text and social media. While convenient, it unfortunately, can lead to the loss of impact and rapport we could have otherwise had face to face. The most impactful meeting is one that is conducted in person, allowing people to engage one another through all modes of communication: words, tone and body language, which accounts for 55 percent of the overall message. So, get out of your office and meet a client, mentor or colleague for coffee or tea. You’ll build skills that will enable you to be an effective communicator.

The key is not to sit back and let life take its course, but to take life by the reigns. Be your own career champion.

Sandy Recovery: 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 aroberton@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.

Changes that firms can incorporate

New Year’s resolutions aren’t just useful for individuals—they can benefit firms as well. Here are a few that yours should consider.

1. Engage your talents. In 2013, make sure your employees know that they are valued, by appreciating their contributions, ideas and feedback, offering coaching and mentoring, and stimulating their development through challenging assignments.

2. Create a learning culture. Invest in your employees’ career development and commit to building a nurturing environment in which they can engage in continued education in all areas, not just compliance. It’s great for employee engagement and retention, and in return, you’ll be strengthening workforce expertise and building a talent pipeline.

3. Align your talent strategies with business strategies. Have you communicated to your business strategies to your employees and human resources (recruiting, staffing, training) department? People are your most important asset. It is essential for them to not only fit into the big picture, but to understand how they are a part of it. Here are some helpful questions that firm leadership should ask themselves: Does your workforce have the skills you’ll need in a few years? How can you continue to contain cost in this economy, while recruiting and retaining your talent pipeline? What are the crucial talent strategies needed to further your business?

—PL
Celebrating FAE40:  
ANSWERS TO THE 1972 TRIVIA QUIZ

Thanks to all who participated in celebrating the Foundation for Accounting Education’s 40th Anniversary by entering the 1972 Trivia Quiz. The answers are below, with contest rules available at www.nysscpa.org/rules. Look for the announcement of the lucky winner of a complimentary FAE Conference registration (in person or via webcast) in next month’s issue of The Trusted Professional.

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

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

3. Which Broadway show won the Tony Award for 1972 Best Musical?  
Two Gentlemen of Verona

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

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

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

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

8. Who was governor of New York in 1972?  
Nelson A. Rockefeller

9. Which song won the Grammy Award for the 1972 Record of the Year?  
“It’s Too Late,” performed by Carole King

10. Who became the first Foundation for Accounting Education president when FAE was established in 1972?  
Doug Sprague, NYSSCPA Past President

BY SALVATORE J. MORRONE, CPA

Ed. note: As part of an ongoing series, The Trusted Professional will be using this guest column to examine ways in which the traditional role of the CPA has changed. To submit articles for consideration, email the editor at nsaunder@nysscpa.org.

A s we enter the new year and consider what 2013 has in store for the profession, it occurs to me how far we’ve come—and how very different the world was when I was graduating from college and starting my career as a CPA back in the early 1970s.

In 1973, my final year at Baruch College, computers were the size of desks. To work on one, you’d needed a special punch card that you fed into a card reader. The cards were for data entry and programming, and were supposed to help us generate answers for a class problem or project. But my classmates and I marveled at the guy or gal who could actually run a deck of punch cards and print an image of Mickey Mouse on 11-inch-by-17-inch computer paper.

Taking the Uniform CPA Examination was also a much different experience in those days. The exam was offered only twice a year, in May and November. Candidates took the test in such luxurious surroundings as the Kingsbridge Armory in the Bronx and the New York Coliseum in Manhattan. (I took the exam in the Armory, and one of the recruiters had needed to start his truck while we worked. I can still remember the sound—and the odor—it generated.) You were only allowed to bring pencils and blank paper. Your bags were checked, and you were carefully monitored by women old enough to be your grandmother.

I recall, quite vividly, the job market back then, in which the starting salary for a graduate in the Big Eight could go as high as $13,500. Back then, before mergers, acquisitions, dissolutions and takeovers decreased their numbers, there were many small- and mid-sized regional firms with 50 to 100 professionals each. I can recall the names of such firms, some of which I interviewed to your office and finishing the engagement no matter how long it took. The work had to then be mailed or delivered in time to arrive at the client’s location.

With continuing professional education, there was no such thing as a webcast or a webinar, although occasionally, you watched a conference on closed-circuit TV.

Prior to 1973, Accounting Research Bulletins (ARBs) and Accounting Principles Board Opinions (APBs) were major sources of authority. But that year, the Financial Accounting Standards Board (FASB) would become the organization from which some 170 or so pronouncements would originate. And let’s not forget the advent of Statements on Standards for Accounting and Review Services (SSARS) in 1978 and SASs (Statements on Auditing Standards) in 1972.

Of course, many of the developments that have occurred over the years have done much more than change how we do our jobs—they’ve changed the face of the profession, and for the better. Thankfully, we have become a group that is not only diverse in the services it offers clients, but has become more diverse in its demographic makeup. For example, in 1973, not even 6 percent of the applicants for college education in accounting were women. Today, women outnumber men in accounting programs at the master’s degree level, and make up half of newly hired accounting graduates at CPA firms, according to Catalyst, a national nonprofit membership organization that monitors opportunities for women in the workplace.

