Cuomo signs e-signature bill into law

By RUTH SINGLETON
Trusted Professional Staff

On Aug. 24, Gov. Andrew Cuomo signed into law a bill enabling tax preparers to file their clients’ tax returns with electronic signatures on authorization forms. The NYSSCPA has advocated for this law, on behalf of its members, for several years. The legislation, S8832/A7765, was sponsored by Sen. John C. Liu (D) and Assembly Member William B. Magnarelli (D). Both the Senate and the Assembly passed the legislation on July 23, during a special session held later than usual because of the COVID-19 pandemic. The legislation represents a big win for the many tax preparers among Society members, who will now be able to align their state tax return process with the process that is acceptable for federal tax returns. They will be able to use digital signatures on authorization forms for business returns as well as individual returns.

“The Society was laser-focused on passing this legislation, working, in particular, with Past President Ita Rahilly; current President Ed Arcara; Phil London, chair of the Tax Division Oversight Committee; and with our Legislative Task Force, headed by Kevin McCoy,” said NYSSCPA Executive Director and CEO Joanne S. Barry. “Our con-

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With NASBA approval, CPA Evolution initiative moves ahead

By RUTH SINGLETON
Trusted Professional Staff

In late July, the board of directors of the National Association of State Boards of Accountancy (NASBA) voted unanimously to approve CPA Evolution, a joint initiative between NASBA and the American Institute of CPAs (AICPA), whose goal is to design and implement a radical new approach to CPA licensure. The AICPA Council approved the initiative in May, so now both organizations will proceed with implementation plans for what is expected to be a multiyear effort, culminating in 2024. Several factors have led to the need for the CPA Evolution initiative. One is the enormous impact of technology—including artificial intelligence, data analytics and blockchain—on the profession. Another is a shift in hiring practices. According to the 2019 AICPA Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits report, in 2018, there were 29 percent fewer accounting graduate hires by accounting firms than in 2014. Meanwhile, hires of nonaccounting graduates, as a percentage of all graduate hires, rose from 22 percent in 2014 to 31 percent in 2018. Many of these nonaccounting graduates are proficient in technology. Yet another factor is a change in the knowledge base and skills that CPAs will need to develop. Some relatively recent areas include continuous reporting, digital assets, sustainability and cybersecurity.

In developing the CPA Evolution initiative, the AICPA and NASBA sought and received feedback from more than 3,000 stakeholders. Such stakeholders include the NYSSCPA and other state CPA societies, state boards of accountancy, firms of all sizes, CPAs in business and industry, academics, students, young professionals, federal regulators and technology experts.

Last fall, the AICPA and NASBA selected a core-plus-disciplines model for licensure. In this model, CPA candidates would need to be well-versed in a strong core of three areas: accounting and auditing, tax, and technology. They would also specialize in one of three primary disciplines: tax compliance and planning, business analysis and reporting, and information systems and controls. Three sections of the new CPA exam will consist of the three core skill areas, and the fourth section would include the discipline that the candidate chooses. The AICPA and NASBA anticipate that the new CPA exam will launch in 2024.

“This is a vital step forward for the profession. Never has there been a greater need for strategic foresight,” said NYSSCPA Executive Director and CEO Joanne S. Barry. “This seismic shift will future-proof the CPA as the profession continues to evolve. It is important to bring all CPAs along on this journey. Society leadership has been speaking to this at our Professional Issues Updates this fall.”

Continued on page 5
A year of challenges and opportunities

My term as NYSSCPA president is looking very different from the terms of previous presidents. The COVID-19 pandemic has presented us with unprecedented challenges, but also with unprecedented opportunities. I’m bound and determined that the Society Board and I do not skip a beat, and that we will get things done despite the complications of the pandemic. We have already shown in the past few months how agile we can be—how we can rise to the challenge of advocating for and supporting our members, while working remotely.

I have set several goals for my term. First, I want to make this the year of the chapter. One of the greatest experiences I had as president-elect was visiting all 15 chapters of the Society, and I look forward to starting to meet with them again in the fall, either in person or virtually. The chapters are similar, in some respects, but each is unique in its own way. There is so much that each one of us can do within our local community. I want to empower and promote chapters even more by moving more events that would normally be held in New York City to those local chapters.

Because I believe that local chapters are the backbone of our organization, I want to encourage more members to get involved with them. I look to the chapters for the future leaders of this organization and want to showcase their talents. It is at the chapter level that local CPAs can become leaders, thinkers and activists work. You can donate to the PAC by going to nysscpa.org/pacmanate. To get started, I encourage everyone to check to see if your company matches donations. This is an easy way to support the MSF and PAC.

Based on our experiences over the last year, I will tell you that most of the goals that I want to accomplish cannot be accomplished in one year. So I’m looking to engage our leadership to take a long-term view and set the stage for these goals to be realized over the next few years. I would like to conclude by offering a big thank you to Ita M. Rahilly, who has done a superb job of serving as our 100th president. It has been a great pleasure working with her. If I can only do a portion of what she has done in the past year, I will be very happy.

I hope all our members stay safe and healthy. I look forward to serving you in the coming year as your president and to seeing what our community can accomplish in this time of unprecedented opportunity.

