2019 Leadership Conference focuses on CPA Evolution, strategic planning

By RUTH SINGLETON
Trusted Professional Staff

At its 2019 Leadership Conference, held on July 28–30 at the Resorts World Catskills Hotel & Casino in Monticello, N.Y., the NYSSCPA focused on major changes within the profession, strategic planning for the future of the Society and preparing young members for leadership roles.

Two representatives from the American Institute of CPAs (AICPA) spoke about the ongoing evolution of the accounting profession. On the opening night of the conference, Tracey Golden, the AICPA’s incoming chair, made a presentation about “CPA Evolution,” a joint project of the AICPA and the National Association of State Boards of Accountancy (NASBA), that has as its stated goal seeking to “transform the CPA profession and its licensure model in recognition of the need for rapidly changing CPA skills and competencies necessitated by constantly escalating technological disruption.” The next day, Susan S. Coffey, the AICPA’s executive vice president for public practice, led a discussion that offered a more detailed look at the subject.

Nellie Gomez to retire after 42 years at the Society

By RUTH SINGLETON
Trusted Professional Staff

Committees Manager Nereida “Nellie” Gomez, who will retire on Sept. 27 after 42 years at the Society, sits in her office.

Inside this edition:

Commentary...........................................2
Part II of Sustainability Series .................3
Foundation for Accounting Education .....4
Obituaries ...........................................14, 15
CPA Roundtable ....................................20
Chapter News .......................................21

Continued on page 4

Continued on page 7

Commentary...........................................2
Part II of Sustainability Series .................3
Foundation for Accounting Education .....4
Obituaries ...........................................14, 15
CPA Roundtable ....................................20
Chapter News .......................................21

Continued on page 4

Continued on page 7
The Leadership Institute and CPA Evolution

At its Leadership Conference on July 28–30, the NYSSCPA launched an ambitious new initiative that will help ensure a bright future for the Society and the profession.

The Leadership Institute is a project that brings together young CPAs from across the state who were recommended by Society chapter presidents and accounting firms managing partners as potential leaders of the future. There were 16 participants who attended the Leadership Conference as members of the inaugural class, and it’s my hope and vision that among them are future Society presidents, chapter presidents and committee chairs. The Society is in the midst of a strategic planning process focused on five future-facing strategic goals that will prepare our members and the Society for the evolution of the profession, and the Leadership Institute will have an important role to play in the process. The new strategic plan will be reviewed and confirmed by the Board of Directors in mid-October. I can’t wait to report to all of you about the future of your State Society.

At the Leadership Conference, we launched our Innovation Challenge, to help us move forward in our strategic planning process. Select groups representing different sectors of the profession and the Society—managing partners, industry leaders, committee chairs, chapter officers and some of our engaged members under 40—were asked to complete the sentence, “In 2025, the NYSSCPA will be ...” with their ideas about how the Society will look six years from now. We also asked members of these groups to come up with one or two tangible ideas that would help move the Society—or the profession—in a direction that would enable it to better serve future generations of CPAs. I was quite impressed with the ideas that this group of individuals has proposed, and I am seriously considering some of them, as a move forward with our strategic plan.

As the future of the profession was a central focus of the Leadership Conference, two representatives from the American Institute of CPAs (AICPA)—Tracy Golden, the AICPA’s incoming chair, and Susan S. Coffey, the AICPA’s executive vice president for public practice—spoke to the attendees about “CPA Evolution,” a joint project of the National Association of State Boards of Accountancy (NASBA) and the AICPA that has the stated mission of transforming “the CPA profession and its licensure model in recognition of the need for rapidly changing CPA skills and competencies necessitated by constantly escalating technological disruption.”

The CPA Evolution project has been seeking feedback from state societies and other stakeholders over the summer on five guiding principles that it has developed. These principles, which are listed at evolutionofcpa.org, focus on the need for the CPA profession, and its licensure requirements, to adapt quickly to technological disruptions—data analytics, robotics, artificial intelligence—by emphasizing technological and analytical expertise in these areas, including by attracting non-CPA professionals with such skills.

At the Leadership Conference, four participants in the Leadership Institute—Robert J. Huether, William C. Huether, Vanessa A. McGovern and Tameka Walters—volunteered to participate on a task force to draft a comment letter in response to the CPA Evolution’s request for input on its five guiding principles. (These four individuals also volunteered to become reporters on the strategic plan.) Chaired by NYSSCPA Vice President Renee Rampulla, the CPA Evolution Task Force also included NYSSCPA President-elect Edward L. Arcara, NYSSCPA Executive Director Joanne S. Barry and myself.

As comments were due on Aug. 9, only 10 days after the Leadership Conference ended, we had to move quickly. These four Leadership Institute members were amazing in their contributions to the task force. On Aug. 8, we sent our comment letter to Coffey at the AICPA and Colleen K. Conrad, the executive vice president and COO of NASBA. The comment letter can be found at nysscpa.org/commentletters. I encourage you all to take a look.

In the letter, overall, the Society endorsed the CPA Evolution project, writing, “As the skills and competencies needed to perform professional services evolve, we strongly agree that the CPA licensure model must also evolve. Aligning the CPA licensure model with the growing demand for technological and analytical expertise will protect the public interest and continue to strengthen the relevance of the profession.”

We also provided some comments that we thought would enhance these principles. Among those comments, we suggested that the CPA Evolution project specifically define the common core of both accounting and technology education. We also stated that there should be only one CPA examination to address core concepts in accounting and technology, and that “any variations that correspond to an elective area of study and interest should be tested separately and not in lieu of the required core concepts.” Further, we said that while we would not agree to reducing the required 150 hours of education, “we believe there is flexibility within those hours after the required core concepts in accounting and technology, yet to be defined, have been met.”

Where we were asked for additional comments, we suggested that the CPA Evolution project consider revising authoritative guidance “to address the changing competencies and future services the CPA will offer.” Such guidance would include auditing and attest standards, quality control standards, peer review, consulting standards and the Code of Professional Conduct. Finally, we expressed our opinion that existing CPAs should not be subject to any new requirements resulting from the project, but that they could exercise their option to take continuing professional education courses in order to obtain or maintain competency in specific areas.

I am delighted with how these four members of the inaugural class of the Leadership Institute have risen to the occasion by participating in the CPA Evolution Task Force. They have helped frame our Society’s position on this subject. As I mentioned at the beginning of my commentary, I envision all members of the Leadership Institute taking a more active role in our Society, including leadership roles in their chapters, on our statewide committees and on our Board of Directors. In the spring, we will open up the application process for the next Leadership Institute class.

Ira M. Rahilly

The New York State Society of CPAs and The Trusted Professional greatly value editorials contributions from our members...
The rise of sustainability reporting brings questions of motivation, agenda

By CHRIS GAETANO
Trusted Professional Staff

Editor’s note: This is the second in a projected three-part series about the corporate sustainability movement.

The use of sustainability accounting has grown apace with a rising demand from both investors and consumers for information on firms’ environmental, social and governance-related (ESG) impacts to the point where, today, 85 percent of S&P & 500 companies report on such matters in some form or another. Yet with this rise have also come concerns that, in some cases, these reports are less for informing stakeholders about accountability and growth, and more for managing public perceptions.

In a recent speech, Hans Hoogervorst, chair of the International Accounting Standards Board, went so far as to say that “greenwashing”—promoting one’s company as doing more to protect the environment than it really is—was “cruel.” He pointed out, for example, that at the same time Volkswagen was engulfed in its emissions scandal, it topped the Dow Jones sustainability index for the automotive sector.

John Elkington, the founding partner and chairman of sustainability-focused consulting firm Volans, who has served as a board member of both the Global Reporting Initiative (GRI) and the International Integrated Reporting Council, made a similar point when he told The Trusted Professional that greenwashing efforts of one sort or another are “routine,” often involving omissions of major issues that are not yet part of their materiality analyses.

Steven S. Mezio, who teaches sustainability accounting at Pace University, and is chair of the Society’s Future of Accounting Education Committee and a member of its Sustainability Committee, echoed the viewpoint that such omissions are more common than those of commission in the sustainability space. Unlike the financial reporting mandates that bind public companies, sustainability reporting, so far, is voluntary, which Mezio said means that entities can be selective about what kind of information they disclose. So a soft drink conglomerate might release glowing reports about its water management work in Africa, while being more taciturn about, say, the public health impact of its products. This type of imbalance, he said, arises because sustainability accounting does not currently have the same reporting infrastructure as financial accounting.

“The greenwashing risk is particularly acute because of the inherent risks within the company,” he said, noting that companies “don’t have good internal controls, and frameworks, do you?”

“Of course, they don’t have third party doing a deep dive into what I’m saying,”

Michael L. Kraten, a CPA, professor of accounting, management consultant and member of the Sustainability Investment Leadership Council, countered that this was no worse than what we see in the financial reporting space, noting that counterintuitive results regularly crop up there, too.

“I think it’s no different than the strangely unique things you see in the financial statements of any company,” he said. “That is why we have a stock market. People look at certain financial statements and say, ‘This firm is doing fantastic,’ and the other person says, ‘This firm is doing terrible,’ and they’re both right in their own ways, and this is the case for these companies in the ESG sphere. So it is very possible for an entity to be exemplary from certain perspectives and very weak from others.”

And so, for example, while one might not expect ExxonMobil to be the biggest holding in an Invesco global sustainable equity portfolio, Kraten said that ExxonMobil’s reports “are quite detailed, and in many ways, they have made significant progress in what they do.”

Elkington, however, was less impressed.

“ExxonMobil and other oil companies should not be permitted in ESG or similar rankings or portfolios, period,” he said—at least until over 50 percent of their revenue came from renewables or efficiency services, with plans to drive fossil fuels to zero over time.

But Alan White, co-founder of the GRI, noted that such results may not necessarily be a sign of greenwashing, which, he pointed out, has a certain element of premeditation that is key to the concept. The term, he said, describes a company knowingly and willingly producing misleading information regarding its sustainability credentials. When counterintuitive results emerge from sustainability reports, there could factors other than deliberate misinformation at work. For example, there could be metrics that lack context or are based on faulty science, or there could be a misunderstanding or misapplication of the framework’s principles.

Another possibility is that the framework itself could have blind spots that don’t properly account for certain factors. On top of all that, White emphasized, this process is still new for many companies.

“The association of a framework with individuals or organizations whose primary motivation is financial return [increases greenwashing risk],” Elkington said, explaining that businesses have a financial incentive to dilute the framework’s standards.

Charles H. Cho, the Erivan K. Haub Chair in Business & Sustainability at Toronto’s Schulich School of Business, believes that a dilution of standards has already happened within the major sustainability frameworks.

“Having published standards have a financial incentive to dilute the framework’s standards,” Elkington said, explaining that businesses have a financial incentive to dilute the framework’s standards.

“ExxonMobil and other oil companies should not be permitted in ESG or similar rankings or portfolios, period,” he said—at least until over 50 percent of their revenue came from renewables or efficiency services, with plans to drive fossil fuels to zero over time.

“But Alan White, co-founder of the GRI, noted that such results may not necessarily be a sign of greenwashing, which, he pointed out, has a certain element of premeditation that is key to the concept. The term, he said, describes a company knowingly and willingly producing misleading information regarding its sustainability credentials. When counterintuitive results emerge from sustainability reports, there could factors other than deliberate misinformation at work. For example, there could be metrics that lack context or are based on faulty science, or there could be a misunderstanding or misapplication of the framework’s principles.

Another possibility is that the framework itself could have blind spots that don’t properly account for certain factors. On top of all that, White emphasized, this process is still new for many companies.

“Does the company knowingly understate its carbon emissions, knowingly underreport the effects of coal ash?” he said. “Or is it simply in stage one of reporting? Reporting doesn’t happen overnight. Even the best reporters are still modifying and adapting and changing.”

Corporate influence on framework organizations

Another factor could be in the governance of the framework organizations themselves. White said that when he co-founded the GRI in the 1990s, he knew that he needed to bring together a lot of disparate groups that may not have that much in common, and that even if they all acknowledge that they share problems, “they’re ready to solve [them] for different reasons, for different expected benefits.” Each of these parties exerts influence, and one of the biggest of all was the business sector, something he was keenly aware of from the start.

“The concern about the influence—the undue influence—of business and about

continued on page 16
The Foundation for Accounting Education (FAE) is expanding its library of content to serve the public interest in areas such as information technology and continuing professional education (CPE) courses. The FAE offers courses that are planned, ranging in length from four to eight hours. Roughly half of these seminars are offered by outside vendors, and the ones that the FAE presents feature speakers from within the Society, such as Sidney Kess, he said. The FAE also coordinates with Society committees that offer hour-long committee sessions at their meetings. Recently, the FAE began to offer lower fees for webcasts of both conferences and seminars, as well as “Early Bird” prices for people who register for courses three weeks or more in advance. Renick noted that webcasts of an eight-hour seminar used to cost $279. “Now it’s $199, and the Early Bird discount is $149,” he said, “which is a significant savings in terms of change,” he said. A four-hour seminar that used to cost $169 is now $100 for the webcast, and the Early Bird is $75. “That’s more than a 50 percent discount,” he said. In addition, the FAE features an on-demand library consisting of both conferences and seminars that were presented four months ago or longer. The library is free to all NYSSCPA members.

The Society’s chapters often develop their own CPE courses, which run from one to three hours, Renick said. He noted that Kevin Matz, the past president of the FAE, began a dialogue with chapter leaders last year. In the coming year, Renick himself plans to continue to expand the FAE’s outreach to chapters. It is his goal that chapters look at the FAE as a true partner in offering educational programs to their members.

In addition, Renick said that the FAE recently launched Customized Training Solutions, a service that tailors educational offerings to the needs of individual firms. Rather than sending several members to a seminar, he said, “the whole firm can gain the knowledge,” and do so more economically. “On a per person basis, it’s a lot more efficient.” Courses are available in seven areas of practice: accounting, auditing, consulting, forensics, industry, public sector and tax. More information is available at nysscpa.org/cqa.

Another FAE initiative, to be launched in the fall—in partnership with CTR Factor, Inc., a leadership, diversity and inclusion (D&I) consulting firm—will focus on D&I training. The program is called the Certificate of Inclusive Leadership in Accounting Seminar Series. Recognizing the importance of D&I in the workforce, the FAE will offer three levels of courses designed to serve every facet of the accounting profession. When participants complete all the courses in a level, they will receive certification in “Inclusive Leadership in Accounting.”