Change doesn’t come easily, but I look back on the journey and wouldn’t trade it in for anything. It’s been a terrific ride. And we, as a profession, have arisen stronger and more reliable than ever. Although my ride may be starting to slow down just a bit, I can’t wait to see what’s in store for the next 40 years.

Salvatore J. Morrone, CPA is a senior auditor at Joel Popkin and Company, PC, New York, N.Y. He is certified in the states of New York, New Jersey and Florida. Besides being a certified public accountant for over 30 years, Mr. Morrone has taught classes in bookkeeping, accounting and business start-up. He is currently a member of the NYSSCPA Hospitality Industry Committee.
Committee’s division swap
a sign of the times

BY CHRIS GAETANO
Trusted Professional Staff

I n a switch that reflects the changing nature of the CPA’s role in the employee benefits world, the NYSSCPA’s Employee Benefits Committee has moved from the Society’s Tax Division to the Accounting and Auditing Division, with the Society’s Board of Directors granting approval for the change during its Dec. 4 meeting.

“The committee is pleased with the outcome of the vote of the [Board of Directors] and we look forward to many productive years in this division,” said Barbara G. Joseowicz, the committee chair.

According to Kenneth Gralak, a longtime committee member and its current vice chair, there had been talk about a possible move for the past several years, as the issues the committee discussed and prepared for its annual conferences began to take on more of an audit focus.

The final impetus came, Gralak said, when a survey of committee members last summer revealed that the number of professionals specializing in audit greatly outnumbered those who primarily worked in tax. Of a dozen respondents, half said they specialized in audit, five said they worked in both areas and just one person reported specializing in tax.

Ronald Nash, a committee member who has worked in employee benefits for 40 years, noted that the CPA’s function in that arena has undergone a significant transformation within the last several decades.

Nash recalled that in the 1970s, defined benefit plans were much more common and far less regulated. With fewer restrictions, pensions became a major component of tax planning and were one of the most popular methods used to lower a client’s tax burden, he said.

At the time, it wasn’t uncommon to see people contributing 40 percent or even 50 percent of their income into pensions, and making use of a number of different tax strategies that are no longer allowed, he added. For example, he said, back then, a CPA could build a pension that applied only to the individual client, as opposed to having to also include other employees.

But legislation, starting with the 1974 Employee Retirement Income Security Act (ERISA), introduced a number of major reforms to pensions that made some tax planning techniques, like setting up a pension plan that excludes certain employees, illegal.

The end result, Nash said, was that pensions became less attractive to maintain, in general, and more difficult to structure around tax planning. “The advice that was basically given [to clients] was to stay away unless you had special needs … [or else] the cost of the plan was not worth the benefit you would receive from the plan,” he said.

As the laws continued to change, plans needed to be repeatedly restated, and since many CPAs did not want to keep up with the rapidly changing rules, professionals learned to either specialize in them or “just backed off,” he said.

Meanwhile, a curious new thing called the defined contribution plan emerged shortly after the passage of ERISA. Nash explained that as the defined benefit plan became more complex, the defined contribution plan was seen as simpler to start, simpler to administer and cheaper overall, since the employee is also contributing to the plan.

He added that “401(k) plans, from an administrative perspective, [were] a slam dunk.”

As the popularity of defined contribution plans like the 401(k) grew, so did the need for their audits. For example, once “the magic threshold” of 100 participants is reached in a mid-sized business, plans are required by law to be audited. Nash said. But according to him, the professionals who took up this challenge were auditors who “just started picking up benefit plans,” as opposed to CPAs who specialized in tax.

But according to him, the professionals who took up this challenge were auditors who “just started picking up benefit plans,” as opposed to CPAs who specialized in tax. The U.S. Department of Labor (DOL) began to mandate audits for these types of plans as well and, consequently, began spending more time evaluating them and issuing guidance as to what they should entail. As time went on, the nonaudit aspects of employee benefit plans began shifting from CPAs to human resources professionals, Nash said, bringing us to today’s landscape.

“Now, you have more scrutiny by the DOL for audits on employee benefit plans, you have the AICPA employee benefit quality control center [a firm-based voluntary membership center for firms that audit employee benefit plans] … new requirements for audits for 403(b) plans which began in 2009. efforts to require audits of 457 plans—so there’s more emphasis on audit,” Gralak said.

For more information on the Employee Benefits Committee, including meeting times and locations, visit www.nysscpa.org.

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BY CHRIS GAETANO
Trusted Professional Staff

Society members across New York state spent the holiday season helping those less fortunate. While the good deeds may have varied from chapter to chapter, the altruistic spirit was the same. Here’s a look at some of their efforts.