Edward L. Arcara

Attend your chapter’s Professional Issues Update

Below is a list of next year’s virtual Professional Issues Updates (PIUs). These events offer members an opportunity to hear from NYSSCPA President Edward L. Arcara, President-elect Rumbi Bwerinofa-Petrozzello, and Executive Director and CEO Joanne S. Barry about the issues that have the greatest impact on New York state CPAs. The PIUs will include an overview of the NYSSCPA’s proposed Legislative Agenda for 2021 and will provide an opportunity to help shape it; an update on the AICPA/NASBA “CPA Evolution” initiative; as well as timely information on issues critical to your firm, such as firm reinvention and succession planning amid the pandemic.

Staten Island, Jan. 19, 2021, 9–10:40 a.m. Web event via Zoom. 2 CPE credits. Register online or call 800-537-3635.

Nassau, Jan. 21, 2021, time TBA. Web event via Zoom. 2 CPE credits. Register online or call 800-537-3635.
Society acts quickly to confront racial injustice, with several diversity initiatives

By RUTH SINGLETON
Trusted Professional Staff

The killing of George Floyd, a Black man, by a Minneapolis police officer on Memorial Day sparked a nationwide reckoning to the persistence of racism—as have the killings this year of Breonna Taylor, Ahmed Arbery, Rayshard Brooks and Jacob Prude, and the shooting of Jacob Blake. Protestors filled the streets of cities large and small, as they have been bold and courageous, who have started conversations that have broken the ice. They have been bold and courageous, who have started conversations that have broken the ice.

Over the summer, the Society held two well-attended virtual Town Halls focused on “Transforming Human Capital.” At the first one, held on June 30, NYSSCPA President Joanne Barry and the co-chair of the Society’s Diversity and Inclusion (D&I) Committee, moderated a panel consisting of Jerome Fulton, Jr., a finance and enterprise performance consultant at Deloitte; Michael Seltzer, a distinguished lecturer at Baruch College, where he teaches a course on consumer behavior, anti-racism; and Serena Fong, vice president of strategic engagement at Catalyst, which helps build workplace cultures that work for everyone.

Bwerinoro-Petrossello said that the it was the first of several conversations that the committee will be holding.

“CPAs can be trusted professionals,” he said. “Our reputation for integrity is something that is widely trusted. When we tell our clients that we are committed to diversity and inclusion, they are watching.”

Bwerinoro-Petrossello spoke of the need to remove barriers to the profession for all who want to be CPAs. “I’ve met many people who want to be CPAs—students who want to be CPAs. … I don’t think there should be artificial barriers to anyone in the profession. Whether or not you’re successful should be dependent on your talent or skills or knowledge; none should be impeded by gender, race, age, sexual orientation or religion. All of these things should not stand in the way of being a successful CPA.”

“The NYSSCPA has a long history of implementing programs to increase the diversity and inclusion objectives of the profession such as the establishment of the COAP program and the Annual Women’s Leadership Conference,” said NYSSCPA Past President Jan C. Herringer. “The NYSSCPA’s ongoing success is due to the continued commitment of all our members to make progress toward the Society’s agenda.”

“For too many years, we have seen little progress within the profession and more broadly to address persistent racial inequities,” Barry said. “The NYSSCPA, in concert with its partners, has made the commitment to work toward that end. For too many years, we have seen little progress within the profession and more broadly to address persistent racial inequities.”

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Leadership Conference focuses on adapting to postpandemic world

By RUTH SINGLETON
Trusted Professional Staff

A t its 2020 Leadership Conference, held virtually on July 19–21, the NYSSCPA focused on meeting the challenges of COVID-19 and leveraging diversity, equity and inclusion to effect proactive change within the Society and the profession.

Fifteen young professionals—this year’s new members of the Leadership Council—attended training sessions designed to prepare them for leadership roles within the Society and the profession.

Jared Weiner, executive vice president and chief strategy officer at The Future Hunters, spoke about how leaders within the accounting profession can, through innovation, seize the opportunities presented in a post-COVID-19 world. Suri Surinder, co-founder and CEO of CTR Factor, gave a presentation focused on developing a leadership culture that embraces the importance of diversity, equity and inclusion.

During one well-attended session, New York State Comptroller Thomas P. DiNapoli spoke about the fiscal state of New York. He began by discussing the impact of the pandemic, commending the Society for its COVID-19 web page, which provides a wealth of resources for practitioners. He also reported on the economic impact on the state, in terms of increasing unemployment and decreasing sales tax revenue. At the time, he was hoping for money from the federal government through another pandemic aid package.

DiNapoli also sounded the alarm about the pandemic, because many CPAs were unable to hold in-person events. Among them were members of the Society’s Board of Directors, the Foundation for Accounting Education (FAE) board of trustees, The Moynihan Scholarship Fund board of trustees and the Political Action Committee (PAC). During the conference, each of these bodies held its own meetings. In addition, chapter presidents-elect attended a training workshop.

“The conference was a great success, although I missed seeing everyone in person,” said NYSSCPA President Edward L. Arcara. “We got through a lot of important Society business, and one of the upsides was the attendance of members who wouldn’t have been able to make it to an in-person event.”

E-signature legislation

Continued from page 1

If that money doesn’t come in the amounts the state needs, he said, then Gov. Andrew Cuomo will have to implement budget cuts across the board. As of press time, no additional federal aid legislation has been passed. DiNapoli also sounded the alarm about the U.S. Census, observing that only 57.5 percent of residents had responded. The census is important for the state because many federal formulas are based on population.

“The conference was a great success, although I missed seeing everyone in person.”