Renick emphasized that the FAE tailors its courses to the professional development needs of its members, and offers courses of high quality. There are services offering CPE at lower costs, he said, “but the quality is not the same. We’re looking to provide not just credits, but excellent education.” FAE courses address new laws and regulations—there were several focused on the Tax Cuts and Jobs Act soon after it was passed—as well as important new technological developments, such as data analytics. Specialty conferences focus on topics of growing importance to the profession, such as D&I and the cannabis industry, each of which will be the focus of a conference this fall.

The FAE’s first-ever Diversity and Inclusion Conference will take place on Wednesdays, Oct. 23, from 1:30 to 6 p.m., at the Society’s offices at 14 Wall Street. Sessions will include “Who Deserves a Seat at the Table? You Do!” featuring Dr. Maurice A. Stinnett, the first black man appointed as vice president of diversity and inclusion for an NBA team, as well as “Managing Unconscious Bias,” featuring Suri Surinder, co-founder and CEO of CTR Factor. Following the program, from 6 to 7 p.m., there will be a networking cocktail reception. More information is available at nysscpa.org/iae.

The FAE’s second annual Cannabis Business Conference will take place on Wednesday, Nov. 6, 8:30 a.m.–5 p.m. at Baruch College. Among the programs that Zachary Gordon, chair of the NYSSCPA’s Cannabis Industry Committee, has lined up are sessions focused on investing within the cannabis industry, an update on tax and compliance, and another installment of the “Cannaquiz” game, which was a hit at last year’s conference. Additional information may be found at nysscpa.org/iae.

A listing of FAE events from September through April can be found on pages 24–27.

By RUTH SINGLETON
Trusted Professional Staff

Leadership Conference
Continued from page 1

The Society supports the CPA Evolution project, noting that rapid changes in technology will require the entire profession to transform. The CPA profession will need to integrate the use of robotics, artificial intelligence, data analytics and other forms of technology. The AICPA and NASBA also anticipate that CPAs will need to develop skills and knowledge in areas such as information technology risks and controls, business intelligence and cybersecurity risk management. Recognizing this changing landscape, these two organizations announced that they are “exploring how to get the speakers, they do the whole thing.” In addition to conferences, which run for eight hours, he said that 147 seminars are planned, ranging in length from four to eight hours. Roughly half of these seminars are offered by outside vendors, and the ones that the FAE presents feature speakers from within the Society, such as Sidney Kess, he said. The FAE also coordinates with Society committees that offer hour-long committee sessions at their meetings.

Recently, the FAE began to offer lower fees for webcasts of both conferences and seminars, as well as “Early Bird” prices for people who register for courses three weeks or more in advance. Renick noted that webcasts of an eight-hour seminar used to cost $279. “Now it’s $199, and the Early Bird discount is $149,” he said. A four-hour seminar that used to cost $169 is now $100 for the webcast, and the Early Bird is $75. “That’s more than a 50 percent discount,” he said. In addition, the FAE features an on-demand library consisting of both conferences and seminars that were presented four months ago or longer. The library is free to all NYSSCPA members.

The Society’s chapters often develop their own CPE courses, which run from one to three hours, Renick said. He noted that Kevin Matz, the past president of the FAE, began a dialogue with chapter leaders last year. In the coming year, Renick himself plans to continue to expand the FAE’s outreach to chapters. It is his goal that chapters look at the FAE as a true partner in offering educational programs to their members.

In addition, Renick said that the FAE recently launched Customized Training Solutions, a service that tailors educational offerings to the needs of individual firms. Rather than sending several members to a seminar, he said, “the whole firm can gain the knowledge,” and do so more economically. “On a per person basis, it’s a lot more efficient.” Courses are available in seven areas of practice: accounting, auditing, consulting, forensics, industry, public sector and tax. More information is available at nysscpa.org/cqa.

Another FAE initiative, to be launched in the fall—in partnership with CTR Factor, Inc., a leadership, diversity and inclusion (D&I) consulting firm—will focus on D&I training. The program is called the Certificate of Inclusive Leadership in Accounting Seminar Series. Recognizing the importance of D&I in the workforce, the FAE will offer three levels of courses designed to serve every facet of the accounting profession. When participants complete all the courses in a level, they will receive certification in “Inclusive Leadership in Accounting.”

Renick emphasized that the FAE tailors its courses to the professional development needs of its members, and offers courses of high quality. There are services offering CPE at lower costs, he said, “but the quality is not the same. We’re looking to provide not just credits, but excellent education.” FAE courses address new laws and regulations—there were several focused on the Tax Cuts and Jobs Act soon after it was passed—as well as important new technological developments, such as data analytics. Specialty conferences focus on topics of growing importance to the profession, such as D&I and the cannabis industry, each of which will be the focus of a conference this fall.

The FAE’s first-ever Diversity and Inclusion Conference will take place on Wednesdays, Oct. 23, from 1:30 to 6 p.m., at the Society’s offices at 14 Wall Street. Sessions will include “Who Deserves a Seat at the Table? You Do!” featuring Dr. Maurice A. Stinnett, the first black man appointed as vice president of diversity and inclusion for an NBA team, as well as “Managing Unconscious Bias,” featuring Suri Surinder, co-founder and CEO of CTR Factor. Following the program, from 6 to 7 p.m., there will be a networking cocktail reception. More information is available at nysscpa.org/iae.

The FAE’s second annual Cannabis Business Conference will take place on Wednesday, Nov. 6, 8:30 a.m.–5 p.m. at Baruch College. Among the programs that Zachary Gordon, chair of the NYSSCPA’s Cannabis Industry Committee, has lined up are sessions focused on investing within the cannabis industry, an update on tax and compliance, and another installment of the “Cannaquiz” game, which was a hit at last year’s conference. Additional information may be found at nysscpa.org/iae.

A listing of FAE events from September through April can be found on pages 24–27.
COAP 2019: Building the pipeline

By RUTH SINGLETON  
Trusted Professional Staff

This year, the NYSSCPA, through its affiliated Moynihan Scholarship Fund (MSF), has awarded Excellence in Accounting Scholarship (COAP) program and are about to start college received $2,000 COAP Scholarships, which are renewable every year for up to five years. Established in 2015, the MSF honors the memory of NYSSCPA Past President David J. Moynihan (1955–2015), a staunch advocate of educational opportunities. Last September, the MSF became incorporated as its own 501(c)(3) not-for-profit organization, and it is now solely responsible for administering the Excellence in Accounting Scholarship program and the COAP program. Previously, these programs were administered by the Foundation for Accounting Education (FAE).

"The Moynihan Scholarship Fund is focusing our energy specifically on supporting the next generation of accounting professionals," said Scott M. Adair, president of The Moynihan Scholarship Fund board of trustees. "Through COAP, we encourage underrepresented minority high school juniors to consider a career in accounting, and through the Excellence in Accounting Scholarship program, we support college students who have committed themselves to the accounting profession. We are proud to award these scholarships to outstanding college students all across the state. By financially assisting top-notch accounting students, as well as offering them professional support and mentoring, we can help ensure that the profession remains robust in future years."

In order to be eligible for Excellence in Accounting Scholarships, students had to be declared accounting majors, with a cumulative grade point average of 3.0 or higher. They also had to be eligible for financial aid. To qualify for the $2,500 full-time scholarships, students needed to be enrolled for at least 12 semester credits. To qualify for the part-time $1,250 scholarships, students needed to be enrolled for 6 to 11.5 semester credits.

There are dedicated campus liaisons at 58 colleges in New York state, many of whom helped to identify those students eligible for these scholarships. Applicants needed to submit letters of recommendation from either their campus liaison, a department chair, or an accounting professional, such as an employer.

To learn more about the Excellence in Accounting Scholarships, go to nysscpa.org/scholarship.

Excellence in Accounting Scholarship recipients announced

By RUTH SINGLETON  
Trusted Professional Staff

As part of COAP, students took field trips to accounting firms and conversed with CPAs at their offices. They also attended talks presented by CPAs in industry, education, and government. The students learned basic accounting concepts, along with overviews of cost accounting, forensic accounting and technology in business and accounting. The COAP programs also taught the students softer skills to help them get ahead in the business world. For example, students at the Adelphi location took golfing lessons. Classes covered dressing for success, interviewing skills, résumé writing, public speaking and networking. In addition, the programs featured team-building exercises and general discussions about career opportunities.

"COAP’s goal from day one has been to increase diversity in the accounting profession," said Rumbi Bwerinofa-Petrozzello, an NYSSCPA director-at-large and the immediate past chair of its Diversity and Inclusion Committee. "What COAP is aiming to do is increase the market of accounting graduates who can then be hired." She noted that, according to the AICPA’s report, 2019 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits, only 2 percent of CPAs at accounting firms are African-American, and only 4 percent are Hispanic. "If we get a lot more students of color interested, it will increase the numbers," she said.

Additionally, four high school students who previously graduated from the Career Opportunities in the Accounting Profession (COAP) program and are about to start college received $2,000 COAP Scholarships, which are renewable every year for up to five years. Established in 2015, the MSF honors the memory of NYSSCPA Past President David J. Moynihan (1955–2015), a staunch advocate of educational opportunities. Last September, the MSF became incorporated as its own 501(c)(3) not-for-profit organization, and it is now solely responsible for administering the Excellence in Accounting Scholarship program and the COAP program. Previously, these programs were administered by the Foundation for Accounting Education (FAE).

"The Moynihan Scholarship Fund is focusing our energy specifically on supporting the next generation of accounting professionals," said Scott M. Adair, president of The Moynihan Scholarship Fund board of trustees. "Through COAP, we encourage underrepresented minority high school juniors to consider a career in accounting, and through the Excellence in Accounting Scholarship program, we support college students who have committed themselves to the accounting profession. We are proud to award these scholarships to outstanding college students all across the state. By financially assisting top-notch accounting students, as well as offering them professional support and mentoring, we can help ensure that the profession remains robust in future years."

In order to be eligible for Excellence in Accounting Scholarships, students had to be declared accounting majors, with a cumulative grade point average of 3.0 or higher. They also had to be eligible for financial aid. To qualify for the $2,500 full-time scholarships, students needed to be enrolled for at least 12 semester credits. To qualify for the part-time $1,250 scholarships, students needed to be enrolled for 6 to 11.5 semester credits.

There are dedicated campus liaisons at 58 colleges in New York state, many of whom helped to identify those students eligible for these scholarships. Applicants needed to submit letters of recommendation from either their campus liaison, a department chair, or an accounting professional, such as an employer.

To learn more about the Excellence in Accounting Scholarships, go to nysscpa.org/scholarship.

rsingleton@nysscpa.org

www.trustedprofessional.com | The Trusted Professional | September/October 2019

MOYNIHAN SCHOLARSHIP FUND

Mr. Anthony C. Del Rey Scholarships sponsored by the NYSSCPA’s Staten Island Chapter, and four students received $1,000 Ted Wilson college scholarship grants sponsored by the Buffalo Chapter, and two students received $1,000 Bernard Del Rey Scholarships sponsored by the Staten Island Chapter, and four students received $500 grants sponsored by accounting firm Anchin, Block & Anchin LLP.

By RUTH SINGLETON  
Trusted Professional Staff

This year, at three New York state college campuses in late June/early July, high school students of color attended multiday immersion programs introducing them to accounting, courtesy of the Career Opportunities in the Accounting Profession (COAP) program. Established more than 30 years ago, COAP is administered by The Moynihan Scholarship Fund, an affiliate of the NYSSCPA. The program teaches students that an accounting background can lead to a host of business careers.

The COAP locations this year were Adelphi University in Garden City, SUNY Oswego and Westchester Community College in White Plains.

Fifty-five full-time college students received $2,500 scholarships, and only 4 percent are Hispanic. "If we get a lot more students of color interested, it will increase diversity in the accounting profession," said Bwerinofa-Petrozzello, "COAP is essentially stepping into the role of … that family member and showing the students all the great things that one can do. And that’s one way to increase the diversity in the profession.”

NYSSCPA Past President J. Michael Kirkland, who spoke to students at the Westchester Community College COAP program this year, stressed the importance of COAP to the accounting profession as a whole. “My view of it is that it is almost self-serving,” said Kirkland, the current president-elect on The Moynihan Scholarship Fund board of trustees. “It’s in the interest of this profession to reach out to communities that we haven’t in the past—not only that they might consider accounting as a career, but also that they’re aware of what a CPA can do in their life. … We’re losing an untapped market when we don’t tap into this community. African-American women are the fastest demographic to start small businesses. We want to make people aware of this career, that they choose us as their trusted professional. … COAP is about education, information, and it’s self-serving.”

Students at this year’s COAP programs described their experiences with great enthusiasm, and some reported that they were seriously considering careers in accounting. Tabatha Roman Pizarro, who attended the program at Adelphi, said, “These past five days were amazing, and I want to go back to the COAP program. Thanks to this program, I have decided to pursue accounting, but as a teacher. … This was an amazing opportunity.”

For more information about the COAP programs, go to nysscpa.org/coap.

See page 18 for photos from the 2019 programs.

rsingleton@nysscpa.org
COMMENT LETTER

NYSSCPA, other groups, elicit new W-4 from Treasury

By CHRIS GAETANO
Trusted Professional Staff

On Aug. 8, the Treasury Department and the IRS issued a new Form W-4 for the 2020 tax year, which includes a number of changes made in response to comments received about a previous draft version, released on May 30. The NYSSCPA was among several organizations that submitted comments in response to the May 30 draft. In its comment letter, sent on July 1, the Society took the position that the May 30 version, revised to account for changes in the Tax Cuts and Jobs Act (TCJA), was too confusing to the layperson and could cause problems for both employers and employees.

The Aug. 8 draft represents the third time that the IRS has released a proposed new W-4 since the TCJA was enacted. The first time was last year, and the draft was widely panned by the practitioner community as needlessly complicated and a potential violation of taxpayer privacy. While the May 30 version included the option to omit sensitive personal financial information and, overall, was a little better than the previous one, it still drew criticism, including some from the Society in its July 1 comment letter.