Buffalo—Members of the Buffalo Chapter’s Young CPAs Committee worked as gift wrappers at the Walden Galleria Mall during the busy shopping season. Proceeds from the ribbon-tying and tissue paper stuffing benefited Autism Services, Inc., a nonprofit that offers information, training and support to families of individuals with autism spectrum disorder. According to YCPA Chair Ashley A. Smigelski, about 30 members signed up for shifts right through Christmas Eve.

Manhattan/Bronx—The Manhattan/Bronx Chapter did its annual collection for Toys for Tots, collecting toys and cash donations, at a Nov. 30 networking event in midtown Manhattan. With roughly 50 people in attendance, the chapter raised $1,345 and collected about 20 toys, according to Lauren Petrin, who organized the event.

Mid Hudson—The Mid Hudson Chapter kicked off its 10th annual Toys for Tots drive at the Bankers, Attorneys and CPAs dinner on Oct. 24; members of the Young CPAs Committee also sold raffle tickets at the event to raise money for the Marines. The chapter continued collecting gifts and donations through Dec. 5, at which time it had raised a total of $50 from local accounting firms and had amassed the largest collection of toys for the drive in Orange County, according to YCPA Committee member Magda V. Reyes. Reyes noted that the number of toys and community involvement “continues to increase tremendously” each year.

Nassau—The Nassau Chapter hosted a collection for Toys for Tots during its Nov. 28 attorneys, accountants and bankers networking event, in which organizers asked the roughly 150 attendees to bring either a toy or a monetary donation for the charity, according to Lisa A. Haynie, chapter president. The chapter also held a drive at its All-Day Tax Conference on Dec. 1 and 2.

Northeast—The Northeast Chapter held a Toys for Tots collection during a Dec. 6 networking event at the Recovery Sports Grill in Troy, according to Amanda M. Russell, cochair of the Young CPAs Committee for the Northeast Chapter. Chapter members raised cash and collected about two dozen toys for children in the area.

Rochester—At a networking event that it hosted at the Genesee Brew House on Nov. 14, the Rochester Chapter collected donations to benefit the Flower City Down Syndrome Network, which provides education, support and opportunities to people with Down syndrome and their families, according to chapter President Cheryl L. Yawman. With about 40 attendees, the chapter managed to collect a large number of toys for the organization.

Staten Island—The Staten Island Chapter held its 12th Annual Bowl-a-thon on Dec. 17. The charity event raises money for research on Batten disease, a nerve disorder that typically begins in childhood, according to Gerard J. LoVerde, a Staten Island Chapter member who coordinates the fund-raiser each year. The event began out of a desire to help a friend and former co-worker whose two daughters have both been diagnosed with the disease. This year, the Bowl-a-thon raised $15,000, according to LoVerde. Dennis N. Annarumma, the Staten Island Chapter president, added that during the chapter’s Nov. 16 tax seminar and Nov. 29 ethics meeting, members collected $5,000 for survivors of Hurricane Sandy, which hit Staten Island particularly hard. He added that individual members have also been extensively involved in the rebuilding and cleanup effort.

Suffolk—The Suffolk Chapter spent weeks collecting for Toys for Tots, starting with mailings in early October, then putting boxes out on Nov. 21, before being picked up by the Marines on Dec. 14, according to Cynthia D. Barry, a Suffolk Chapter member who coordinates the yearly effort. The end result was 130 boxes full of toys that went to needy children in the area.

Syracuse—The Syracuse Chapter raised funds at chapter events from Dec. 3 to Dec. 14, and then used the money to buy gifts for the children at the Elmcrest Children’s Center, which were presented on Dec. 17, according to chapter member Timothy J. Hammond.

Utica—Members of the Utica Chapter held two charitable events this holiday season, according to chapter President-elect Brian M. Reese. On Nov. 15, the chapter’s Young CPAs Committee held its annual poker night with other young business professionals, and asked attendees to bring at least one nonperishable food item. The roughly 20 items were donated to the Mohawk Valley Community Action Agency, which provides community services to needy people in the area. The chapter also held a Toys for Tots drive, coordinated by member Eileen F. Hamlin, which collected about 75 toys that were picked up on Dec. 14.

For charity’s sake: how NYSSCPA chapters gave back for the holidays

cgaetano@nysscpa.org

From top: Mid Hudson’s YCPA Committee chair Noelle DeLuca (left), and co-chair Magda V. Reyes with members of the Marine Corps; Suffolk chapter members Cynthia D. Barry, Nome Alexander and Lisa Martineili-Bowman and servicemen with gifts members collected for the Toys for Tots program; Staten Island Chapter members at the 12th Annual Bowl-a-thon that raised money for a rare nerve disease.
What are your New Year’s resolutions?

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.

ANDREI C. ADAMS
Mid Hudson Chapter

Others in our office and I are really trying to focus on being efficient and to engage our clients so that we don’t end up at any point in the tax season completely underwater, even if it’s March 15 when corporations are due. So, my New Year’s resolution is all about successful planning. After all, there’s a lot to be gained from increasing efficiencies during the first few weeks of tax season. The workload will inevitably become crazy at times, but it can be effectively managed. To the extent that we, as a firm, can stay ahead of the game on our responsibilities, we will be positioned to offer our clients better service.