—NYSSCPA President Edward L. Arcara

Also during the conference, Kevin J. McCoy, chair of the Legislative Task Force, moderated a roundtable discussion of the Society’s legislative agenda that included lobbyists John D. McCarthy and Bill McCarthy of Bolton–St. Johns. (See story, page 1, about the passage of e-signature legislation.)

In addition, during a luncheon ceremony held on July 20, NYSSCPA Past President Jan C. Herringer, chair of the Awards Committee, honored four outstanding members with Society Awards. They are Jack Angel—the Dr. Emanuel Saxe Outstanding CPA in Education Award, Sidney Kess—the NYSSCPA Distinguished Service Award, Janet T. Verneuille—the Outstanding CPA in Industry Award, and Lorraine P. Wolch—the Arthur J. Dixon Public Service Award.

Eighty-nine Society members were in attendance at the conference. Among them were members of the Society’s Board of Directors, the Foundation for Accounting Education (FAE) board of trustees, The Moynihan Scholarship Fund board of trustees and the Political Action Committee (PAC). During the conference, each of these bodies held its own meetings. In addition, chapter presidents-elect attended a training workshop.

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CPA exam window extended to June 2021 for candidates affected by pandemic

By RUTH SINGLETON
Trusted Professional Staff

A t its July 22 meeting, in response to Prometric test center closures stemming from the COVID-19 pandemic, the New York State Board for Public Accountancy voted to extend even further the CPA exam window for test takers who were unable to complete all four sections of the exam in time. The new extension lasts until June 30, 2021, and applies to the second, third and fourth quarters of 2020, as well as to the first quarter of 2021. That means that CPA candidates whose exam credit expired—or will expire—between April 1, 2020, and March 31, 2021, will be granted an automatic extension until June 30, 2021.

Jennifer Winters, executive secretary for the board, noted that there were also a few exam candidates who were required to complete all four sections by March 31 of this year but were unable to do so because of circumstances related to the pandemic. Those candidates’ extension petitions will continue to be handled on a case-by-case basis.

Candidates who were affected during this January to March 2020 time period should contact the board office at CPABD@nysed.gov with their full, legal name, jurisdiction and candidate ID. They should also explain how they were impacted during that period (for example, if they could not travel from an international location or if a test center had closed). If approved, these candidates will be granted an extension until June 30, 2021, for those applicable exam sections.

The accountancy board’s FAQ on these credit extensions is available at bit.ly/3JG2uBc.

rsingleton@nysscpa.org
CPA Evolution
Continued from page 1

During a virtual session of the Foundation for Accounting Education’s NextGen Conference on July 29, Julia Woislaw, the AICPA’s lead manager for CPA Evolution, and Colleen K. Conrad, executive vice president and chief operating officer of NASBA, spoke about the CPA Evolution initiative. Using a slide presentation, Woislaw explained the core-plus-disciplines model. She also reported on survey results finding that 91 percent of juniors, seniors and graduate students have either selected a focus area or would be comfortable doing so, and that the core-plus-disciplines model largely either increases or maintains the number of credits needed for a CPA or does not discourage interest.

Conrad said that the initiative would necessitate rules change in seven states, including New York. New York has a temporary rule change in place and will adopt final rules in the fall. The new rules will no longer refer to CPA exam sections by specific names, allowing for the flexibility that the new CPA exam will offer. Conrad said that the 150-credit-hour requirement will not change, but NASBA has proposed several changes to Uniform Accountancy Act (UAA) model rules in order to accommodate CPA Evolution. She said that once a model curriculum and an internship program are finalized, the goal will be to make them available to colleges and universities so that they can prepare in advance. The exam changes must be finalized a year ahead of the target year, running by January 2023. Conrad noted that there will be a transition period for CPA candidates who start taking the exam using the old model; it will be shared widely, well in advance.

“Things will be happening quickly, and we will be convening a lot of task forces; we’re excited to keep the profession nimble and relevant,” Conrad said.

Proposed changes to UAA model rules
NASBAs proposed changes to the UAA model rules, issued on May 26, were addressed by state boards of accountancy and other interested parties by J. Coalter Baker, chair of the NASBA Uniform Accountancy Act Committee. The proposed changes are to Rule 5—Education requirements—Definitions and Rule 5—Education requirements—Determining compliance of the applicants education. Briefly, the changes would align the rules with the majority of state rules; recognize the large role that technology plays in the CPA profession; add “critical thinking” and “professional skepticism” to the list of skills needed to apply the knowledge attained in an academic program; allow for data analytics, data interrogation techniques, and/or digital acumen to be taken at another college or university program, if not available in the accounting program; expand the number of credit hours that can be earned through internships and non-accounting education. The committee members voiced some concerns about the feasibility of increasing the number of credit hours without an expectation of increasing required degree credits. Mayes responded that a Core Curriculum Task Force plans to come up with a model curriculum by June 2021, that the initiative is also launching an academic resources hub, and that the AICPA and NASBA are exerting a lot of effort to help educational institutions through the transition process. Terranova-Dorata said, “The committee met with the AICPA and NASBA representatives to address critical issues of accounting curriculum, which will be nothing short of revolutionary for the academy and its ability to timely deliver for the 2024 CPA exam. We are humbled by the paramount responsibility to disseminate urgent curriculum changes that are affecting prospective CPA candidates who currently reside within our programs.”