That letter, authored by members of the Taxation of Individuals Committee and the Tax Division Oversight Committee, said that the May 30 draft form asked the employer to use the expected tax liability of the employee to determine the amount to withhold from the employee’s paycheck; however, it did not provide clear directions for employees with sophisticated tax situations, such as those who claim itemized deductions. The Society said that in order to complete steps 2 through 4 of the form, a taxpayer “would be required to have a more extensive tax background.”

Steps 2 and 4 asked that the employee provide wage information regarding a second job that the employee may have, wage information regarding the job(s) of the employee’s spouse, information about income from other sources—including nonwage income—expected to be included on the employee’s personal tax return, and information about tax deductions that the employee expects to claim on the tax return. Step 3 asked whether the combined income of the employee will be $200,000 or less (or $400,000 or less, in the case of joint filing).

The Society also noted that, in asking for this information, the draft form had the potential to let employers collect previously confidential information about their employees, which could possibly introduce employer bias, in terms of matters such as basing future bonuses or salary increases on factors outside the employees’ actual performance.

Further, noted the Society, it was not entirely clear why the employer would need to know all of this in the first place.

The Society acknowledged that the form allowed employees the option to omit this information and, in its place, use the IRS Tax Withholding Estimator (found at irs.gov/WithholdingApp), the supplemental worksheets found on page 3 of Form W-4 (which are not submitted to the employer), or IRS Publication 505, Tax Withholding and Estimated Tax, to help with these calculations. However, said the Society, these options may not be straightforward to those who do not have an income tax or accounting background.

In the letter, the Society recommended doing away with the questions about income from other sources and deductions in Step 4, noting that if employees have other income or want to claim deductions other than the standard deduction, they can make quarterly payments to the IRS themselves. If the IRS insist on keeping these questions, however, then the Society recommended that it at least clarify certain terms in the instructions, for example, by adding “deductible” in front of references to IRAs and IRA contributions.

Further, the Society recommended that there be a separate line item that gives employees the option to input the percent of federal income tax they would like to have withheld from gross wages, along with a minimum percentage set forth by the IRS, such as 10 or 15 percent. It also recommended updating the instructions, noting, for example, that the word “job” can mean a lot of different things.

The Aug. 8 form is meant to take some of these concerns into account. It is intended to be easier to follow by using guided questions to take the taxpayer, step by step, through the process. Although the questions concerning other sources of income have remained, the form recommends what to do if taxpayers are concerned about the privacy of their personal information. Specifically, it suggests using the Tax Withholding Estimator or the supplemental worksheets attached to the form.

George R. Rubino, chair of the Taxation of Individuals Committee and one of the principal drafters of the July 1 comment letter, said that “privacy is still a concern” with the Aug. 8 version. “There are still line items that ask for information about other jobs an employee has, and income an employee has from other sources. In terms of privacy, there has not been a noticeable change from the prior draft W-4 form. An employee would still be able to opt out of providing this information, but the employee or his/her accountant would need to determine the proper amount to withhold to complete this form appropriately.”

He also noted that the most recent draft is “still complex, and more complicated than prior-year versions of the form. An employee may still need assistance from his/her accountant or very clear instructions from the employer in order to complete the form correctly.”

Rubino observed, however, that “it does appear that one of our concerns was addressed.” He noted that where the instructions referenced IRA contributions, “we had recommended adding the word ‘deductible’ in front of this term to help the user in determining the proper IRA amount to include on the worksheet (i.e., omitting Roth IRA contributions from the form). This change was reflected by the IRS in the most recent update.”

gaetano@nysscpa.org
Nellie Gomez

Three decades as the go-to person for committees, Society protocols and much more.

When Gomez started, the Society had 119 committees, she said. "Committees were limited, so not everyone who applied was accepted. We used to have a Committee on Committee Operations, known as COCO, and we would go through a huge appointment process. We used to print out these binders and go name by name." Notices were sent out by postal mail, Gomez said. "I got the paper cuts to prove it... We used to have a competition to see who could stuff envelopes the fastest."

Most of the committees were popular, she said, especially those focusing on tax and accounting and auditing. But over time, some committees were consolidated, and some were eliminated as they became less relevant to the core work of CPAs. She mentioned a few that are no longer around, such as Domestic Relations, Fiduciary Accounting, Mediation and Arbitration, Analytic Sampling and Quality Control.

"One trick when I started with committees was using my Rolodex copy of pictures of committee chairs and placing them with their names, and notes about each of them," she said. "So once on the phone, I would flip to their card and have a visual of whom I was speaking with."

When she started, at a time before teleconferencing, all committee members met in person. Gomez observed that one good thing about that time was that she "got to have a competition to see who could stuff envelopes the fastest."
IRS reform law aims to better serve taxpayers

By CHRIS GAETANO
Trusted Professional Staff

The Taxpayer First Act of 2019, signed into law in July, is intended to bring about major structural reforms in IRS operations, introducing a bevy of administrative changes, some small and some substantial. It represents the first major overhaul of the agency in decades.

The new law, which was sponsored by Reps. John Lewis (D-Ga.) and Mike Kelly (R-Pa.) in the House and Sens. Ron Wyden (D-Ore.) and Chuck Grassley (R-Iowa) in the Senate, is intended to strengthen taxpayer protections and essentially reorient the IRS toward a more service-based mindset.

A major provision of the bill, intended to attain this goal, is the establishment of a new IRS Independent Office of Appeals, which will be led by a new chief of appeals, who will report directly to the IRS commissioner. The appeals process is meant to be generally available to all taxpayers. If the IRS grants a referral to the new appeals office, and a conference is scheduled, then the taxpayer will have access to the nonprivileged portions of the case file relevant to the dispute. If the IRS does not grant a referral, then it must provide the taxpayer with a precise and detailed reason why, as well as instructions on how to protect the decision.

Along the same lines, the bill will also strengthen the Office of the Taxpayer Advocate. The IRS would be required not only to respond to directives from the office, but also to respond within 90 days. Further, it will be required to provide statistical support, upon request, for the office’s annual report. At the same time, the office will also need to reduce the number of its “most serious problems” in its annual report to Congress from 20 to 10, and it will also be required to coordinate research efforts within the Treasury Inspector General for Tax Administration (TIGTA).

Bernadette H. Schopfer, director of taxation at Maier Markey & Justic LLP and chair of the Society’s Relations with the Internal Revenue Service Committee, praised these measures as beneficial to both taxpayers and the tax professionals. "Those initiatives can only help with the resolution of a tax controversy that cannot be resolved at the lower level groups at the IRS," she said. "Sometimes, despite diligent effort and reasonably strong documentation and justification, some issues just don’t resolve without an extraordinary amount of time and effort. Having additional resources to pursue to get a resolution will be beneficial to the taxpayers and the tax professionals.”

In a nod to frequent taxpayer frustrations in interacting with IRS agents as well, the IRS will be required to draft a comprehensive customer service strategy within a year after the law’s enactment. Similarly, the IRS will be required to appoint a chief information officer, given recent IT challenges within the service.

The bill also introduces a number of administrative changes. They include lowering the federal e-filing mandate threshold from 250 returns to 100 in 2021, and 10 after 2021, and requiring that all tax-exempt organizations electronically file, rather than just those with over $10 million in assets or those that file more than 250 returns. Schopfer found these provisions to be less impressive. "I think the e-file changes will have very little impact on tax professionals, as most returns are e-filed due to the efficiency in doing so. I expect from the final version of the bill was a controversial provision that would have codified into law the public-private partnership between the IRS and the software vendors that_ERRCODE_ would have effectively precluded the IRS from ever developing software or a system to facilitate tax return preparation, stemming efforts to simplify taxes through prefilled forms.

While there were many other changes introduced through the new law, more may still develop, as the law requires that the Treasury Department, no later than Sept. 30, 2020, submit a comprehensive written plan to redesign the organization of the IRS to prioritize taxpayer services, streamlining agency structures, enhance cybersecurity, and address jurisdictional issues around the IRS Criminal Investigation Division.

Trust the process...
Lessons from the Capital One breach
By JOEL LANZ, CPA/CITP, CFF, CISA, CISSP, CFE

With another disclosure of a significant breach—that of Capital One Financial Corp., announced on July 29—senior executives and board members representing all organizational sizes are frantically trying to do their due diligence to determine the impact to their organization or if they might become the next victim. The lack of public information limits the risk professional’s ability to analyze the breach and, with lawsuits a certainty, the ability to gather the needed understanding to avoid similar mistakes may be challenging. Competing media outlets and pundits trying to get in front of the story with inconsistent or incomplete details add to the confusion and complexity of understanding the related threats, not to mention security consultants trying to capitalize on the general fear.

One readily available source that you might consider in your research is “What Can We Learn from the Capital One Hack,” a technical analysis published in early August on the well-respected website and blog of Brian Krebs, krebsonsecurity.com. Another source, Newsweek’s “Was Capital One Hacked or Breached? How Did It Happen and Who Is to Blame?” published on July 30, provides a more general interest article. If the past is any indicator, future publications will give a more transparent and detailed description of what happened and what could be done to prevent its occurrence. (If you have received a data breach notice that your personal information has been impacted, see the Federal Trade Commission’s website, identitytheft.gov/steps.)

Lessons for business managers and their CPAs
At this time, experts do not agree on whether the event was preventable or not. Some believe that the impacted configurations were well known and easily identifiable. Others believe that the breach exploited various nuances on how organizations perform risk and vulnerability assessments. Many managers may think that since the potential controls weaknesses relate to threats currently considered in most risk assessment programs—as such configuration and vulnerability management, vendor management and controlling identity risk management program already includes the dangers at the root cause of the Capital One attack. Although that perspective is a reasonable assumption, not recognizing the limitations of current practices to identify unique aspects and realities of how technology works can contribute to becoming the next victim organization. As you review the applicable threats, remember the complexity of the technology involved—the more we demand of technology, the greater its complexity and the higher the probability of its misuse or configuration.

Configuration and vulnerability management
Organizations can configure technology assets in hundreds, if not thousands, of different ways. Unfortunately, too many companies still do not have an appropriate process to ensure that they employ appropriate processes to manage technology asset configuration. According to the Newsweek article, “The financial services giant says an individual was able to exploit a ‘configuration vulnerability’ to steal sensitive records held in an Amazon Web Services (AWS) database.”

Reviewing firewall configurations and rules can be challenging. One reason organizations engage cloud and other technology providers is because they do not have the expertise themselves. Ensuring adherence to well-regarded configuration guidelines, performing firewall rule walkthroughs to map firewall performance and conducting appropriate network and web application vulnerability scans can significantly help the organization reduce its risk exposure. Relevant expertise is needed to understand the trade-offs that compromising on these configurations requires. A risk-acceptance register that describes compromises made can help managers better understand the risks of configuration management.

Managing vendors
With the explosion of third-party software providers and related consultants specializing in vendor management, it is no surprise that companies increasingly engage these parties to perform vendor management activities. For firms needing to comply with regulatory requirements or other industry standards, these solutions can be cost-effective. Although some of these companies do perform detailed walk-throughs, many are selling software. Often, the organization itself does not fully understand its accountability, including sufficient data flow diagrams highlighting areas of responsibility and accountability.

When contracting with a cloud provider, as Capital One did with Amazon Web Services, it is critical to understand not only traditional contract and performance service level concerns, but any additional security control expectations. For example, AWS maintains a website dedicated to the client’s security concerns at aws.amazon.com/security/security-resources. In doing the data flow walkthrough with the vendor, risk managers should identify all technology resources encountered, determine managerial ownership, and confirm the execution of administrative responsibilities. It is critical to review vendor practices relating to configurations and firewall management, rules and other technical controls in order to ensure that the vendor adheres to organizational expectations.

Managing insiders
Managers do not ignore insider risk; instead, they have difficulty believing that a colleague would do wrong. Most organizations are already aware of the need to disable access once an employee leaves the organization. However, they cannot erase the employee’s knowledge of the organization’s internal control environment and security posture (e.g., monitoring and log review strategies) once the employee leaves. Another concern is that the former employee is aware of the risk culture, having an idea of how likely the organization is going to enforce controls. In these situations, organizations should implement monitoring alerts and resolve unusual activity.

As in the nontechnical world, this is the hardest risk of all to manage. Traditional employment controls are critical; in the case of outsourcing, it is critical to understand the vendor’s hiring process. (Paige A. Thompson, the suspect arrested for the Capital One breach, formerly worked at Amazon; Amazon has denied any blame for the incident.) Some larger organizations request lists of human resources-related controls or background checks of people working on their accounts. Fraud awareness and education programs, including robust monitoring and follow-up activity of higher-risk system processes, are essential to managing this risk.

Conclusion
Cybersecurity threats continue to pose enterprise-wide challenges for risk managers. On Aug. 8, the Wall Street Journal, in “New Risk Guidance Being Developed for Cybersecurity, Compliance,” reported that the Committee of Sponsoring Organizations of the Treadway Commission (COSO) is “preparing to publish a set of guidelines for companies on how to manage cybersecurity and other enterprise risks.” As COSO guidance has helped facilitate financial integrity reporting, it can, hopefully, assist in the ability of everyone involved in protecting information to enhance their understanding of threats, mitigation factors and communication of residual risks faced by the organization.

Joel Lanz, CPA/CITP, CFF, CISA, CISSP, CFE, is the sole proprietor of Joel Lanz, CPAs PC, and a visiting assistant professor at SUNY College at Old Westbury. He is a member of the NYSSCPA’s Technology Assurance and Internal Audit committees, as well as the CPA Journal Editorial Advisory Board.
Red flags and best practices for CPAs who serve as trustees

By SUZANNE M. HOLL, CPA

Many clients look to CPAs as the natural choice to fulfill the trustee role: managing their assets and carrying out their wishes. For CPAs who are good at managing and minimizing the unique risks of a trustee role, trustee work can be satisfying and rewarding. On the other hand, if a CPA underestimates the potential for disputes, what may appear to be a simple role can turn into a Pandora’s box of sibling rivalries, with the added stresses of aging parents and adult children. In many cases, the baggage of family relationships frequently exacerbates disputes. It’s not uncommon for the trustee to be pressured to resign by a family member in line to become the successor trustee, or for the trustee to be wrongfully accused of favoring the interests of one party to the detriment of another.

In responding to a recent uptick in trustee-related claims, Camico has identified common scenarios that pose significant liability exposure, if not managed properly.