JENNIFER PICKETT
Northeast Chapter

Here are the things I want to work on for the New Year:

- Develop soft skills through reading and increased exposure to business social situations.
- Develop teaching skills by participating in more public speaking engagements.
- Expand my knowledge of and proficiency in trusts, estate and gift tax through practical experience, formal training and specialized reading.
- Continue growth in the area of 401(k) audits by becoming more efficient, supervising staff and attending professional conferences.
- Exercise more
- Eat more vegetables

MAGDA V. REYES
Mid Hudson Chapter

My New Year’s resolution is to advance to the next level in my current job and obtain another designation. Some certifications in mind are either CFE, CrFA or CFF.

IOLA DAMANTE
Nassau Chapter

I guess, first and foremost, to appreciate and be grateful for all I have, both personally and professionally. Secondly, to do my upmost as a taxation committee cochair to increase membership and improve our seminars for the benefit of all New York State Society members. Third and finally is to grow professionally, intellectually and, hopefully, within my firm as well.

BRIAN M. REESE
Utica Chapter

The holiday time is usually bittersweet for public accountants, since the tax crunch is right around the corner. But it’s also the time for New Year’s resolutions. My professional New Year’s resolution would be to improve my leadership skills. In particular, I would like to improve my communication, delegation and motivational skills. Being able to communicate effectively with staff and clients is extremely important. The keys are to make sure the other party understands what you are trying to get across and actively listening to what they are communicating. Delegating responsibilities is always a tough task. However, by being able to properly delegate assignments, you can help staff build skills they may not possess and the streamlined work process will be more efficient. Finally I would like to become more of a motivator. If you have a great attitude, inspiration and passion for what you are trying to accomplish, people will be more inclined to follow your lead and work hard.
# FAE EVENTS and CPE OFFERINGS

## BUFFALO

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- **IRS/NYS Update CPE Session**
  - **When:** Jan. 15, 9 a.m.–12 p.m.
  - **Where:** Millennium Hotel, Cheektowaga
  - **Cost:** $30 members; $60 nonmembers
  - **CPE:** 3 (taxation)
  - **Course Code:** 29010305
  - **Contact:** Christine A. Learman (716-773-7265)

- **U.S. Homeland Security Seminar**
  - **When:** Jan. 9, 5:30–5:50 p.m.
  - **Where:** Salvatore’s Italian Garden Restaurant, 6461 Transit Road, Depew
  - **Cost:** $35 per person
  - **CPE:** 2 (specialized knowledge)
  - **Course code:** 29010306
  - **Contact:** Todd M. Zgoda at tmz4848@aol.com

## MANHATTAN/BRONX

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- **Developing Leadership Skills**
  - **(Note: New Date)**
  - **When:** Jan. 8, 6–8 p.m. (5:30 p.m. check-in)
  - **Where:** FAE Conference Center, 3 Park Ave., 19th floor
  - **Cost:** $20 members; $25 nonmembers ($10 additional for walk-ins)
  - **CPE:** 2 (specialized knowledge and applications)
  - **Course Code:** 29150305
  - **Contact:** Todd M. Zgoda at tmz4848@aol.com

- **How to Communicate with Power, Purpose and Confidence**
  - **(NOTE: New Date)**
  - **When:** Jan. 16, 6–8 p.m. (5:30 p.m. registration)
  - **Where:** FAE Conference Center, 3 Park Ave., 19th floor
  - **Cost:** $20 members; $25 nonmembers ($10 additional for walk-ins)
  - **CPE:** 2 (advisor services)
  - **Course Code:** 29150309
  - **Contact:** Todd M. Zgoda at tmz4848@aol.com

## NASSAU

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- **Nassau Chapter Blood Drive**
  - **(Note: New Date)**
  - **When:** Jan. 7, 10:45 a.m.–4:45 p.m.
  - **Where:** Margolin, Winer & Ewins, Bus mobile outside, 400 Garden City Plaza, Garden City
  - **Contact:** Nancy Shapiro at nshapiro@mwellp.com or 516-747-2000 x4437

- **Nassau Chapter Annual CPA Ethics Update**
  - **When:** Jan. 9, 5:45 p.m. (cocktails); 7–9 p.m. (dinner and CPE); (6:30 p.m. CPE check-in)
  - **Where:** Chateau Briand, 440 Old Country Road, Carle Place
  - **Cost:** $25 members; $50 nonmembers
  - **CPE:** 2 (ethics)
  - **Course Code:** 42773303 (CPE only)

## ROCHESTER

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- **2nd Annual CPA Firm Sand Volleyball Tournament**
  - **When:** Jan. 5, 9:30 a.m. (check-in)
  - **Where:** Hot Shot Volleyball Club, 1046 University Avenue
  - **Cost:** $30 per person
  - **Contact:** Matt Taylor at matt@rochesterap.com