In the fall, states began to work on statutory and rules changes, and the AICPA and NASBA began launching educator resources. The initiative’s goals from 2021 until 2024 are to begin the required CPA exam changes and make a blueprint available for public comment, make the model curriculum and internship program available to schools, complete all necessary statutory and rule changes, and launch the new CPA exam. The Society will keep its members updated as changes and information about this project become available.

Q&A session with NASBA and AICPA
On Sept. 16, the Future of Accounting Education Committee held a meeting that included a CPA Evolution presentation by, and a question-and-answer session with, Daniel J. Dustin, NASBA’s vice president for state board relations, and Carl R. Mayes Jr., the AICPA’s associate director of CPA Quality and Evolution. At this session, committee members voiced some concerns about the CPA Evolution implementation process, particularly with regard to the need for colleges and universities to expand their course offerings quickly. Committee members observed that the transition process will represent an administrative challenge, particularly for smaller schools.

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2020 has been a year like no other. If you are looking for a positive action you can take, introduce your colleagues and friends to the NYSSCPA. We’ve been serving the profession, through thick and thin, for more than 100 years.

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1. Invite your colleagues to join the NYSSCPA.
2. They can learn more and sign up at nysscpa.org/JoinUs.
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**Small firms adapt to era of pandemic**

By CHRIS GAETANO

**Trusted Professional Staff**

S
mall accounting firms, like all businesses, have faced challenges as a result of the COVID-19 pandemic, but many have responded by adapting to this new environment and leveraging existing advantages, allowing them to not only survive but thrive in these turbulent times.

Some firm owners were able to seize on a sudden swell in demand for financial guidance and advice, in the wake of the pandemic’s economic chaos. One example is Bruce I. Greenberg, who runs a small firm in New City, cited similar management issues.

He helped business clients through myriads of issues, who had at least some questions about the economic havoc, some longtime clients have gone,” he said.

“We were writing out memos in simplifying fashion for clients to understand, which generated several new clients that needed assistance with PPP,” he said, because their existing accountants said, “I don’t know what to do with this.”

Other firm owners were relatively insulated from the pandemic’s economic effects by virtue of their type of practice. Avi Zanjirian said that his Manhattan-based firm caters mostly to cooperatives and condominiums, alongside a high-net-worth practice. While he said that fee revenue is down a little bit turned to their CPA for advice, “I tried to get some money in.” So I’m slowing down to get some money in. So I’m slowing down work for these people but not telling them, “I’m not going to do your work until I get paid,” he said, adding that, overall, “it’s been pretty crummy.”

Monachino has seen similar situations with his Staten Island clients, and he said that when it comes to people he’s been working with for years, it can put him in a bind. He said that he was thankful that “my cash flow is good,” even if it has “slowed down to a steadier pace.”

“When it was January and April, you got a large sum coming in every time, but now it’s been spread out,” he said.

Larger firms with larger clients have faced a little better. Buble said that certain clients in industries hard hit by the pandemic have been constrained in their ability to pay, but in this case, these were all longtime Citrin Cooperman clients, and so, “we have been willing to work with them as they face their issues,” although he said that some of them may need to go on extension “until their businesses get up and running and have the funds to get the fees.”

Similarly, Ellisch observed that while certain Marks Paneth clients are a little more hard up than others—he noted that clients in the restaurant practice group are having a particularly difficult time—“we haven’t seen a deterioration where clients are disappearing or going out of business.” While things are a little tougher, he said, that on the whole, clients are being maintained. As different as a lot of situations are right now, however, at least one thing remained the same, according to Buble: people acting at the last minute. He said it was only in the past few weeks or so that these clients displayed a sense of urgency to get things done.

“It was busy because you’ve got a lot of returns, you and all the pieces come together in the last month or so,” he said. “The idea is to get things out that can be moved out earlier, which we made a big push on, so people can work on more complex things that, by their own nature, go down to the last minute.”

**Small firms adapt to era of pandemic**

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**By CHRIS GAETANO**

**Trusted Professional Staff**

In many respects, tax professionals found that this year’s July 15 tax deadline fell on many and many others, they discovered that working during a global health crisis presented unique challenges to which they had to quickly adapt.

One challenge was how to manage a team. While this issue was far from new, the fact that many practitioners couldn’t go into the office meant that CPAs needed to change their approach. Joseph F. Buble, who leads Citrin Cooperman’s tax practice, said that while busy season usually means that everyone is in the office, because of the need for online communications this year, “you can’t just get people together and brainstorm or work on a project.”

“You do your Teams calls and Zoom calls, but it almost has to be preplanned. So doing something impromptu is kind of gone,” he said.

Buble added that having so many professionals working from home also meant that people’s hours were a little different. He said that certain clients who have small children with school closed, said many needed to take time from their work to attend to them, which, he said, meant “people may not be available during the day.” But he said that these staff adjusted by being available early in the morning and later at night, which were flexible hours for the office.

David R. Herman, who runs a small firm in New City, cited similar management issues.

Of the three people at his firm, two work from home and the third comes in only a few times a week. He said that processes became more involved because, usually, if a matter was being worked on at the office, it’s finished in the office and is where it needs to be.

“Now, they finish something and they’re home, and we have to arrange a time for them to come over and drop it off, so it’s a bit more discommoded,” he said.