**Dysfunctional families**

Most of Camico’s trustee claims involve dysfunctional family relationships. In trustee work, it is easy for CPAs to think they are merely innocent bystanders dragged into a family dispute. Prospective trustees should take long, hard and objective looks at the relationships among the interested parties, especially in family situations, and decide whether the relationship risks can be managed and minimized.

The baggage of family relationships frequently exacerbates disputes. It’s not uncommon for the trustee to be pressured to resign by a family member in line to become the successor trustee, or for the trustee to be wrongfully accused of favoring the interests of one party to the detriment of another.

Given the frequency of such scenarios, we strongly encourage CPAs to identify and evaluate potential family risk attributes. CPAs should consider the following questions before deciding to accept a trustee role, as these may identify significant red flags that elevate the risk profile of the trustee opportunity:

- What is the potential for a dispute among the beneficiaries and the settlor? Are there differential distributions that may appear inequitable (e.g., disparate treatment of siblings)?
- Have there been multiple marriages, with offspring from each? Have there been recent changes to the planned distributions or status of beneficiaries? Is there a beneficiary committee that meets regularly and can help mitigate some of these risks?
- Do beneficiaries have substance abuse problems, mental illness or behavioral issues?
- Has there been prior litigation between or among the beneficiaries, trustees or custodians/guardians?
- Were there problems with a prior trustee? If unresolved, these problems are now the successor trustee’s problems. Also, the successor trustee would have a duty to investigate the predecessor’s management of the trust.

The best practice would be to have anyone contemplating serving as a trustee complete a client screening evaluation form. Such forms help trustee candidates and their firms assess whether the opportunities fall within their risk appetite and are a good fit.

Additional risks associated with trustee work include but are not limited to—

- actual or perceived trustee conflicts of interest;
- failing to disseminate required accounting; a lack of understanding of, or appreciation for, trustee fiduciary duties and other trustee responsibilities; and
- blurring the line between traditional CPA services and “quasi-trustee” services.

**Loss prevention best practices**

CPAs should apply appropriate safeguards to address the common and unique risks associated with trustee services. Although not meant to be all-inclusive, the following safeguards are some best practices to consider:

- **First and foremost, it is prudent for firms to establish a firmwide policy regarding the specific protocols and procedures for accepting and monitoring trustee engagements.** The firm policy should be tailored, as appropriate, to reflect the protocols and procedures that the firm implements.
- **Prior to accepting a trustee role, a CPA should ensure the underlying trust document thoroughly and have it reviewed by a qualified trust attorney.** There may be opportunities to edit the trust agreement in order to minimize risk if the trust document is not yet finalized or if the settlor of the trust is still alive. In addition, there may be some ambiguity within the trust document that should be clarified in an engagement letter.
- **Make a clear distinction between the trustee services provided by the firm member and any nontrustee services (e.g., accounting, tax) that the firm may provide.** If the firm will perform other tax, accounting and special project work for the trust, the best practice is to use engagement letters to define the scope, limits and responsibilities for these traditional services. In addition, these services should be performed and reviewed by a qualified firm member other than the trustee. This will help to establish that the relationship between the firm and the trustee is arms-length, in perception and reality.
- **Document, document, document.** Defensive documentation is critical in order to minimize potential risks, to prove that the CPA has fulfilled his or her duties of care, and to keep interested parties informed.
- **Stay educated and informed about the duties and responsibilities of the trustee role.**
- **Contact the firm’s professional liability insurance agent or carrier before accepting a trustee or executor engagement, so that the agent or carrier can help the CPA evaluate the risks and assess any potential coverage issues.**

Suzanne M. Holl, CPA, is senior vice president of loss prevention services with Camico ([www.camico.com](http://www.camico.com)). With more than 28 years of experience in accounting, she draws on her Big Four public accounting and private industry background to provide Camico’s policyholders with information on a wide variety of loss prevention and accounting issues.

For information on the Camico program, call Camico directly at 800-652-1772, or contact Dan Hudson, Chesapeake Professional Liability Brokers, Inc., 410-757-1932.
3 WAYS TO FIND YOUR NEXT JOB

Who should attend:
Members in transition, new CPAs, CPA candidates and students—find your next job!

Small and medium-sized firms—exhibit with us!
Enhance your firm’s recognition and connect with New York’s best talent.

Sponsorship opportunities are available.
Contact: Darlene Rives, darlene.rives@mci-group.com or call 410-584-1930.

REGISTER
nysscpa.org/careerfair19
or call 800-537-3635
New tax commissioner comes in with ‘fresh perspective’

By CHRIS GAETANO
Trusted Professional Staff

Michael R. Schmidt, who was appointed to the position of commissioner of the New York State Department of Taxation and Finance (NYSDTF) in June, said that while he “didn’t come in as a lifelong tax administrator within the department,” his background in the public policy arena can help bring new ideas to Albany to create a more user-friendly department that emphasizes the taxpayer’s experience.

“That’s how I see my role as commissioner: coming in with a familiarity of how government works … but also with a fresh perspective to be able to ask if there’s a way of doing things better,” he said, while speaking before the NYSSCPA’s New York, Multistate and Local Taxation Committee on Aug. 15.

Schmidt, who previously was senior economic adviser to Gov. Andrew Cuomo, said that while taxpayers are required to deal with his department, that doesn’t mean that it can’t hold itself to the same standards as a private company at risk of losing customers.

He warned that without such accountability, people’s faith in public institutions can erode.

“If the only times people interact with public institutions are bad, then why would they believe in the capacity of public institutions in other contexts to make their lives better?” he asked.

With this in mind, he said that he has implemented what he called a “clarity review process,” which involves asking new staff members at the department—who “haven’t been there that long and so haven’t become ingrained”—what they think of certain practices in the department.

For example, the newcomers will review a new letter or piece of guidance and offer an opinion as to whether it makes sense to them. While certain turns of phrase might be second nature to a tax professional or longtime administrator, these specialists can sometimes forget how they sound to the layperson.

“One of the first pieces of feedback we got was, ‘What’s an assessment? Oh, it’s a bill.’ So, why not just say bill?” he said. “This is layered on top of a natural tendency within large-scale bureaucracies to lose that outside perspective,” he explained.

Committee members agreed that taxpay- ers can be very confused by communica- tions from the NYSDTF, particularly let- ters and notices in the mail. One noted that such letters can also create tension with cli- ents: While the clients may not necessarily know what the letters mean or why they were sent, they do know that they hired a CPA to take care of this process for them, leading them to wonder why they’re getting anything at all from Albany.

The committee members suggested that this could be helped by working with the department to find better wording that can provide greater transparency and clarity to taxpayers and preparers.

“I’d welcome a chance to set something up,” Schmidt said in response. “I’m definitely happy to look into whether there are more formalized structures we can put in place to make sure we get this kind of feedback, but at minimum, having a regular meet- ings where the Society can bring folks out and talk about the experiences they’re having in interacting with the department should be helpful and constructive on both sides.”

Another issue that members of the com- mittee brought up was the use of e-signatures. Mandating their acceptance on tax returns has been one of the Society’s major policy goals, and while a bill that would do so passed the New York State Senate during the 2019 legislative session that ended in June, it was tabled in the Assembly for further review at the request of Schmidt’s department. One committee member wondered what his thinking was in that area, adding that the New York, Multistate and Local Taxation Committee is willing to work on the language with the department to allay any concerns. Schmidt said he planned to talk to the department’s general counsel on that point.

Committee members also raised the sub- ject of how the state performs audits. Some talked about how frustrating they found it that the NYSDTF asks for information that it clearly already has, such as copies of the taxpayer’s W-2, or else it wouldn’t be doing the audit in the first place. Members also voiced concern about residency and sales tax audits, particularly when errone- ously levied against taxpayers who are ac- tually compliant.

Schmidt responded that he intends to leverage data analytics to address such audit issues, saying that the department had created a new position, commissioner of data analytics, and is currently looking for someone to fill the spot. He said that better use of analytics can go a long way in addressing the challenges of how audits are conducted.

“If we don’t have the data that we have the information ourselves,” he said. “If you get better at audit selection via data analytics, you can audit folks you should be auditing and [don’t audit] folks who are in compliance, so in terms of efficiency it should be promising.”

Schmidt added that analytics can also yield operational efficiencies as well. He noted, for example, that applying it to call centers could improve how taxpayers interact with the department.

Society calls on N.Y.’s U.S. representatives to support Practitioner Services Division at IRS

This past May, at the conclusion of the AICPA’s Spring Meeting of Council, several hundred CPAs from across the nation met with mem- bers of Congress to ask for their support for consolidating existing IRS units into a Practitioner Services Division, so that tax- payer issues are more efficiently resolved. These efforts proved effective—IRS Com- missioner Charles P. Rettig announced in early July that he is considering the creation of a Practitioner Services Division, saying that he understands the need for such a unit.

Representatives from the NYSSCPA met with U.S. representatives Carolyn B. Maloney (D-N.Y.), Gregory W. Meeks (D-N.Y.), Jerrold Nadler (D-N.Y.), Thomas W. Reed (R-N.Y.) and Thom- as R. Suozzi (D-N.Y.) to share how tax practitioners now rely on many different IRS programs, processes and tools situat- ed throughout the organization to resolve clients’ tax issues. They also discussed how the operating systems for these programs do not easily communicate with each oth- er and do not have access to the same tax- payer information.

The IRS is undergoing many changes, as a result of recent legislation, including the IRS Integrated Business Modernization Plan, introduced in April, and the Tax- payer First Act of 2019, recently signed by the president. The AICPA’s efforts on Capitol Hill to encourage the administra- tive creation of the Practitioner Services Division has raised awareness, and the AICPA will work to keep the effort mov- ing in order to ensure that it remains part of the IRS’s overall modernization plan. The NYSSCPA, therefore, encourages Con- gress to support the creation of the Prac- titioner Services Division through admin- istrative means.

The Society believes that the develop- ment of this division is a key component of the ongoing modernization of the IRS, and can provide practitioners with the ability to help taxpayers to more easily navigate the complexities of the U.S. tax code. “The creation of the Practitioner Services Division is something that we hope all members of Congress will sup- port,” said NYSSCPA Executive Director and CEO Joanne S. Barry. “The announce- ment by IRS Commissioner Rettig is an encouraging step, and we must continue to express strong support for this action as the IRS works to develop its restructuring and modernization plan.”

As the IRS begins to move into a new era of modernizing its practices, policies and systems, the Society believes that tax professionals should have the tools to aid taxpayers in successfully adhering to the updated tax code. While the announce- ment from the IRS is promising, the NYSSCPA will continue its efforts until this important division is established, and it will continue to advocate for tax prepar- ers and IRS efficiency.
SYNOPSIS: Qualified Opportunity Zones program ‘almost too good to be true’

By CHRIS GAETANO
Trusted Professional Staff

The Qualified Opportunity Zones program (QOZ) program introduced through the 2017 Tax Cuts and Jobs Act (TCJA) has so many benefits and is so easy to access that “it seems almost too good to be true.”

The QOZ program was developed to funnel money into economically distressed communities, and it does so through capital gains tax deferrals. The basic idea, according to Matz, is that taxpayers can defer their capital gains by placing them into a QOZ fund, which then makes business investments in the relevant locations. The capital gain has to be invested into the QOZ fund within 180 days, but once that happens, the taxpayers do not pay tax on it until either the investment is sold or exchanged, or until Dec. 31, 2026, hits—whichever is sooner.

“And this deferred gain, by the way, is without any interest charge whatsoever. The time value of money completely works in the taxpayer’s favor here,” he said.

Matz said that there are just a few restrictions on taking part in the program. The sale or exchange must be to an unrelated party; capital gains counted as ordinary income, due to certain recapture rules, cannot be contributed; and the QOZ fund investment itself cannot be made into certain businesses, such as massage parlors or golf courses. Beyond that, the numerous benefits and safe harbors represent an incredible tax planning opportunity for clients, he said.

For instance, the program allows taxpayers to make basis adjustments that could enable up to 15 percent of the deferred gain to disappear. If taxpayers keep the gain in the fund for five years, they get a 10 percent step-up in basis; if they keep it in the fund for seven years, they get an additional 5 percent step-up. Furthermore, if they wait for 10 years, then any further gains from the investment going up in value are considered completely tax free. This is because, he said, the program is meant to encourage long-term investments.

Matz brought up a hypothetical example—a client with a $20 million capital gain that holds it in a QOZ fund. The client holds the deferred $20 million in there for five years and, as a result, will get a $2 million basis (10 percent), where there had been none before. Holding it for seven years means that the $2 million basis becomes $3 million (adding 5 percent, or $1 million).

“When Dec. 31, 2026, occurs, assuming no earlier sale or exchange before then, at that point, instead of a $20 million capital gain in 2018, you only have a $17 million capital gain in 2026, without any interest charge whatsoever,” he said.

The tax paid will be based on whatever the capital gains rate is in 2026, which, he said, may be higher or lower than it is now, but, regardless, will be imposed on only a $17 million gain.

Even if the investment loses value instead of gaining, Matz said that the rules have a relief provision indicating that the amount of tax paid is the lesser of the deferred gain or the fair market value at the time of the recognition event. So if that $17 million gain eventually shrunk to $5 million, then the tax would be paid on only the $5 million (or less, depending on how long the taxpayer kept the gain in the fund).

Matz also said that the rules make it easy for an entity to become a QOZ. While the IRS was initially considering making the process similar to becoming a tax-exempt organization, the service decided that this would delay the program for too long and, instead, went with a self-certification paradigm. This means that a domestic corporation or partnership (single-member LLCs are barred) only has to attach a Form 8996 with its next filing, saying that it became a qualified opportunity fund on a certain date and that 90 percent of its assets are in an opportunity zone, and it can take advantage of the program.

What’s more, QOZ funds have a six-month safe harbor to begin deploying capital, and if they are investing in a QOZ business rather than directly investing in the property within the zone, then they get 31 months instead. Further, if the fund cannot deploy capital within 31 months due to lack of government approval, the grace period can extend even further than that. Matz also pointed out that if the fund invests in QOZ businesses rather than making direct investments, then the 90 percent rule goes down to 70 percent.

Matz noted that the QOZ program was one of the only bipartisan provisions of the TCJA, meaning that it is more likely to remain than other, more controversial provisions, in the event of a power shift in the government.