- **Easy Access to FDIC Insurance for Safety-Conscious Investors**
  - **When:** Jan. 9, 8:15 a.m.–9:30 a.m.
  - **Where:** Rochester Institute of Technology, Saunders College of Business Room 1225/1235
  - **Cost:** Free
  - **CPE:** 1 (advisor services)
  - **Course Code:** 29050301
  - **Contact:** Mary Murphy at yardig@yahoo.com

## SOUTHERN TIER

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- **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, 77 State Street, Binghamton
  - **Cost:** $16 per person for hockey game (snacks will be provided at Dillinger’s, beverages NOT included)
  - **Contact:** Jacqueline McDonnell at jmcdonnell@davidsonfox.com or 607-722-5386

## SUFFOLK

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- **Casino and Networking Night**
  - **(Note: New Date)**
  - **When:** Jan. 9, 8:30 a.m.–5 p.m.
  - **Where:** St. John’s University, Bent Hall 277A/B, Jamaica
  - **Cost:** $100 members; $150 nonmembers
  - **CPE:** 8 (taxation)
  - **Course Code:** 28616312

- **Tax Updates: Your Company and the Fiscal Cliff**
  - **When:** Jan. 17, 8–9:45 a.m.
  - **Where:** 1707 Vets Highway Islandia
  - **Cost:** Free
  - **CPE:** 2 (taxation)
  - **Course Code:** 29083017

## WESTCHESTER

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- **Payroll Pitfalls Every Business Needs to Avoid**
  - **When:** Jan. 29, 6–8 p.m.
  - **Where:** Skadden Arps, 360 Hamilton Ave., White Plains
  - **Cost:** $20 per person
  - **CPE:** 2 (advisor services)
  - **Course Code:** 29110307
  - **Contact:** Deborah Rubin at dbrubin@optonline.net

- **Annual Golf Outing**
  - **When:** May 14, 12:30 p.m. (shot gun start); (11 a.m. check-in)
  - **Where:** Glen Arbor Golf Club, 234 Bedford Center Road
  - **Contact:** Jeffrey Schwartz at jeff@stantonandicone.com

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BUFFALO

Buffalo helps members to better utilize technology

BY PATRICIA A. JOHNSON
Buffalo Chapter President

As the new year begins, it’s a good time to look back and reflect on what we’ve accomplished in the Buffalo Chapter this year. We have hosted a healthy mix of new and familiar events, including the September networking session, the popular Summer Symposium and an ethics CPE session. We have made a concerted effort to reach more people at all levels of chapter activity, led by experienced members who continue to share their time and knowledge to keep the chapter strong. I would like to thank everyone who has taken on a leadership role, as well as those who continue to support the chapter, for their hard work and effort.

While the next few months will be relatively quiet ones for the chapter, I am excited about the future. Chapter members have indicated an increasing interest in learning more about technology and how to effectively utilize it in the workplace. Chapter member Laith Al-Khalidi has volunteered to organize a Technology Committee to meet the increasing interest in learning more about such topics as cloud computing, Internet security and maximizing the benefits of utilizing technology. Collaboration with other counterparts for CPE sessions is in the works. We are working on getting our Young CPAs more involved with other committees and providing opportunities for them to interact with their counterparts in the local community. A panel session involving members of the Young CPAs Committee, as well as more seasoned professionals, is planned for this spring. The Cooperation with the Bar Association Committee is planning a two-hour CPE session and social, to be held on Jan. 9. The annual IRS/NYS Tax Update, sponsored by the Small MAP Committee, will be held on Jan. 15.

April 23 is the date for our Annual Education Night Dinner. Add it to your calendar now and show your support for the CPAs of the future, as we honor the top students at our area colleges and universities.

If you are making any New Year’s resolutions, consider including participating on a chapter committee or attending a chapter event that you have never been to before. The return will be worth the investment of time.

ROCKLAND

After ending 2012 on a high note, Rockland looks ahead to 2013

BY DAVID R. HERMAN
Rockland Chapter President

I hope everyone had a great and, most importantly, safe holiday season. In 2012, the Rockland Chapter offered 54 affordable CPE credits to its members—the most ever for our chapter. Our Accounting and Auditing seminar held at Rockland Community College in November provided attendees with eight credits, while participants at our Ethics Update earned two. Both of these events were fantastic. On Dec. 5 and 6, our chapter held its first ever two-day Tax Conference at Rockland Community College and provided participants with 16 CPE credits in taxation.

We ended the year with a holiday dinner and Toys for Tots night. Former New York Giants linebacker and two-time Super Bowl winner Carl Banks was our special guest speaker. He was a brilliant presenter and was well received by everyone. We look forward to another year of great CPE programs here in Rockland and hope you will all join us at our upcoming events.