Another old challenge exacerbated by the pandemic is dealing with clients—usually elderly—who were hesitant to use the firm’s technology. Patrick J. Monachino, a Staten Island small firm practitioner, said that these clients tend to prefer face-to-face communications, which simply isn’t possible right now. Accommodating these clients, while minding safety measures, has necessitated some workarounds. Yet he credited his clients with being flexible at this time.

“A lot of them [said], ‘I’ve got to see you face to face; please explain this to me. I want a hard copy; I want to sign’—that kind of thing. I have a lot of older clients, and it’s hurting there, but they’re patient. … Ninety percent of these people are cool with, ‘Let me scan it for you,’” Monachino said.

Not everything was a new spin on an old problem, however. Every practitioner interviewed for this piece noted that while the income tax deadline changed in response to COVID-19, others, such as the sales tax and payroll tax deadline, did not. These alone presented a stressful situation for most CPAs, but adding the income tax deadline on top of their April 15th concerns about work compression, Michael S. Laveman, co-leader of EisnerAmper LLP’s tax practice, said that practitioners were “extremely busy, with some long days.”

“It’s hard—July 15, in particular; you have four due dates in one. You have the extended deadline, you also have to pay your first quarter and second quarter federal estimates, you’ve got to pay your state estimates as well, so it will be a very big compression chunk,” he said. But he added that the firm anticipated this compression early and made an effort to get a head start, “so you don’t have an overwhelming situation.”

Steven Ellisch, principal-in-charge of tax services at Marks Paneth LLP, said that the level of compression was “extraordinary,” and was complicated further by the fact that the pandemic meant revising a lot of work in order to account for the economic chaos, as well as focusing on areas that clients may not have focused on before.

“There was some additional work,” he said. “There was a little bit more focus on cash flows for clients; there was more focus on estate planning, retirement; there was more focus on some of the new [pandemic aid] programs, so yes, as a whole, we experienced some extra work too.”

While CPAs were servicing their clients’ businesses during this busy season, a few also became concerned about the prospects of their own firms. With smaller businesses affected by stay-at-home orders, the practitioners are having some long time clients have gone out of business entirely. Herman, the New City practitioner, said that some of these clients represented not only yearly tax work but also year-round services that kept money flowing to his firm.

“They’ve closed,” he said. “Others are closed right now [and plan on] reopening, but I would suspect a lot of them are going to go down. We’re just a couple of people here, and the economy has definitely affected small practitioners, because my clients are relative to my size. I don’t have $50 million audits. We do taxes, tax planning for small businesses, so it’s difficult right now.”

Herman added that even if a business client is still standing, its cash flows aren’t nearly what they were before, and so while fee negotiations were going on, these clients have been especially pronounced right now.

“Many are looking to reduce fees, and many are just saying, ‘We’ll pay you when we start to get some money in.’ So I’m slowing down work for these people but not telling them, ‘I’m not going to do your work until I get paid,’ he said, adding that, overall, “it’s been pretty crummy.”

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Bruce M. Zgoda

By CHRIS GAETANO

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Small firms tested in time of COVID-19

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The PPP application process: an in-depth look
A firm applying on behalf of clients, a nonprofit applying for itself

By CHRIS GAETANO
Trusted Professional Staff

The Paycheck Protection Program (PPP) was designed as part of the CARES Act to mitigate some of the coronavirus pandemic’s economic damage by issuing hundreds of billions of dollars’ worth of business loans to be spent almost entirely on maintaining staff levels. The program faced numerous implementation challenges, not the least of which was an application process that many reported as confusing and subject to a rapidly shifting set of rules and requirements. Some businesses and organizations turned to their CPAs to navigate these issues, while others applied for the loans themselves, often relying on their CFOs. The Trusted Professional explored what the process looked like from both perspectives, focusing on one example of each.

A firm and its clients

Christine A. Learman, the head of a three-person firm in Grand Island, did not wait for her clients to call her about the PPP. When news of the program broke, she took the initiative to call them to ask how she could help with the application process. A business client that decided to apply for the PPP would then be directed to contact its bank to get started, which turned out to be a little more complex than anyone thought. “The PPP loans were initiated through each bank, and each bank ended up having a different process,” she said. “In our particular case, we were working with seven different banks with seven different processes, so the client had to be an integral part of dealing with the bank and with us.”

Banks differed as far as the extent to which they followed the standard Small Business Administration (SBA) template, such as what portions of the application could be completed online, what portions needed paper documentation and other factors. The whole process for Marini began with contacting St. Catherine’s banker, Key Bank, putting us in a bind financially,” Learman said. “Hopefully, it won’t be as intense or confusing or uncertain for our clients. If we had a clear pathway to the forgiveness application, I think businesses would be more confident with the process.”

The CFO

Richard T. Marini, chief financial officer of the Albany-based St. Catherine’s Center for Children, was seeing firsthand the damage done by the coronavirus. Working for a service organization that provides a wide range of health and family services, he saw the pandemic exacerbate the same issues that his organization has spent over a century working to address, increasing the need for the services it provides.

“We still have to carry out these services, doing essential business,” he said. “We still care for our children and families, we’re still required to provide mental health services to children, we’re still operating our residential programs, still conducting our special education classes, still providing mental health services to homeless adults and families include operating an emergency homeless shelter. We still had to operate 99 percent of our services that continued on, pandemic or no pandemic.”

This required fast adjustment, which presented new expenses for the organization. Since almost all of its services remained in operation, it introduced hazard pay for the workers, who themselves needed personal protective equipment and other sanitation measures. Meanwhile, once some children and staff in its group residences tested positive for the coronavirus, the organization had to quickly find new apartments in the area where they would wait out the quarantine period. All this was happening while “cash-flow significantly decreased,” which, he said, “put us in a bind financially.”