“We don’t know what the future holds for the 2020 election, we don’t know what the composition of the future Congress will be, we don’t know if the various sunset provisions that apply on different areas all across the board will remain,” he said. “But this is one provision here that had bipartisan support.”

The 2nd Annual Qualified Opportunity Funds and Opportunity Zones Symposium will be held on June 25, 2020. See nysscpa.org/opportunity for more information.
Society Past President Stuart Kessler, a trailblazer in financial planning, dies at 90

By CHRIS GAETANO
Trusted Professional Staff

Stuart Kessler, who served as president of the NYSSCPA from 1984 to 1985, passed away on Aug. 5 at the age of 90. He was known as a trailblazer in the accounting profession, whose firm, Goldstein Golub Kessler LLP, was the first to embrace personal financial planning as an area of practice. During his time there, he tended to a number of high-profile clients, including composer Samuel Barber, conservative author and commentator William F. Buckley Jr., folk singer Oscar Brand, and former New York Gov. Mario Cuomo and his wife, Matilda.

Stanley Goldstein, whose relationship with Kessler extended all the way back to college, said that even as a student, he saw Kessler as an inspiration: “He was 10 feet tall to everyone,” even though “he was five feet zero inches in truth!” Kessler, who was about five inches taller than Goldstein, would always make people feel important. Goldstein continued to be impressed with Kessler extended all the way back to college, said that even as a student, he saw Kessler as an inspiration: “He was 10 feet tall to everyone,” even though “he was five feet zero inches in truth!” Kessler, who was about five inches taller than Goldstein, would always make people feel important. Goldstein said that he stood against the idea of an old boys’ network. Debbie A. Cutler knew this personally, having worked at Kessler’s firm for eight years, eventually becoming one of the most senior women there.

“He really gave his time and his advice, and didn’t ask for anything in return for it other than to come back if you needed more help and assistance,” she said.

This was the case even when it meant leaving the firm. Cutler said that while she was on track to become the first female partner at the firm, she eventually decided that she wanted to pursue forensic accounting at Ernst & Young instead. She said that leaving was a very difficult decision, but she found Kessler to be extremely supportive. “He would always focus on what you needed to do in the near term to advance in your career. … He said, ‘Deb, you gotta go do what you gotta do, and go where the opportunities are,’” she said.

While Cutler eventually left the firm in 1988, she said Kessler remained a trusted mentor and friend for years after. She said that he was the first person she’d reach out to if she needed help or advice, and she noted that he was extremely generous with his time and would always get back to her. “When I had challenges over the years, I’d reach out to Stu and say, ‘What do you think, what should I do?’ and he would always be there for me, which is very unusual in today’s world,” she said, adding that he truly was in a league of his own, in that respect.

Irene L. Persoff understood this too, emphasizing how Kessler championed women in the profession and encouraged them to be leaders, and cited her own personal experience as proof. She said that she met him in 1980, when she was at her first Society conference and was one of about just five women there. While she was initially nervous, she said that Kessler took her under his wing and remained a mentor to her for years. It was Kessler, she said, who convinced her that she had what it took to be a leader in the profession.

“I chose to stay small and have a small practice, even though he had a big practice, he was totally encouraging of how I could remain small and still be important in the profession,” she said, noting that he supported her committee work at the Society and even nominated her as one of the first women to join the Accountants Club of America as well.

Kessler’s influence could be seen, not only in New York, but also around the country, as he was an active member of the AICPA. Just this past June, he was recognized with a Lifetime Achievement Award for his accomplishments, particularly for launching the AICPA’s Personal Financial Planning Committee 30 years ago. Beyond that, he has also served as chairman of the AICPA’s Board of Directors, chairman of the AICPA’s Personal Financial Planning Executive Committee, president of the AICPA Foundation, and as a member of the AICPA’s Professional Conduct Council.

Barry C. Melancon, president and CEO of the AICPA, knew Kessler for years and was always impressed with his dedication to the profession, saying that he embodied the CPA profession. “He based his life on ethical values, embraced change while remaining focused on the commitment to serve clients with extraordinary care and competency. Just days before his death at age 90, Stu was still worried about client matters centered in career-long relationships. His love for financial planning was a significant force inside the profession. He helped build what, at one point, was the largest one-office firm in the United States, a firm in which he was one of three named partners,” Melancon said.

Every single person who shared remembrances of Kessler described him as a warm, caring person who was fervently devoted to the profession and to his family. Goldstein, who knew him as not only a business partner but as a longtime friend, said it can be hard to believe it was possible for someone to be that good.

If Merriam-Webster was to revise their dictionary and called for me to be a consultant, I would say, ‘When you define the word “mensch,” you put Stu Kessler’s name in there as an example,’” he said.
By CHRIS GAETANO

Society Past President George T. Foundotos, a consummate educator, passes away at 80

George T. Foundotos, who served as NYSSCPA president from 1998 to 1999, passed away on July 20 at the age of 80. One of the Suffolk Chapter’s founding members, he came to be known over the course of 50 years as its elder statesman, both for his relentless devotion to the Society and his encyclopedic knowledge of its history.

“George had Society blood running through his veins,” said NYSSCPA Past President Alan E. Weiner, whose term followed his.

Foundotos was remembered by many for his quick wit and impressive intellect, earning him the nickname “the professor” among many of his peers. It is appropriate, then, that he was a consummate educator, having taught accounting at Dowling College for 45 years while simultaneously managing a tax practice.

James E. Danowski, managing partner at Danowski and Cullen, said that Foundotos had a genuine affection for his students and would often go the extra mile to help them, not only in their studies, but also in their careers. He knows this personally because he himself was one of Foundotos’ students before going on to join his firm shortly after college, with Foundotos himself setting up the interview. Danowski eventually became partner, working alongside his former teacher as a colleague in what was then Coughlin, Foundotos, Cullen & Danowski.

Danowski said he was impressed not just with Foundotos’ vast technical knowledge, but also with his ability to communicate it in practical ways that clients could understand, which was invaluable when dealing with complex tax issues.

“He was one of the smartest guys I ever knew,” he said. “If we ever had a trivia contest, I'd want him on my team.”

Foundotos was also known for being gregarious and personable, seeking to use his intelligence not to browbeat others but to persuade and educate, his professorial demeanor coming to the fore on more than one occasion.

“He was very smart, not only about Society matters, but also worldly in general. It wasn’t so much that he’d try to convince you … but he would lay out what his thoughts were, and they’d be very cogent, and most of the times you’d agree with him,” said Weiner, who added that Foundotos was “a gentleman, a true gentleman.”

Howard B. Levy, one of the Suffolk Chapter’s longest-serving members, said that Foundotos had a genuine enthusiasm for both the Suffolk Chapter and the Society as a whole, and was prominently dedicated to the success of both. He observed that Foundotos had been there since the very first day. Since then, he became a regular fixture at virtually every Society event he could get to, which was how the two became such good friends over the years.

“He was just a very warm, friendly guy who made everyone feel good,” Levy said.

By the time that NYSSCPA Past President Harold L. Deiters III first joined the Society, Foundotos had become something of an institution in the Suffolk Chapter (of which he and Deiters were presidents at different times). This was reflected not only in the guidance and wisdom he would often offer the younger members, but also in the annual tradition of “zapping.”

Deiters chuckled when he recalled that, when the Suffolk Chapter first formed, Samuel Person (a mentor to Foundotos who died in 1977) was installing its new board. Some of the members asked him to say a few words commemorating the occasion, so, according to Deiters, Person “threw a hand up and made a motion like he was throwing something and said ‘Zap! You’re installed!’” While Person was the one who created the tradition, Deiters said it was Foundotos who continued it for 26 years. When a new board was installed, he would get up, say a few words, talk about the history of the zap, and then “zap us in!”

The tradition continues with Deiters himself, after Foundotos handed the responsibility off to him when he became too ill. Deiters has since zapped in several more boards, although it will take a while before he matches Foundotos’ record.

He said he was particularly impressed with Foundotos’ dedication to the Suffolk Chapter, at a level that lasted far longer than what he’d usually see from people.

“The one thing that amazed me about George was that there are many, many presidents who have gone through the Suffolk Chapter, … but once their term ends as Suffolk president, they seem to sort of wave off into the sunset and move on to other things,” Deiters said. “George, well, he had a lot of things going on in his life, … but he never lost sight of the importance of the chapter and continued to attend chapter events and chapter board meetings.”

Among Foundotos’ other pursuits was motorcycle riding, which he took up shortly before retiring. He became an active member of the Long Island Harley Riders Chapter of the Harley Owners Group, where he served as treasurer.

“He was very smart, not only about Society matters, but also with his ability to communicate it in practical ways that clients could understand, which was invaluable when dealing with complex tax issues.”

“As a competitor, saying that their firms would get something in exchange for something else often failed to convince the other firm,” Deiters said. “George, well, he had a lot of things going on in his life, … but he never lost sight of the importance of the chapter and continued to attend chapter events and chapter board meetings.”

Among Foundotos’ other pursuits was motorcycle riding, which he took up shortly before retiring. He became an active member of the Long Island Harley Riders Chapter of the Harley Owners Group, where he served as treasurer.

“Not that they were never competitive after that: Pirro and Foundotos would often joke about who would get served breakfast first at chapter gatherings, with Foundotos time and time again being served last, to the point where he’d wonder if Pirro had paid off the staff,” Joel E. Ackerman, who served with Foundotos on the Political Action Committee and the statewide Board of Directors, first knew him as a competitor, saying that their firms would sometimes occasionally, “for lack of a better term, battle for a client.” When he got to know Foundotos better once he became active in the Society, however, he came to know him as someone who “was honest and always professional.”

“I enjoyed working with George on the board. He had good insights because he had such depth of knowledge,” he said.

“Had they ever been competitive before that: Pirro and Foundotos would often joke about who would get served breakfast first at chapter gatherings, with Foundotos time and time again being served last, to the point where he’d wonder if Pirro had paid off the staff.”

George T. Foundotos (top, at left) at the NYSSCPA’s 2015 Annual Dinner with NYSSCPA Past President John J. Kearney and then-President-elect F. Michael Zovistoski; (lower left) teaching a class at Dowling College; and (lower right) as a member of the Long Island Harley Riders, where he served as treasurer.
Sustainability reporting

Continued from page 3

scope and scale of the problem, which led to weaknesses in the reporting space. A reporting and accountability system worth its salt, he said, would routinely force business models change on firms, something “vanishingly rare these days.”

“There has been a combination of an unwillingness to engage the full nature and scope of the systemic crisis we face, coupled with the very human sense that going a little faster and doing things a little better will crack the problems. It won’t—and can’t,” he said.

The lack of mandatory attestation

Regardless of whether the issue exists at the entity, framework or paradigm level, a persistent factor in greenwashing attempts that sustainability experts mention again and again is the lack of mandatory attestation for sustainability reports. Mezzio noted that while many companies do get third-party attestation for their reporting, most are limited-scope engagements that mostly consist of nonspecific conclusions. For example, he said, such a third party might take on such an engagement thinking, “I’ll look at some things, and if anything is really out of whack, I’ll identify something but [I’m] not doing a deep dive of the evidence.”

Mezzio contrasted this form of reporting with the financial reporting world, which not only has a mandatory attestation requirement, but also uniform standards and principles that promote are being increasingly enacted into law. “While the framework itself might still be governed by soft law, the principles and standards it promotes are being increasingly enacted into more mandatory structures,” he said.

Kraten has observed that increasingly, the market seems to be demanding mandatory attestation as well, which “is not necessarily an unhealthy thing.” The system, overall, seems to be maturing.

“I’m certainly not saying that a full set of nonfinancial and sustainability information [attestation] will be mandated by the federal government in the very near future; I think the momentum and the trend is all toward more reporting, more quantitative reporting, and a higher level of assurance by an outside accounting firm on the data that is required,” he said.

Cho said that the idea behind attestation in the sustainability field is good, but since there is a lack of monitoring and enforcement in the same manner as financial reporting, as well as a lack of authoritative bodies like the Securities and Exchange Commission which could add real accountability, the standards themselves have “no weight or authority.” “With this in mind, he said that the limited-scope engagements currently in use are more like consulting than a real audit.

“This is voluntary and very lucrative for firms providing it, so while the idea behind ‘assuring’ sustainability reports is a good one, it seems to have been hijacked—just like the reporting itself,” he said.

The sustainability world, however, does seem to be evolving away from everything being 100 percent voluntary, according to White. For a long time, sustainability reporting was governed mostly through norms, which he called “soft law.” But in recent years, at least

“I think the momentum and the trend is all toward more reporting, more quantitative reporting, and a higher level of assurance by an outside accounting firm on the data that is required.”

—Michael L. Kraten, a member of the Sustainability Investment Leadership Council
RICHARD J. GIRASOLE, Brooklyn, N.Y., was suspended from membership for two years, effective June 13, 2018, under the provisions of NYSSCPA bylaws Article XII—Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline. The action was based on the conduct of the firm, Girasole and Company, as the firm issued its audit opinion and attested to the financial statements of a broker-dealer. Girasole failed to plan the audit, failed to obtain sufficient appropriate audit evidence, and failed to exercise due professional care and professional skepticism in connection with the audit. He did not remain independent of the firm’s audit client throughout the audit engagement. Girasole failed to have an engagement quality review performed by a partner or another individual in an equivalent position before the firm issued its audit opinion and attest report. In addition, Girasole failed to timely and adequately respond to the PCAOB’s request for reinstatement after two years from the date of the PCAOB’s order. Details regarding the PCAOB’s order can be found at pcaobus/enforcement/Decisions/Documents/105-2018-012-Girasole.pdf.

JOSEPH C. MACINA, Bay Shore, N.Y., was disciplined under the provisions of NYSSCPA bylaws Article XII—Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline. Macina’s NYSSCPA membership was suspended for three years, effective Dec. 21, 2018, in connection with the disciplinary action taken by the Securities and Exchange Commission (SEC), through an “Offer of Settlement,” in which he neither admitted nor denied the findings, the SEC denied Macina the privilege of appearing or practicing before the SEC as an accountant, with the right to submit an application for reinstatement after three years from the effective date of the SEC’s order. This action is based on the SEC’s Order Instituting Public Administrative Proceedings Pursuant to Section 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order. According to the SEC’s findings, Macina engaged in improper professional conduct by violating auditing standards established by the Public Company Accounting Oversight Board (PCAOB). As the engagement partner on the audit of a government auditing standards based company from 2009 to 2015, for the two audits and had overall responsibility for ensuring that the firm complied with PCAOB rules and standards, and he knew, or was reckless in not knowing, that the firm failed to implement and maintain controls contributing to the firm’s violations. Further details regarding the PCAOB’s order can be found at pcaobus/enforcement/Decisions/Documents/105-2018-012-Girasole.pdf.