If you have any suggestions, please contact me at the email below, and continue to check the chapter webpage (www.nyscpa.org/rockland) for updates. Have a great January.

davepapc@aol.com

ROCKLAND

Adirondack Chapter hosts 2012 Annual Tax Conference

BY JACQUELINE E. MILLER
Adirondack Chapter President

On Wednesday, Nov. 28, the Adirondack Chapter hosted the 2012 Annual Tax Conference at Crowne Plaza, Lake Placid. The resort’s Olympic Room quickly filled, as approximately half of the chapter’s total membership arrived for this eight-credit CPE event.

The day began with a New York state sales tax presentation on cloud computing by Lance Rothenberg. Following his presentation, Suzanne Reusch, a taxpayer service specialist for the New York State Department of Taxation and Finance, described upcoming tax form changes, such as reporting whole dollar amounts and the requirement for taxpayers to acknowledge financial accounts located in a foreign country.

Our chapter Immediate Past President Tracy D. Tarsio spoke about the importance of foreign account tax compliance. Utica Chapter President Stephen T. Surace further enlightened participants about Superstorm Sandy and the tax implications of disaster losses.

I wrapped up the day with a pragmatic discussion of what a CPA might anticipate this tax season, mainly focusing on 2013 estimated tax payment preparations. Inevitably, it appears that taxes will rise in the future, but it will be interesting to see if CPAs end up working with a fiscal cliff or a variation of a fiscal hill.

Happy New Year, everyone!

jmiller@pmhcpa.com

MANHATTAN/BRONX

Manhattan/Bronx Chapter calls for nominations of chapter officers

BY SHERIF SAKR
Manhattan/Bronx Chapter

The Manhattan/Bronx Chapter Nominating Committee invites members to submit nominations for chapter officers and the board of directors, or to express their own interest in the positions. New board members will serve a two-year term beginning on June 1, 2013.

Nominations, along with a brief professional background, should be sent to Nominating Committee chair Gina Goodenow at ginagoodenow@gmail.com. Please submit these as soon as possible, but no later than Friday, Feb. 22, and indicate the board position in the email’s subject line. All nominees must be in compliance with CPA licensing rules and regulations.

What is required of a board member? • Members must attend board meetings in person or via conference call. There are approximately 10 board meetings per year. • Where possible, members must participate in and attend CPE seminars and social and charitable events sponsored by the chapter. They must also identify and coordinate some chapter events.

Become a leader by serving as an officer or board member! Help plan the chapter’s exciting programs while enhancing your own professional skills and goals.

If you have any questions, please feel free to contact any member of the Nominating Committee listed below. Information on the chapter’s activities can be found at www.nysscpa.org/manhattanbronx.

BY WILLIAM F. BERARDI
Mid Hudson Chapter President

Kudos to the Young CPA Committee, which over the holidays raised $850 for Toys for Tots and collected the largest number of toys for the drive in Orange County.

Meanwhile, the work and planning of our board and committee members has resulted in a number of wonderful upcoming events. I encourage all of you to check our chapter webpage (www.nysscpa.org/midhudson) for more information.

On Jan. 24, we will hold our chapterwide Nominating Committee Election Followed by an all-day Personal Financial Planning Committee Conference at the Ramada Inn in Newburgh, worth 8 CPE credits. Mark your calendars and please register for this event on our webpage.

Our chapter Immediate Past President Tracy D. Tarsio and Beth Vought have worked hard to streamline the handling of important sponsorships that help make our events possible. Please reach out to contact them at either tarsio@daysecker.com or bvought@ggcppa.com, regarding offers of assistance or for event information.

Another past president, Gary J. Castello, is heading up our Membership and Revitalization Committee. Please reach out to him at gary@jgspc.com to get on the action.

bberardi@hrc.rs.com
NASSAU

Nassau Chapter continues to spread good cheer through charity projects

BY LISA A. HAYNIE
Nassau Chapter President

The Nassau Chapter Young CPAs Committee kicked off the holiday season with a toy drive at our Wine-and-Chocolate Tasting/Attorneys and Accountants Networking event at the Crest Hollow Country Club on Nov. 28. Aside from the wine, chocolate and networking, the YCPAs were also able to collect a huge box full of presents for the United States Marine Corp Toys for Tots initiative. We were thrilled to assist the Suffolk Chapter with this project, which is the largest single collection of toys gathered by the Marines in Amityville, N.Y. We also collected additional donations at the All-Day Tax Conference on Dec. 1. With all the gifts to deliver, Santa was surely busy at Christmas!

In addition to the ToysforTots drive, the sponsors of our Attorneys and Accountants Networking event—Katz, Bernstein & Katz, LLP; Citibank; Flushing Bank; Office Furniture Warehouse; Real Estate Strategies; EVO Merchant Services; and Ace Payroll Services—assisted us in donating money to the WE CARE Fund, the charitable fundraising arm of the Nassau County Bar Association. Our goal was to spread some holiday cheer by making the season a little brighter for those less fortunate.

We rescheduled our Annual Blood Drive at Margolin, Winer & Evens LLP for Jan. 7. Your donation can help to save lives, so please call Anna Arroyo at 516-747-2000, Ext. 4305, to schedule an appointment. The bloodmobile will be available from 10:45 a.m. to 4:30 p.m. If, however, you cannot attend that day, you can still make a donation at any blood donation center, using the code #9579, which will ensure that the Nassau Chapter gets credit for donations made by our members.