With this in mind, he said, there was “no debate” about whether the organization should apply for a PPP loan, especially considering what he thought were the very generous terms being offered.

Formal applications for Marini began with contacting St. Catherine’s banker, Key Bank, which put the organization in touch with its SBA division, which would serve as its primary contact. At the time, he noted, the bank didn’t even have an application process yet, and didn’t have all the technology required to set it up, so “it was slow going in the beginning.”

And, he added, back up back every week or so and ask what’s going on—Don’t forget us, we want to do this—and they would reassure us: ‘Don’t worry, you’re in the pipeline. Just be patient, they need to get the technology updated,’” he said.

Marini said that the bank was finally ready to receive the organization’s application around the beginning of April, doing so through its online portal on April 9. There was a lot of documentation he needed to include, such as the IRS determination that it was a 501(c)(3) organization, a copy of its bylaws, its 2019 Form 991, insurance information, pension information and more. Based on all of this, he said, the loan would be for $2,326,500.

Marini added that St. Catherine’s didn’t formally receive its PPP loan agreement until a little later in the month. In the beginning, “it was an onslaught,” he said, and so he waited until April 21 to put the CEO and CFO signatures on the application and to send it out.

Given what he had been hearing in the news about the program, he said he was “pleasantly surprised” when the loan money was deposited into the organization’s bank account just two days later, on April 23.

Using these funds, Marini said, St. Catherine’s was able to keep everyone on the payroll; the money covered four payroll periods, from May to June. He was proud to say that, from the start of the pandemic through August, when he was interviewed, the organization had not laid off a single employee or even cut wages. As per the rules of the loan, the vast majority was used only for that. “Just 2 percent” of the money went to cover expenses such as mortgage interest, rent and utilities, he said.

Overall, Marini said that he had a positive experience with the loan application process, which gave his organization funds at a time when they were sorely needed.

“At the beginning, we were a little anxious, but once they got us into the portal and uploaded the documents, and getting the application and loan agreements and signoffs on the proceeds, that all went pretty well, he said. “And it came at a good time, on April 23, toward the beginning of the pandemic, which helped us carry through.”

The NYSSCPA announced the winners of its inaugural “Forty Under 40” awards. These young accounting professionals were honored with the awards during a ceremony at the Next-Gen Conference, which was held virtually on July 29.

Award recipients hold or have held important leadership roles in both professional or charitable organizations, are involved with their local communities, re-tide and lead. They are a subset of the award recipients of the NYSSCPA. They were nominated online by colleagues or peers based on a number of factors, including work-life balance, accomplishments and community impact.

The honorees are:

Derek Abdelkalim, Green Bean
David M. Barrall, The Northern Trust Company
Alecia Castellanos, Global Taxes LLC, Mark DiMichael, Citrin Cooperman
Mark M. DiMichael, J. H. Ventures LLC
Jennifer Estersohn, Marks Paneth LLP
Matthew G. Gallagher, St. John’s University
Joseph Giampapa, CPA, Marks Paneth LLP
Kaysan C. Gordon, Clarus Group
Joseph Giampapa, Mark DiMichael, J. H. Ventures LLC
Gregory M. Healy, The Glennese Trust Company
John W. Hermus, Sheehan & Company
CPA PC
Jason A. Hoffman, Janover LLC
Robert J. Huether, KPMG LLP
Katelyn Kogan, Mazars USA
Benjamin Lederman, CohnReznick LLP
Crystal J. Lee, Search Masters NY
Michael Ross Leshansky, Deloitte
Michelle Lesser, Bonadio & Co., LLP
Kathryn M. Klump, Brisbane Consulting Group LLC
Anthony Mangiameli, Insero & Co. CPAs, LLP
Nicole R. Mayers, Vieira & Associates CPAs
Andrea Pagano, State University of New York at New Paltz
Mikhail Ravishstein, Ernst & Young LLP (EY)
Gregory Re, Martin DeCrue & Co. LLP
Magda V. Reyes, Satin Fine Foods
Dominic J. Rovano, Janover LLC
Robert Scarpata, Autologic Diagnostics, Inc.
Joshua Secher, MPI Business Valuation & Advisory
Amanda L. Sexton, Campolo, Middleton & McCormick LLP
Akshay T. Shrimanker, CohnReznick LLP
Philipp Chandra Sookram, St. Peter’s University
John M. Spatola, Navrock Smith LLP
Tessa B. Spinnelli, Insero & Co. CPAs, LLP
Sana A. Vieira, Smith, Lehman College
Maria E. Suppa, Rising Phoenix Holdings Corporation
Mark M. Ulrich, CUNY Queensborough Community College
Garrett Wagner, C3 Evolution Group
Robert Westley, Northern Trust
Society honors financial journalism award winners

By RUTH SINGLETON
Trusted Professional Staff

Journalists in 12 categories accepted awards recognizing the best in financial reporting for 2019 at the 37th annual Ex-
cellence in Financial Journalism Awards (EFFJ) ceremony held virtually on Aug. 14.

Matthew Dolan, a Detroit Free Press in-
vestigative editor and a past EFFJ Award winner, presented the keynote address, discussing the impact of COVID-19 on local journal-
ism. He focused, in particular, on economic concerns, the loss of newsroom camaraderie and the power of philanthropy.