RICHARD M. BARRE, Union, N.J., was admonished by the NYSSCPA, effective April 15, 2019, as a result of an investigation alleging a potential disciplinary matter with respect to his performance of professional services on the audit of the financial statements of a New Jersey based organization as of and for the fiscal year ended June 30, 2015. Based on a review of information provided by Barre, there appeared to be prima facie evidence of violations of 1.310.001, Compliance with Standards Rule, and 1.320.001, Compliance with Standards Rule, when, in fact, the audit was not performed. As a result of Barre’s violations of PCAOB rules and standards in connection with his failure to obtain an engagement quality review of two broker-dealer audit clients, McCallum’s NYSSCPA membership was terminated, effective May 7, 2019, in connection with the disciplinary action taken by the Securities and Exchange Commission (SEC). Through an “Offer of Settlement,” in which he neither admitted nor denied the findings, the SEC denied Rubin the privilege of appearing or practicing before the SEC as an accountant. This action is based on the SEC’s Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order. According to the SEC’s findings, Rubin engaged in improper professional conduct by violating auditing standards established by the Public Company Accounting Oversight Board (PCAOB). He was the engagement partner during the audits of a temporary staffing services company from 2009 through 2013. During the audits of the company’s 2012 financial statements, Rubin and the engagement quality reviewer submitted a request for documents. Rubin’s NYSSCPA membership was suspended for three years, effective April 15, 2019, as a result of an investigation alleging a potential disciplinary matter with respect to his performance of professional services on the audit of the financial statements of a New Jersey based organization as of and for the fiscal year ended June 30, 2015. Based on a review of information provided by Barre, there appeared to be prima facie evidence of violations of 1.310.001, Compliance with Standards Rule, and 1.320.001, Compliance with Standards Rule, when, in fact, the audit was not performed. As a result of Barre’s violations of PCAOB rules and standards in connection with his failure to obtain an engagement quality review of two broker-dealer audit clients, McCallum’s NYSSCPA membership was terminated, effective May 7, 2019, in connection with the disciplinary action taken by the Securities and Exchange Commission (SEC). Through an “Offer of Settlement,” in which he neither admitted nor denied the findings, the SEC denied Rubin the privilege of appearing or practicing before the SEC as an accountant. This action is based on the SEC’s Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order. According to the SEC’s findings, Rubin engaged in improper professional conduct by violating auditing standards established by the Public Company Accounting Oversight Board (PCAOB). He was the engagement partner during the audits of a temporary staffing services company from 2009 through 2013. During the audits of the company’s 2012 financial statements, Rubin and the engagement quality reviewer submitted a request for documents.
Make plans to attend the highly anticipated, first-ever Diversity and Inclusion Conference. Come hear from renowned speakers and experts in the field as they provide insight and strategies on hot-button topics including—

- How to Create a Workplace that Fosters Equality
- Getting a Seat at the Table
- How to Implement Diversity and Inclusion Initiatives
- Managing Unconscious Bias

This half-day conference includes a networking cocktail reception. Space is limited, so register today to secure your spot!

SAVE $50
Early Bird Expires
10/2/19

To register, visit nysscpa.org/diversity19 or call 800-537-3635
FAE—THE DESTINATION FOR ADVANCEMENT IN CAREERS

REGISTER TODAY FOR CPE—NOW AT NEW LOWER PRICES!

ATTEND IN-PERSON OR VIA WEBCAST

September 26, 2019
Health Care Conference
Register: nysscpa.org/healthcare19
Early Bird Expires 9/5/19

October 16, 2019
Business and Industry Conference
Register: nysscpa.org/business19
Early Bird Expires 9/25/19

October 23, 2019
Diversity and Inclusion Conference
Register: nysscpa.org/diversity19
Early Bird Expires 10/2/19

October 29, 2019
Digital Assets Conference
Register: nysscpa.org/digital19
Early Bird Expires 10/1/19

November 6, 2019
Cannabis Conference
Register: nysscpa.org/faecannabis19
Early Bird Expires 10/16/19

November 7, 2019
Tax Planning for Individuals Conference
Register: nysscpa.org/taxplan19
Early Bird Expires 10/17/19

November 12, 2019
Banking Conference
Register: nysscpa.org/banking19
Early Bird Expires 10/22/19

November 14, 2019
Auditing Standards Conference
Register: nysscpa.org/auditing19
Early Bird Expires 10/24/19

November 20, 2019
Anti–Money Laundering Conference
Register: nysscpa.org/aml19
Early Bird Expires 10/30/19

November 21, 2019
Alternative Investment Fund Conference
Register: nysscpa.org/alf19
Early Bird Expires 10/31/19

December 3, 2019
Real Estate/Construction Contractors Conference
Register: nysscpa.org/rc19
Early Bird Expires 11/12/19

December 4, 2019
Trust and Estate Taxation Conference
Register: nysscpa.org/trusttax19
Early Bird Expires 11/13/19

December 6, 2019
IRS Practice and Procedures Conference
Register: nysscpa.org/irs19
Early Bird Expires 11/15/19

December 10, 2019
Partnerships and LLCs Taxation Conference
Register: nysscpa.org/partnerships19
Early Bird Expires 11/19/19

December 11, 2019
New York and Tri-State Taxation Conference
Register: nysscpa.org/nystax19
Early Bird Expires 11/20/19

December 17, 2019
Exempt Organizations Conference
Register: nysscpa.org/exemptorg19
Early Bird Expires 11/26/19

January 9, 2020
42nd Annual Nonprofit Conference (Rochester)
Register: nysscpa.org/nonprofit20
Early Bird Expires 12/19/19

January 14, 2020
Taxation of Financial Instruments and Transactions Conference
Register: nysscpa.org/tifi20
Early Bird Expires 12/23/19

January 16, 2020
42nd Annual Nonprofit Conference (NYC)
Register: nysscpa.org/nonprofit20
Early Bird Expires 12/26/19

January 23, 2020
Personal Financial Planning Conference
Register: nysscpa.org/pfp20
Early Bird Expires 1/2/20

January 30, 2020
International Taxation Conference
Register: nysscpa.org/international20
Early Bird Expires 1/9/20

May 18, 2020
Business Valuation Conference
Register: nysscpa.org/bv20
Early Bird Expires 4/27/20

May 21, 2020
Estate Planning Conference
Register: nysscpa.org/estate20
Early Bird Expires 4/30/20

June 4, 2020
Employee Benefits Conference
Register: nysscpa.org/eb20
Early Bird Expires 5/14/20

November 11, 2020
Closely Held and Flow-Through Entities Conference
Register: nysscpa.org/closelyheld20
Early Bird Expires 10/21/20

January 23, 2020
Cannabis Conference
Register: nysscpa.org/afccannabis19
Early Bird Expires 10/16/19

January 30, 2020
International Taxation Conference
Register: nysscpa.org/international20
Early Bird Expires 1/9/20

May 6, 2020
Broker/Dealer Conference
Register: nysscpa.org/bd20
Early Bird Expires 4/15/20

TO REGISTER BY PHONE
CALL 800-537-3635
CPA ROUNDTABLE

How is the ideal entry-level candidate of today different from the ideal entry-level candidate of 15 years ago?

DAVID G. YOUNG | Managing Partner | Rochester

One thing that’s really different today is that we check social media accounts to make sure that the person we’re about to bring in isn’t posting all sorts of crazy stuff. These people are going to be representing our firm, both in and out of the office, and we want candidates who understand that and act appropriately. If they don’t, it really makes me question someone’s judgment, even if they gave a great interview.

Candidates also need a better understanding of technology than before, particularly where it concerns private information. Data breaches are all over the news, so ideally candidates come in knowing they shouldn’t be doing stuff like writing passwords down on sticky notes, or replying to an obvious phishing email. Beyond this, however, the number of software tools people use at firms has grown over the past 15 years, and so ideally people should be familiar with what they do and how they work. Related to this is the profession’s increasing connection with analytics, so a great entry-level candidate would also have the sort of data-driven mindset that’s needed in this environment.

On a deeper level, though, one thing that hasn’t changed is that we want people who understand the whys behind the numbers. People today are used to plugging numbers into a computer program and getting a result, but we want to make sure they understand the principles behind the result. This is why, even today, I ask candidates to take a basic bookkeeping/accounting/tax test to see whether they can actually apply these principles in real life, or if they’re stuck in a plug-and-play mindset.

dyoung@youngandcompany.net

MICHAEL M. TODRES | Managing Partner | Westbury

I don’t know if things have changed that much in 15 years in terms of what we look for. Just as I always have, I want people with good judgment, common sense and an inquisitive mind. Yes, technical skills are important, and every year, it seems you need to know more and more, but they must still be grounded in good judgment and common sense. While we have become much more technological over the years, we’re still supposed to be good listeners, communicators and team players, with a strong sense of professional skepticism. While technology may change and advance, these soft skills are universal and forever, and I don’t see them ever not being in demand. People may now need a master’s degree, but what I want to know is what they do with that knowledge, and how they translate it into real-life experience. In other words, soft skills.

mike@todres.com

CLARE E. CELLA | Partner | Manhattan

I’ve been in this profession for 32 years, and some things have changed a lot. For instance, today’s entry-level candidates have a higher demand for a nice work-life balance and more schedule flexibility. I’m with a firm that has adapted accordingly, which has been instrumental in attracting bright young professionals. Suffice it to say that working 60–75 hours a week during busy season is a tougher sell than before. Relatedly, I’d say firm culture and people’s ability to fit within it has become more important over the years, as well. When I interview someone, I want to see how they will get along with our staff, as striking the right cultural balance is vital, when so much of our work relies on teams.

Some things haven’t changed, though. We still want candidates to have good interpersonal skills, particularly when so many people are buried in their phones, because they’ll be interacting with clients. And we still highly value experience, particularly internships, which indicates a candidate understands what it means to work in a professional environment. These things are unlikely to change in the future.

ccella@pkfod.com

NEIL A. GIBGOT | Managing Partner | Great Neck

I’ve been managing my firm for 37 years. When I was young and meeting interviewees, one of the first questions they would always ask is how long it takes to become partner. I almost never hear that anymore, not for years. It seems as if those going into the profession aren’t looking to be there for the rest of their lives, as many did before. Another difference is a matter of formality. When I was first starting out, if your boss told you your hair was too long, you went out and got a haircut. If you came in five minutes late or left five minutes early, your boss would have a word with you. Today, while we still expect people to look professional, we’re a little more casual than before, and we’re much more willing to be flexible in terms of scheduling. Ours is a small firm with about a dozen people, many of whom are mothers with children, and to retain staff, we’ve accommodated requests to work from home some days or work different hours.

You’ve got to be aware of what’s going on in entry-level people’s lives, and how things for them really are, so you can meet them in the middle. Times have changed, and firms have to change with them.

neil@gw-cpa.com
Buffalo
Business and Industry Conference—Buffalo
When: Oct. 16, 8:30 a.m.—5 p.m.
Where: Rich Products Corp., 1150 Niagara St., Buffalo
Cost: $149 members (Early bird $99 through Sept. 25); $249 nonmembers (Early bird $199 through Sept. 25)
Register online or call 800-537-3635
CPE: 8 (1.5 accounting, 1.5 advisory services, 4 specialized knowledge, 1 taxation)
Cost: $25 members, $35 nonmembers ($5 additional at door)
Course Code: 29032007
Register online or call 800-537-3635

Nassau
Nassau Chapter Grow Your Practice to Sell It: A Succession Planning Guide
When: Oct. 25, 8—10 a.m.
Where: On Parade Diner, 7980 Jericho Turnpike, Woodbury
Cost: $25 members, $35 nonmembers ($5 additional at door)
CPE: 2 (advisory services)
Course Code: 29032007
Register online or call 800-537-3635

Nassau Chapter Student CPA Fest
When: Oct. 30, 3—8:30 p.m.
Where: Chateau Briand, 440 Old Country Road, Carle Place
Cost: $10 students, $70 members, $80 nonmembers
Course Code: 45030002
Register online via PayPal

Nassau Chapter Attorneys and Accountants Networking Mixer
When: Nov. 26, 6—9 p.m.
Where: The Fox Hollow, 7725 Jericho Turnpike, Woodbury
Cost: $75 per person
Course Code: 45030003
Register online via PayPal

Nassau Chapter Annual Tax Conference
When: Dec. 7
Where: Long Island Marriott Hotel & Resort, 101 James Doolittle Blvd., Uniondale
Cost: $175 members, $250 nonmembers
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28603023 (Dec. 6), 28603024 (Dec. 7)

Nassau/Suffolk
Business and Industry Conference—Nassau/Suffolk
When: Oct. 16, 8:30 a.m.—5 p.m.
Where: Nawrocki Smith, 290 Broad Hollow Road, Melville
Cost: $149 members (Early bird $99 through Sept. 25); $249 nonmembers (Early bird $199 through Sept. 25)
Register online or call 800-537-3635
CPE: 8 (1.5 accounting, 1.5 advisory services, 4 specialized knowledge, 1 taxation)
Cost: $25 members, $35 nonmembers ($5 additional at door)
Course Code: 28503027
Register online or call 800-537-3635

Nassau/Suffolk Chapter Celebrate Oktoberfest Networking Event
When: Oct. 24, 6—9 p.m.
Where: Black Forest Brew Haus, 2015 New Highway, Farmingdale
Cost: $55 per person
Course Code: 45030006
Register online via PayPal

Joint Nassau/Suffolk Chapter Accounting & Auditing Conference
When: Nov. 8, 8:30 a.m.—5 p.m.
Where: Radisson Hotel Hauppauge, 110 Vanderbilt Motor Parkway, Hauppauge
Cost: $175 members, $250 nonmembers
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28103022