Our chapter is also participating in the NYSSCPA’s office share program, which helps firms displaced by Hurricane Sandy. Ruth A. Sattig Betz is the coordinator for the Nassau Chapter, and can be reached at 516-249-1919 or ruth@rsbtzcpa.com. If you have room in your office to spare and would like to be included in the listing of available worksites, please contact NYSSCPA Director of Member Relations William Pepe at 212-719-8420 or wpape@nysscpa.org.

Many thanks to our members who have assisted the Nassau Chapter in spreading holiday cheer. Whether you participated in one of our charity events or helped your neighbor after Hurricane Sandy, you’ve represented our chapter well with your good deeds. Let’s not forget these acts of kindness and continue this sharing and caring attitude all throughout the new year.

Happy Holidays and Happy New Year to all!

lisahaynie@lkbtaxlaw.com

QUEENS/BROOKLYN

Queens/Brooklyn prepares for all-day conferences

BY MARK ULRICH
Queens/Brooklyn Chapter President

With the 2012 calendar year behind us, we look back on what we’ve accomplished, and ahead to the remaining five months left in the Society’s 2012–2013 fiscal year.

We’re pleased to have had such a strong slate of offerings evenly distributed between the two boroughs of our chapter, Queens and Brooklyn. Brooklyn saw more events in 2012 than it has in previous years, including the Young CPAs Networking Night at Medgar Evers College in May, both to be held at St. John’s University on Dec. 13. Unfortunately, we had to cancel our CPE/Mets game event at CitiField in September.

I’d like to take a moment to expand on the success of the Retirement and Estate Planning Committee’s free CPE session, a brand new event for our chapter in the 2012–2013 year. About 40 members attended, and the topics discussed included retirement, estate planning, retirement benefits, gifting strategies, income acceleration, life insurance policies and trust strategies. Thank you to Edward F. Esposito, Jean G. Joseph, Avril K. George-Robinson and Orley G. Cameron for working together on this worthwhile event.

Looking ahead to 2013, we have our All-Day Tax Conference on Jan. 9 and an All-Day Accounting and Auditing Conference scheduled for May, both to be held at St. John’s University. We’re working on more programs that we hope to add to the schedule. Please contact me at the email address below if you have suggestions for CPE, networking or social events and, of course, continue to check our Queens/Brooklyn chapter website (www.nysscpa.org/queens) frequently for more updates on our upcoming events.

I wish everyone a wonderful, healthy and prosperous 2013. I also hope that those in practice have a productive, successful and efficient busy season.

ulrichm@stjohns.edu

QUEENS/BROOKLYN

Third Annual Family Office Conference

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

Tuesday, February 5, 2013
JP Morgan Chase Conference Center
277 Park Avenue
Between 47th and 48th Streets
New York, NY 10016
8:00 a.m.–12:30 p.m.

Gain insight on the latest trends, with a focus on:
• Economic, Tax, and Planning Update
• Social Impact Philanthropy
• Alternative Asset Investing

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

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

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

How members can find opportunity, even in adversity

BY DENISE M. STEFANO
Westchester Chapter President

The month of November brought us a number of challenges. For one, Hurricane Sandy wreaked havoc on many of us for days, stripping us of our bare necessities—lighting, heat, hot water and even gasoline. Some are still feeling the effects of the hurricane’s devastation, having lost their homes and personal possessions, and are exhausting every last bit of energy just to make it through each passing day. Additionally, the results of the recent 2012 presidential election now make health care reform that much more of a reality. It is, therefore, so very important that the business and tax implications of the Patient Protection and Affordable Care Act (PPACA) be fully understood. These challenges, though, also bring to our profession some opportunities—namely, they provide an environment within which the CPA’s true value can be both recognized and realized. In the aftermath of the hurricane, for instance, clients will undoubtedly look to their trusted CPA professionals for advice regarding a host of issues ranging from assessing adequate levels of insurance to the tax deductibility of casualty losses. And in the wake of health care reform, CPAs will be looked to by their clients for advice regarding many of the PPACA’s tax provisions, such as the small business tax credit (currently available) and increased Medicare tax on high-wage earners, among other important tax provisions. We, therefore, have the opportunity—or, should I say, the responsibility—to live up to that “trusted adviser” designation that is given to the CPA professional and that is so perceived by the general public. We have the ability to truly make a difference. In concluding this note, I would like to wish you and your families a happy New Year. During this holiday season, may we continue to make a difference. In concluding this note, I would like to wish you and your families a happy New Year. During this holiday season, may we continue to make a difference.

denisestefano@smartpress.com

ROCHESTER

Rochester tackles hot-button issues

BY MICHAEL DESMOND
Rochester Chapter Taxation Committee Chair

With new tax legislation that could have far-reaching effects on the horizon for 2013, the NYSSCPA’s Rochester Chapter and the Monroe County Bar Association used their 47th Annual Rochester Tax Institute to help professionals make sense of impending changes.