NYSSCPA Immediate Past President Ita M. Rahilly presented the awards to each of the winners, whose work met the established criteria of contributing to a better and bal-
anced understanding of business or financial topics, as well as shedding light on important issues. The competition included categories representing print, broadcast and visual de-
sign, and it included a NextGen category that recognizes college students covering finance.

The competition was judged by CPAs, as well as by financial journalists. In selecting the winners, the judges ranked their submissions based on accuracy, quality and thoroughness of research, as well as on a fair and balanced representation of the topic.

This year’s judges included NYSSCPA members and journalists. They were Scott M. Adair, Mary Jo Brancatelli, Rumbi Bwerino-Petrozzello, Richard L. Hecht, Elliot L. Hendler, Orumé Hays, Susan Ro-
detis, Michael Romeo and Leah Spira. The 2020 EFFJ book judges were Justin Baer and Susan M. Barossi.

EFFJ Award winners

The NYSSCPA handed out awards in the following 12 categories:

**Video (Large Company):** Hacking Your Health: Efforts to Protect Patients from Cy-
brattacks Grow, Mark Albert, Hearst Tele-
vision. Albert uncovered cyberweaknesses in health care businesses and industries—far beyond breaches of patient data—in the medical devices that treat ailments and keep pa-

tients alive, in the hospital communications grid that allows medical teams to coordinate patient care, and in the security of America’s health care network.

**Video (Medium Company):** Harvest: Re-
cover and Risk After Hurricane Michael, Pat Maddox, Kait Parker and Dan Wright, The Weather Channel Digital. The Weather Channel Digital team revealed how Hurri-
cane Michael exposed cyberweaknesses in farmers to intensifying weather patterns. Be-
cause so many rely on timber as a safe haven for savings, the hurricane crushed retirement plans, wiped out incomes and left many farmers without the collateral they need to get loans to plant this year’s row crops.

**General Reporting:** “Sears’ Seven Decades of Self-Destruction,” Geoff Colin, Fortune. Fifty years ago, Sears was so dominant that its sales accounted for a full 1 percent of the U.S. econo-
my. Today, the company is a bankruptcy victim and a retail punch line. Colin made an irresistibly compelling case for why the com-
pany failed, condensing 65 years of retail his-
tory into an authoritative account of an iconic company’s disintegration.

**Local:** “Dairyland in Distress,” Rick Bar-
rett, Maria Perez, Lee Bergquist, Bill Glau-
ber, Andrew Mollica, Erin Caghey, Mark Hofmann and Bill Schulz, Milwaukee Journal Sentinel and USA TODAY Network. These two outlets launched a singular effort in 2019 to examine the causes and consequences of an unprecedented upheaval in dairy farming that is threatening a way of life that has been a central part of Wisconsin’s identity for more than a century. They examined contributing factors such as global competition, industrial agri-

culture, changing consumer tastes, and trade

**Orumé Hays**

“This multimedia project reported on those chasing second jobs in Syracuse. It depicted the diverse nature of local professionals and provided insight into their jobs and the passions they pursue outside of their nine-to-
five.”

**Enterprise:** “You Donated to Kids with Cancer. This Vegas Telemarketer Cashed In,” Sarah Kleiner and Chris Zubak-Skees, The Center for Public Integrity. Telemarketers hired by dozens of nonprofits and political
groups are fleecing unsuspecting American donors out of hundreds of millions of dol-
ars in the name of children with leukemia, women with breast cancer, police officers,
firefighters, veterans, people with autism and other conditions. These groups sound like charities, but many are actually political action commit-
tees. Kleiner and Zubak-Skees told this sto-

**Business:** “The five-star, thou-
sand-dollar post: Yelp Elite reviewers wield power and influence,” Alison...
COVID-19 concerns impede recreational cannabis bill in NYS, for now

By CHRIS GAETANO
Trusted Professional Staff

The COVID-19 pandemic has slowed, but not stopped, the building momentum in New York state toward legalizing cannabis for adult recreational use, as Albany responds to more immediate concerns.

Axel Bernabe, Gov. Andrew Cuomo’s assistant counsel in charge of health policy, said that efforts in this area have been pushed back by about a year, as “the coronavirus has been a top priority” right now. Albany has been “extremely focused on controlling transmission rates and reopening the economy,” he said. That has been “the number one goal above everything else.”

Bernabe added that the pandemic has also thrown fiscal uncertainty into the mix, and that the state will not be able to fully understand its true fiscal impact on the state until the situation with federal government aid to states becomes more clear.

“So everyone is looking to get a sense of that first, before they then turn to revenue-generating measures, which could include adult cannabis use,” he said.

These factors, according to Bernabe, mean that the issue will likely be not on the agenda until the next budget process begins, although he added that the administration will likely address it then, as it did in the 2020 and 2019 budgets. Bernabe said that any action sooner than that would have to come from the Legislature. In that regard, the Moynihan Scholarship Fund (MSF), in collaboration with the New York State Society of CPAs (NYSSCPA), is providing vital education to over 40 students.

The promise that the MSF has made to the many students who attended its program up to $57,000 in scholarships. COAP is one of two strategic initiatives of The Moynihan Scholarship Fund (MSF), in collaboration with the New York State Society of CPAs (NYSSCPA), that provide vital education to over 40 students.