Northeast
Business and Industry Conference—Northeast
When: Oct. 16, 8:30 a.m.—5 p.m.
Where: BST & Co. CPAs LLP, 26 Computer Drive West, Albany
Cost: $149 members (Early bird $99 through Sept. 25); $249 nonmembers (Early bird $199 through Sept. 25)
Register online or call 800-537-3635
CPE: 8 (1.5 accounting, 1.5 advisory services, 4 specialized knowledge, 1 taxation)
Course Code: 28504042

Queens/Brooklyn
Queens/Brooklyn Chapter Annual Tax Conference
When: Dec. 3
Where: NYS Department of Taxation and Finance, 15 MetroTech Center, Brooklyn
Cost: $150 members, $200 nonmembers
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28116022

Suffolk
Suffolk Chapter 23rd Annual Young Professional Golf Outing
When: Sept. 24, 7 a.m.—2 p.m.
Where: Hamlet Golf & Country Club, 1 Clubhouse Drive, Mount Sinai
Cost: $250 per golfer
Course Code: 45080002
Register online via PayPal

Suffolk Chapter Health Insurance: A Look Forward/ New Paradigm in Retirement Plan Services
When: Oct. 22, 9-11 a.m.
Where: Adelphi University—Hauppauge Center, 55 Kennedy Drive, Hauppauge
Cost: Free
CPE: 2 (specialized knowledge)
Course Code: 29085002
Register online or call 800-537-3635

Rochester
Business and Industry Conference—Rochester
When: Oct. 16, 8:30 a.m.—5 p.m.
Where: St. John Fisher College, 3690 East Ave., Rochester
Cost: $149 members (Early bird $99 through Sept. 25); $249 nonmembers (Early bird $199 through Sept. 25)
Register online or call 800-537-3635
CPE: 8 (1.5 accounting, 1.5 advisory services, 4 specialized knowledge, 1 taxation)
Cost: $25 members, $35 nonmembers
Course Code: 28505072

Rochester Chapter 54th Annual Tax Institute
When: Nov. 22
Where: Rochester Plaza Hotel, 70 State St., Rochester
Cost: TBD
CPE: 8 (taxation)
Course Code: 28605071
Check chapter webpage for registration information updates

Southern Tier
Southern Tier Chapter Annual Taxation Conference
When: Oct. 24, 8:30 a.m.—5 p.m.
Where: Holiday Inn Arena, 8 Hawley St., Binghamton
Cost: $175 members, $250 nonmembers
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28606061

Mid Hudson
Mid Hudson Chapter 39th Annual Golf Outing
When: Sept. 23, 10—5 p.m.
Where: Otterkill Golf & Country Club, 100 Otter Road, Campbell Hall
Cost: $150 per golfer, $35 cocktail reception only
Course Code: 45020001
Contact: Thomas R. DiGovanni at tdigovanni@ribtcpas.com

Nassau/Suffolk Chapter 23rd Annual Young Professional Golf Outing
When: Oct. 24, 7 a.m.—2 p.m.
Where: Holiday Inn Arena, 8 Hawley St., Binghamton
Cost: $250 per golfer
Course Code: 45080002
Register online via PayPal

Rochester Chapter 54th Annual Tax Institute
When: Nov. 22
Where: Rochester Plaza Hotel, 70 State St., Rochester
Cost: TBD
CPE: 8 (taxation)
Course Code: 28605071
Check chapter webpage for registration information updates

Southern Tier
Southern Tier Chapter Annual Taxation Conference
When: Oct. 24, 8:30 a.m.—5 p.m.
Where: Holiday Inn Arena, 8 Hawley St., Binghamton
Cost: $175 members, $250 nonmembers
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28605071

Rochester Chapter Annual Taxation Conference
When: Nov. 9, 8:30 a.m.—5 p.m.
Where: Radisson Hotel Hauppauge, 110 Vanderbilt Motor Parkway, Hauppauge
Cost: $175 members, $250 nonmember
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28608025

Continued on page 22
Highlighting our summer events and honoring a longtime member

By LISA MRKALL
Buffalo Chapter President

We are into the home stretch of another summer in Buffalo. We’ve enjoyed some well-deserved warm and sunny weather after a less than spectacular spring. Speaking of spectacular, the Buffalo Chapter hosted some fantastic events over the summer, including the Annual Summer Symposium and the Young Professionals Golf Outing.

The Annual Summer Symposium is an institution here in Buffalo. Our fearless leaders Patricia A. McGrath and Gregory J. Altman tirelessly organized another great two-day event. The speakers and topics were timely and left many of the attendees wanting more. Walt Manning, a very dynamic speaker with more than 40 years of experience in law enforcement and private practice, led a very interesting discussion about the “Darknet” and “Internet of Things.” He has an incredible way of explaining complex technocrime investigations that everyone can understand. Another speaker, Vince Lo-Russo, founder of the gamified learning platform TrueUp, spoke about how his startup assists companies in evaluating the skills of professionals in both the recruiting and retention processes.

I’d like to take a moment to highlight an outstanding member of the Buffalo Chapter. We have no shortage of members with incredible histories of service that are truly inspiring not only to me, but to our membership as a whole. I would be remiss if, in my second article as president, I didn’t highlight Greg Altman. Greg has served in countless roles in the Buffalo Chapter and at the state level. As his dear friend Pat McGrath often remarks, “No one can say no to Greg!” Thank you, Greg, for your service to the chapter, your kindness, and your tireless efforts. Greg is “behind the scenes” of or has first-hand experience with, just about every event the Buffalo Chapter hosts. Thank you again, Greg!

To continue with the theme of open communication, please do not hesitate to reach out to me directly should you have any questions or concerns about happenings in the Buffalo Chapter. I would love to hear from you. You’re encouraged to check out “NYSSCPA — Buffalo Chapter” on Facebook as well; hopefully, you’ll notice our use of social media more and more. Pictures from our annual Young Professionals Golf Tournament, held on Aug. 2, are up, along with some “Save the Dates” for some other upcoming events. Please also mark your calendars for Monday, Oct. 28, when NYSSCPA President Ita M. Rahilly, President-elect Edward L. Arcara and Executive Director Joanne S. Barry will visit to present a Professional Issues Update. You can also find upcoming events on our chapter page, at nysscpa.org/membership/chapters/buffalo. Many thanks to our NextGen members for organizing the golf tournament again this year and for a couple of really fun events coming up in the fall—more to come on those. Enjoy the rest of the summer!

lmrkall@tsacpa.com

State Sen Rants Island
Staten Island Annual Taxation Conference
When: Nov. 22, 8:30 a.m.—4:30 p.m.
Where: Li Greci’s Staaten, 697 Forest Ave., Staten Island
Cost: $150 members, $200 nonmembers
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28607021

Syracuse
Syracuse Chapter Annual Taxation and A&A Update
When: Nov. 20, 8:30 a.m.—5 p.m.
Where: TBD
Cost: $175 members, $250 nonmembers
Register online or call 800-537-3635
CPE: 8 (taxation)
Course Code: 28609051

Utica
Business and Industry Conference — Utica
When: Oct. 16, 8:30 a.m.—5 p.m.
Where: Rising Phoenix Holdings Corp., 126 Business Park Drive, Utica
Cost: $149 members ( Early bird $99 through Sept. 25 ); $249 nonmembers ( Early bird $199 through Sept. 25 )
CPE: 8 (1.5 accounting, 1.5 advisory services, 4 specialized knowledge, 1 taxation)
Course Code: 28510052
Register online or call 800-537-3635

Westchester/Rockland
Business and Industry Conference — Westchester/Rockland
When: Oct. 16, 8:30 a.m.—5 p.m.
Where: Citrin Cooperman & Co. LLP, 709 Westchester Ave., Suite 200, West Harrison
Cost: $149 members ( Early bird $99 through Sept. 25 ); $249 nonmembers ( Early bird $199 through Sept. 25 )
CPE: 8 (1.5 accounting, 1.5 advisory services, 4 specialized knowledge, 1 taxation)
Course Code: 28511036

Hello from the beautiful Hudson Valley!

By MAGDA REYES
Mid Hudson President

The Mid Hudson Chapter held its organizational meeting at The Powelton Club, in Newburgh, on June 6. Representatives from the NYSSCPAs headquarters joined us to deliver NYSSCPA President Ita M. Rahilly’s message as our new statewide president. We also reviewed our chapter’s accomplishments for the past year and recognized Immediate Past President Maria L. Petrollese for her hard work on behalf of our chapter. In addition, we went over the plan for the new fiscal year.

At the end of July, the NYSSCPA held its Leadership Conference in our backyard, at the beautiful Resorts World Catskills Hotel & Casino in Monticello. We hope you had a chance to attend; it was a great conference.

Coming up on Sept. 23, our chapter will hold its 39th Annual Golf Outing at the Otterkill Golf & Country Club in Campbell Hall. Check out the registration details on our Mid Hudson Chapter web page, nysscpa.org/membership/chapters/mid-hudson. Proceeds from the event will be donated to the National Purple Heart Hall of Honor Inc. Please also mark your calendars for Monday, Nov. 4, when Ita M. Rahilly, President-elect Edward L. Arcara and Executive Director Joanne S. Barry will visit to present a Professional Issues Update. I hope you get to attend some of our events this year. The fall foliage in this area is a great bonus to your visit!

magdareyes@gmail.com
Looking forward to CPE, other events in the fall

By MATTHEW GALLAGHER
Queens/Brooklyn Chapter President

I hope you had a nice summer and are breathing a sense of relief that another tax deadline has come and gone. The weather may be cooling down, but our activity in the Queens/Brooklyn Chapter is heating up as the fall gets underway. We were happy again this year to welcome law firm Forster Boughman, based in Orlando, Fla., for a 3-credit CPE course on “Foreign Taxation, Asset Protection and Cryptocurrencies,” held at St. John’s University on Aug. 27. Attorneys Gary Forster and J. Brian Page spoke on asset protection trusts and the potential use of cryptocurrencies with those trusts. The seminar was very interesting and relevant, given the surge in the use and accounting for cryptocurrencies, which are now at the forefront of our profession.

We continued our sole practitioner roundtables on Thursday, Sept. 19, with a 2-credit CPE course at Capital One Bank in Union Square. These roundtables have been a great resource for all CPAs in our chapter, and they have given our members a sounding board for discussing issues relevant to the sole practitioner, especially the Tax Cuts and Jobs Act and peer review. Past president and current board member Brian T. Gordon will be presenting a 2-credit breakfast CPE course on “NYS Residency Tax Audits” on the morning of Tuesday, Sept. 24, at St. John’s.

On Monday, Oct. 28, will see the return of Debbie A. Cutter to our chapter to present our annual 2-credit ethics CPE course, also to be held at St. John’s. We had great feedback on Debbie’s presentation last year and are looking forward to having her present to us this year again.

On the social side, we will welcome President Ita M. Rahilly, President-elect Edward L. Arcara and Executive Director Joanne Barry to our chapter on Tuesday, Nov. 12, for our annual Professional Issues Update. This evening will include a 2-credit CPE education component and update on what is happening at the state level and what the officers hope to accomplish during their term; it also gives us a chance to socialize with them and other chapter members over dinner. We are also working out details for our Christmas/holiday party to be held later in the year. Stay tuned to our webpage at nysscpa.org/membership/chapters/queens-brooklyn for the final details and locations for these events to be announced.

Two Rochester chapter members win Society Awards

By JOHN A. MOURER
Rochester Chapter President

A s I start my year as the Rochester Chapter president, I want to thank the prior chapter presidents and other board members who have helped me get to this point. Your guidance, mentoring and feedback have been much appreciated. I also want to thank the other board members and committee members for their continued service as we drive forward the Rochester committee’s goals and events.

We installed the 2019–2020 board members on June 11 at Midvale Country Club in Penfield with representatives from the Society’s headquarters in attendance. We discussed the upcoming Society’s conference, the CPA of the Year awards, membership and participation at events. We also discussed the opportunities to increase the diversity within the board and committees. To that end, we have added approximately five new chairs or co-chairs in different committees from the next generation group.

In May, I attended the dinner in New York City called “An Evening of Celebration with the 100th President.” This was the installation dinner for the society’s 100th president, Ita M. Rahilly, and the full slate of the NYSSCPA’s officers. At this dinner, two of our very own received awards. Steven M. Morse, of The Bonadio Group, received the Arthur J. Dixon Public Service Award as a lifelong community volunteer, and William H. Dressack, of the Rochester Institute of Technology’s Saunders College of Business, received the Dr. Emanuel Saxe Outstanding CPA in Education Award.

I attended the Leadership Conference hosted by the Society in July, and was amazed at the breadth of talent in both the older members and the next-generation members in attendance. I believe that the future is bright for the Society, as we discuss what the CPA of the future is going to look like as artificial intelligence continues to “lighten” the workload.

I agree that we need to embrace the future and talk about what we can do as a Society to encourage the entrance of more students into our field while maintaining the professional, ethical and educational requirements.

As we continue to strive to increase the participation at events, we are finding that the desire to network is still strong. Please be on the lookout for our chapter’s events on our chapter’s webpage at nysscpa.org/membership/chapters/rochester. We do have a Public Relations Committee, and we are looking to add a member whose focus will be on updating the Trusted Professional as well as the event calendar with our chapter’s upcoming events.

I am looking for input on how we can continue our striving for excellence at our events. Please feel free to contact me at the address below. The entire board is also committed to making this chapter a success. With the assistance from our chapter relations manager from New York City, we will be looking forward to helping you in any way we can.

The last thing I would like to discuss is your membership profile. If you have not already, please check out your membership profile and be sure it is up to date. Your profile can be found at nysscpa.org/membership/member-directory. This profile contains the email address where other society members can reach you, as well as the email address that the headquarters sends its correspondence to. If you have any issues, please call the State Society office at 1-800-NYSSCPA (1-800-697-7727).

I am looking forward to seeing many of you at our managing partners visit on Oct. 28, when NYSSCPA President Ita M. Rahilly, President-elect Edward L. Arcara and Executive Director Joanne S. Barry will provide us with updates and you can ask them questions.
The FAE delivers the following professional education programs for CPAs and other financial professionals in all areas of business, including all public accounting practice areas, and those working in government, industry, and academia, to help satisfy their New York state calendar-year continuing professional education requirements. To search within New York City, refer to Manhattan/Bronx. To search within Albany, refer to Northeast. For the most up-to-date events information, visit nysscpa.org or call 800-537-3635. Sign up today!
Executive Education

14 Wall Street

See course listing under Accounting.