Participants of the event, held on Nov. 16, received updates on federal and New York state tax law and cases. Topics included the tax aspects of the Patient Protection and Affordable Care Act (PPACA), business valuations and succession planning, estate planning and Circular 230. A lunchtime session moderated by Julie Philipp, news director for the National Public Radio station WXXI, with Kent Gardner, chief economist and chief research officer for the Center for Governmental Research Inc., and Stuart Lazar, an associate professor at SUNY Buffalo Law School, explored the tax implications of President Obama’s reelection.

Lazar reviewed current and expiring provisions of the tax law, the current political landscape and how the election could impact budget negotiations and tax legislation. Gardner focused on the fiscal cliff, reviewed Congressional Budget Office projections of the deficit, and discussed how spending and tax legislation would impact the economy and negotiations over the budget.

Thanks again to members of the tax committee, speakers, sponsors and attendees of the Rochester Tax Institute. Next year’s event is scheduled for Friday, Nov. 15, 2013. We hope you will mark your calendars now and plan to join us!

mike@heveroncpa.com
The FAE delivers the following programs to help CPAs in all practice areas, including those working in government, industry and academia, satisfy their New York state calendar-year continuing professional education requirements.

For the most up-to-date events information, visit www.nysscpa.org or call 800-537-3635. SIGN UP TODAY!

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

### MANHATTAN/BRONX

#### ACCOUNTING

01/17
35th Annual Nonprofit Conference  
AC/3, AU/2, SK/3  
25550311  
New York Marriott Marquis at Times Square  
Foundation for Accounting Education  
$385/$510

01/17
35th Annual Nonprofit Conference  
See course listing under Accounting.

01/25
Studies on Single Audit and Yellow Book Deficiencies  
The best way to avoid Single Audit and Yellow Book audit deficiencies is to recognize them beforehand. This course will teach you how to avoid the common pitfalls miring these audits.  
AC/8  32193311  
FAE Conference Center  
AICPA  
$335/$460/$305/$430

#### AUDITING

01/17
35th Annual Nonprofit Conference  
See course listing under Accounting.

01/25
Employee Benefits Conference  
AC/1, AU/4, T/3  
25622312  
FAE Conference Center  
Foundation for Accounting Education  
$335/$460

#### SPECIALIZED KNOWLEDGE AND APPLICATIONS

01/09
Real Estate Conference  
AC/9  25555311  
New York Marriott Marquis at Times Square  
Foundation for Accounting Education  
$385/$510

01/15
AICPA’s Controllership: 25 Critical Lessons from the Trenches  
This course will teach you about 25 practical tools that will help improve your daily job performance in the controllership area.  
SK/8  32483321  
FAE Conference Center  
AICPA  
$335/$460/$305/$430

01/31
Employee Benefits Conference  
See course listing under Accounting.

### QUEENS/BROOKLYN

#### ACCOUNTING

01/10
35th Annual Nonprofit Conference  
AC/3, AU/2, SK/3  
25550311  
St. John’s University  
Foundation for Accounting Education  
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#### TAXATION

01/09
Queens/Brooklyn Annual Tax Conference  
T/8  22620132  
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$100/$150

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01/10
35th Annual Nonprofit Conference  
See course listing under Accounting.

#### SPECIALIZED KNOWLEDGE AND APPLICATIONS

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35th Annual Nonprofit Conference  
See course listing under Accounting.

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Internal Controls Essentials for Financial Managers, Accountants, and Auditors  
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January 24 is designed for those with a basic understanding of international tax issues, and covers important basic topics including:
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• Understanding the Foreign Tax Credit
• Expatriate and Inpat Taxation: Forms 1040 and 1040NR
• Complying with IRS Regulations
• Computing Earnings and Profits
• And Much More!

January 25 is geared toward practitioners with greater expertise in the international tax field, and will focus on issues such as:
• U.S. Taxation of Offshore Life Insurance
• What to Know When Doing Business Abroad
• Sourcing Rules for Determining Foreign Source Income
• What FATCA Means for Your Clients
• And Much More!

CONFERENCE INFORMATION:
Recommended CPE Credit Hours:
8 for either day; 16 for both days
Course Codes: Thursday, January 24, 2013:
Introductory Issues: 25610311 (In-Person); 356103111 (Live Video Webcast)
Friday, January 25, 2013:
Intermediate/Advanced Issues:
25610312 (In-Person); 35610312 (Live Video Webcast)
Thursday and Friday; 25610313 (In-Person Only)

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

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<th>Early Bird Pricing</th>
<th>Regular Pricing</th>
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<tbody>
<tr>
<td>Individual FAE VP24</td>
<td>$795</td>
<td>$825</td>
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<tr>
<td>Individual FAE VP40</td>
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<td>$1,295</td>
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<th>Early Bird Pricing</th>
<th>Regular Pricing</th>
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<tr>
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