Real Estate/Construction Contractors Conference
12/3
$229/$329/$199/$299 (L), $149/$249/$199/$299 (W)

AD/8  32204011, 35204011 (W)

Analytics and Big Data for Accountants
$229/$329/$199/$299 (L), $149/$249/$199/$299 (W

Early-Bird prices through March 30, 2020:
$229/$329 (L), $149/$249 (W)

4/21/20
Current Developments and Best Practices for Today's CFOs and Controllers
14 Wall Street
Surgent McCoy CPE LLC
$279/$379 (L), $199/$299 (W)

Early-Bird prices through March 30, 2020:
$229/$329 (L), $149/$249 (W)

4/20/20
CFO/Controller's Roadmap to Success: Integrated Planning, Forecasting, and Budgeting
14 Wall Street
Surgent McCoy CPE LLC
$279/$379 (L), $199/$299 (W)

Early-Bird prices through Oct. 21:
$119/$219 (L), $75/$175 (W)

11/7
Latest Developments in Government and Nonprofit Accounting and Auditing
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Oct. 17:
$119/$219 (L), $75/$175 (W)

11/8
The 2018 Yellow Book Revision
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Oct. 18:
$119/$219 (L), $75/$175 (W)

11/8
Recent Frauds Occurring in Not-for-Profit Entities and Governments
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Oct. 18:
$119/$219 (L), $75/$175 (W)

11/10
Auditing Standards Conference
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Oct. 24:
$250/$350 (L), $200/$300 (W)

11/12
K2's Microsoft Office 365—All the Things You Need to Know
14 Wall Street
K2 Enterprises Inc.
$279/$379 (L), $199/$299 (W)

Early-Bird prices through Oct. 22:
$229/$329 (L), $149/$249 (W)

12/12
FRAUD
Detecting and Preventing the Top Ten Fraud Schemes
14 Wall Street
Surgent McCoy CPE LLC
$279/$379/$249/$349 (L), $199/$299/$169/$269 (W)

Early-Bird prices through Nov. 21:
$229/$329/$199/$299 (L), $149/$249/$199/$299 (W)

12/17
FAE's Auditing Update
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Nov. 26:
$119/$219 (L), $75/$175 (W)

12/17
FAE's Compilation, Review, and Preparation of Financial Statements Update
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Nov. 26:
$119/$219 (L), $75/$175 (W)

10/16
Business and Industry Conference
See course listing under Accounting.

10/24
Critical Issues Involving Taxation of Construction Contractors
T/4
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Oct. 3:
$119/$219 (L), $75/$175 (W)

10/24
The Top Five Tax Issues in Dealing with LLCs and Partnerships
T/4
14 Wall Street
Surgent McCoy CPE LLC
$169/$269 (L), $100/$200 (W)

Early-Bird prices through Oct. 3:
$119/$219 (L), $75/$175 (W)

10/29
Digital Assets Conference
See course listing under Accounting.

10/30
The Best S Corporation, Limited Liability, and Partnership Update Course by Surgent
T/8
14 Wall Street
Surgent McCoy CPE LLC
$279/$379 (L), $199/$299 (W)

Early-Bird prices through Oct. 9:
$229/$329 (L), $149/$249 (W)

11/8
Slashing Taxes for Your Small Business Clients: Corporations, Partnerships, and LLCs
T/8
14 Wall Street
Surgent McCoy CPE LLC
$279/$379/$249/$349 (L), $199/$299/$169/$269 (W)

Early-Bird prices through Oct. 18:
$229/$329/$199/$299 (L), $149/$249/$199/$299 (W)

11/21
Alternative Investment Fund Conference
See course listing under Accounting.

12/14
Annual Update for Controllers
AD/8
14 Wall Street
Surgent McCoy CPE LLC
$279/$379/$249/$349 (L), $199/$299/$169/$269 (W)

Early-Bird prices through Nov. 11:
$229/$329/$199/$299 (L), $149/$249/$199/$299 (W)

2/2
Auditing Standards Conference
Se

www.trustedprofessional.com  The Trusted Professional  September/October 2019  25
<table>
<thead>
<tr>
<th>Course Name</th>
<th>Start Date</th>
<th>Fees/Locators</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Every Tax Practitioner Should Know</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Getting Ready for Busy Season: Key Changes Every Tax Practitioner Should Know</td>
<td>11/13</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 11:</td>
<td>$119/$219 ($L), $75/$175 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/3</strong> Forms 11205 and 1065 Return Review Boot Camp for New and Experienced Reviewers</td>
<td>11/13</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 12:</td>
<td>$129/$229 ($L), $75/$175 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/10</strong> Estate and Life Planning Issues for the Middle-Income Client</td>
<td>11/13</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 12:</td>
<td>$129/$229 ($L), $75/$175 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/17</strong> Exempt Organizations Conference</td>
<td>11/17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 20:</td>
<td>$250/$350 ($L), $200/$300 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/10</strong> Partnerships and LLCs Taxation Conference</td>
<td>11/17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 19:</td>
<td>$250/$350 ($L), $200/$300 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>11/21</strong> Alternative Investment Fund Conference</td>
<td>11/21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Oct. 16:</td>
<td>$199/$299 ($L), $149/$249 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>11/25</strong> Social Security and Medicare: Planning for You and Your Clients</td>
<td>11/25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 4:</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>11/26</strong> Surgent’s Advanced Individual Income Tax Return Issues</td>
<td>11/26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 5:</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/2</strong> Five Critical Issues that CPAs in Industry Will Need to Face This Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/12</strong> Getting Ready for Busy Season: Key Changes Every Tax Practitioner Should Know</td>
<td>12/12</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 11:</td>
<td>$119/$219 ($L), $75/$175 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/12</strong> Form 1065 Boot Camp: Step-by-Step Preparation with Completed Forms</td>
<td>12/12</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 26:</td>
<td>$129/$229 ($L), $75/$175 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/6</strong> Surgent’s Comprehensive Guide to Tax Depreciation, Expensing, and Property Transactions</td>
<td>12/6</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 15:</td>
<td>$199/$299 ($L), $149/$249 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/13</strong> Form 1065 Boot Camp: Step-by-Step Preparation with Completed Forms</td>
<td>12/13</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 11:</td>
<td>$119/$219 ($L), $75/$175 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/19</strong> The Best 5 Corporation, Limited Liability, and Partnership Update Course by Surgent</td>
<td>12/19</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 26:</td>
<td>$129/$229 ($L), $75/$175 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/20</strong> The Best Individual Income Tax Update Course by Surgent</td>
<td>12/20</td>
<td>$229/$329 ($L), $149/$249 ($W)</td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Nov. 28:</td>
<td>$199/$299 ($L), $149/$249 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12/17</strong> Exempt Organizations Conference</td>
<td>12/17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Dec. 26:</td>
<td>$335/$435 ($L), $250/$350 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1/14/20</strong> Taxation of Financial Instruments and Transactions Conference</td>
<td>1/14/20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Jan. 23:</td>
<td>$335/$435 ($L), $250/$350 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1/16/20</strong> 42nd Annual Nonprofit Conference</td>
<td>1/16/20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Dec. 26:</td>
<td>$335/$435 ($L), $250/$350 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1/23/20</strong> Personal Financial Planning Conference</td>
<td>1/23/20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Jan. 9, 2020:</td>
<td>$335/$435 ($L), $250/$350 ($W)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NORTHEAST ACCOUNTING**

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Start Date</th>
<th>Fees/Locators</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11/11</strong> U.S. GAAP Review for Business &amp; Industry (Albany)</td>
<td>11/11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Dec. 31:</td>
<td>$335/$435 ($L), $250/$350 ($W)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>11/13</strong> Revenue Recognition: Mastering the New FASB Requirements (Albany)</td>
<td>11/13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early Bird prices through Jan. 9, 2020:</td>
<td>$335/$435 ($L), $250/$350 ($W)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FACETS: The New FASB Requirements (Albany)

11/14: Leases: Mastering the New FASB Requirements (Albany)
ACI Berlin/Albany
Hilton Albany
AICPA
$279/$379/$249/$349
Early-Bird prices through Oct. 24:
$229/$329/$199/$299

AUDITING

11/12: "FAS's Auditing Update (Albany)
AU4
Hilton Albany
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 22: $119/$219

11/12: FAS's Compilation, Review, and Preparation of Financial Statements Update (Albany)
AU4
Hilton Albany
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 22: $119/$219

ETHICS

11/21: FAS's Ethics Update for Members in Business (Albany)
E4
Hilton Albany
Foundation for Accounting Education
$169/$269
Early-Bird prices through Nov. 22: $119/$219

11/21: FAS's Ethics Update for Public Practice (Albany)
E4
Hilton Albany
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 4: $119/$219

TAXATION

10/25: Critical Issues Involving Taxation of Construction Contracts (Albany)
T4
Hilton Albany
Surgeon McCoy CPE, LLC
$169/$269
Early-Bird prices through Oct. 4: $119/$219

T8
Hilton Albany
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Oct. 7: $229/$329

ROCHESTER

FIELDS OF STUDY TO BE ANNOUNCED
1/9/20
42nd Annual Nonprofit Conference
TBA/B
Rochester Airport Marriott
Foundation for Accounting Education
$385/$485
Early-Bird prices through Dec.19: $335/$435

SUFFOLK

ACCOUNTING

11/20: "FAS's Nonprofit Workshop with Allen Fetterman
ACIS, AU2, T1
2111303
Four Points by Sheraton Melville
Foundation for Accounting Education
$279/$379
Early-Bird prices through Oct. 30: $229/$329

12/3: U.S. GAAP Review for Business & Industry
ACI8
Crowne Plaza Hotel Syracuse
AICPA
$279/$379/$249/$349
Early-Bird prices through Oct. 9:
$229/$329/$199/$299

11/1: "FAS's Financial Statement Disclosures for Small to Medium-Sized Businesses
ACI8
Crowne Plaza Hotel Syracuse
Foundation for Accounting Education
$279/$379
Early-Bird prices through Oct. 11: $229/$329/$199/$299

AUDITING

10/31: "FAS's Auditing Update
AU1
Crowne Plaza Hotel Syracuse
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 10: $119/$219

10/31: FAS's Compilation, Review, and Preparation of Financial Statements Update
AU1
Crowne Plaza Hotel Syracuse
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 10: $119/$219

10/31: FAS's Financial Statement Update
AU1
Crowne Plaza Hotel Syracuse
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 10: $119/$219

12/10: Winning the Fraud Battle in the 21st Century: Prevention and Detection
AU1
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Nov. 19: $229/$329

12/12: Leases: Mastering the New FASB Requirements
ACI8
Crowne Plaza Hotel White Plains Downtown
ACPA
$279/$379/$249/$349
Early-Bird prices through Nov. 21:
$229/$329/$199/$299

12/12: "FAS's Auditing Update
AU4
Crowne Plaza White Plains Downtown
Foundation for Accounting Education
$169/$269
Early-Bird prices through Nov. 22: $119/$219

12/12: FAS's Compilation, Review, and Preparation of Financial Statements Update
AU4
Crowne Plaza White Plains Downtown
Foundation for Accounting Education
$169/$269
Early-Bird prices through Nov. 22: $119/$219

11/22: FAS's Ethics Update for Members in Business
E4
Crowne Plaza White Plains Downtown
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 25: $119/$219

11/22: FAS's Ethics Update for Public Practice
E4
Crowne Plaza White Plains Downtown
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 25: $119/$219

T8
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Oct. 2: $229/$329

11/19: "FAS's Nonprofit Workshop with Allen Fetterman
See course listing under Accounting.

11/9: The Best 5 Corporation, Limited Liability, and Partnership Update Course by Surgeon
T8
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Nov. 18: $229/$329

12/10: Auditing Not-for-Profit Entities: Superior Skills for an Effective and Efficient Audit
AU4
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Nov. 18: $229/$329

12/10: U.S. GAAP Review for Business & Industry
ACI8
Crowne Plaza White Plains Downtown
AICPA
$279/$379/$249/$349
Early-Bird prices through Nov. 19:
$229/$329/$199/$299

12/10: Winning the Fraud Battle in the 21st Century: Prevention and Detection
AU1
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Nov. 19: $229/$329

12/12: "FAS's Auditing Update
AU4
Crowne Plaza White Plains Downtown
Foundation for Accounting Education
$169/$269
Early-Bird prices through Nov. 22: $119/$219

12/12: FAS's Compilation, Review, and Preparation of Financial Statements Update
AU4
Crowne Plaza White Plains Downtown
Foundation for Accounting Education
$169/$269
Early-Bird prices through Nov. 22: $119/$219

11/22: FAS's Ethics Update for Members in Business
E4
Crowne Plaza White Plains Downtown
Foundation for Accounting Education
$169/$269
Early-Bird prices through Oct. 25: $119/$219

T8
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Oct. 2: $229/$329

11/19: "FAS's Nonprofit Workshop with Allen Fetterman
See course listing under Accounting.

11/21: Federal Estate and Gift Tax Return Boot Camp
T8
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Oct. 31: $229/$329

12/11: The 5 Corporation, Limited Liability, and Partnership Update Course by Surgeon
T8
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Nov. 20: $229/$329

12/12: The Best Individual Income Tax Update Course by Surgeon
T8
Crowne Plaza White Plains Downtown
Surgeon McCoy CPE, LLC
$279/$379
Early-Bird prices through Nov. 21: $229/$329
PENALTIES? ASSESSMENTS?

Workers' Compensation?
Independent Contractor Status?
Department of Labor Penalties?
Wages - Hours - Overtime Issues?
Unemployment Insurance Taxes?

Do You Have Any of These Issues? Can Help!

NYS DOL UI DIVISION – Manufacturer assessed $212K for UI taxes after exiting PEO. Arnold Standard results: UI refund of $135K; UI Reserve Account Balance positive $204K. UI Tax Rate lowered from 9.5% to 2.1% on $2MM of annual taxable payroll. Savings in excess of $600,000.


Call Bob Arnold, Jr.
55 Front Street, RVC, NY 11570 • P: 516.678.3300 • F: 516.678.1515
www.arnoldstandard.com