COAP 2020: sailing ahead on a virtual platform

By DAWNE TROUPE Manager, Outreach and Development

This year’s Career Opportunities in the Accounting Profession (COAP) program took place virtually, on June 28 and 29, and went off without a hitch, with two fun-filled days of interactive programming.

Talented high school juniors from across the state received a comprehensive introduction to the CPA profession and made great networking connections. With the support of its partners, chapters and volunteers, COAP provided vital education to over 40 students.

Strong, COAP is a three-decade-old program pioneered by CPAs to reach out to high school juniors throughout the state.

This year, COAP partnered with the global recruiting firm Robert Half and five colleges and universities: Medgar Evers College, the Rochester Institute of Technology, Siena College, St. John’s University and the State University of New York at Oswego. These college and university partners hosted comprehensive interviewing and resume-writing sessions, in addition to teaching about forensic accounting, cybersecurity, artificial intelligence, tax and audit, and much more.

Siena College has committed to partner with the MSF, and it offered the 12 students who attended its program up to $57,000 in scholarship funding. The students will receive this funding over the course of four years if they apply to Siena College and receive acceptance into the 2021-2022 academic year. MSF thanks its volunteers, chapter members and partners who worked together to make this year’s program a success. If you would like to learn more about COAP contact coap@moynihanfund.org or go to nysscpa.org/moynihanfund. The support of these partners was critical in making this program possible. Without your funding and assistance, the programming that we offer to the next generation of accountants would not be possible.

*

By CHRIS GAETANO
Trusted Professional Staff

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The New York State Society of CPAs’ statewide committees provide members with forums to exchange ideas; sharpen their technical skills; and have an impact on proposed standards, regulations, legislation and other professional issues. The committees also play an integral role in sponsoring various educational, public service and networking events. Members represent all segments of the profession: local, national and international public accounting firms, industry, education and government.

The following 2020–2021 chairs began their terms in June:

**ACCOUNTING AND AUDITING OVERSIGHT**
- **MARGARET A. WOOD**
  Retired

**AUDITING STANDARDS**
- **BONNIE S. MANN FALK**
  Raich Ende Malter & Co. LLP

**BANKING**
- **GINA OMOLON**
  Mazars USA LLP

**BUSINESS VALUATION AND LITIGATION SERVICES**
- **MITCHELL H. CHOSAK**
  FSA LLC

**C CORPORATIONS**
- **CHRISTOPHER G. CHEESEMAN**
  Giambalvo, Stalzer & Company, CPAs, P.C.

**CANNABIS INDUSTRY**
- **JEFFREY S. GITTLE**
  PKF O’Connor Davies, LLP

**CONSTRUCTION CONTRACTORS**
- **STEVEN P. LEMKE**
  Grassi & Co.

**CYBERSECURITY**
- **JEFFREY J. HORNING**
  Sompo International

**DIGITAL ASSETS**
- **MELISSA S. GILLESPIE**
  Law Offices of Melissa Gillespie

**ENTERTAINMENT, ARTS AND SPORTS**
- **JOSHUA K. HOROWITZ**
  WithumSmith+Brown, PC

**ESTATE PLANNING**
- **ROBERT S. BARNETT**
  Capell Barnett Matalon & Schoenfeld LLP

**EXEMPT ORGANIZATIONS**
- **MAGDALENA M. CZERNIAWSKI**
  Marks Paneth LLP

**FAMILY OFFICE**
- **JOSEPH L. ALI**
  PKF O’Connor Davies, LLP

**FUTURE OF ACCOUNTING EDUCATION**
- **NINA TERRANOVA-DORATA**
  St. John’s University

**INTERNAL AUDIT**
- **ALFRED E. FRIEDMAN**
  Sterling National Bank

**CONSTRUCTION**
- **CONSTRUCTION CONTRACTORS**

**CONSTRUCTION CONTRACTORS**
- **STEWART P. LEMKE**
  Grassi & Co.

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Want to join a committee? Go to nysscpa.org/committees
Keeping up with cyberguidance during COVID-19

By ZACHARY GORDON

As firms move forward and begin to establish a new normal for how business is conducted, it is important to understand what we have learned about the importance of technology and how these lessons can best be applied in the future.

Technology has changed how accounting firms handle in-house communication, client relations and other day-to-day activities. This has only accelerated since the onset of the COVID-19 outbreak.

It is no secret that changing a process within a firm can be quite the undertaking. With that in mind, a firm’s leadership will want to put in place new technology in order to manage the risk of moving to the cloud effectively. At 11 pages, the document presents a concise understanding of the three cloud-computing models. A large part of the paper provides risk management strategies that should be considered by any organization moving into the cloud. These strategies include governance, cloud security management, change management, resilience and recovery, and audit and control assessment.

As organizations reconsider their technology infrastructure to respond to remote needs, many will need to consider cloud-computing solutions. Although they appear simple, the responsibilities between client and cloud provider can be complicated. The NSA also issued “Mitigating Cloud Vulnerabilities” to address these issues. The document provides both explanatory guidance and bullet-point checklists that can be adapted to many technology risk management programs. Readers needing further information will also appreciate the works-cited section, which identifies other reliable and well-respected sources of information.

Verizon issues its annual breach report

In May, Verizon issued its annual breach report. This popular, well-respected and researched publication is a favorite of many security practitioners. They appreciate the uniqueness of this tool, as it provides actual breach information by industry occurring during the past year. Risk professionals use the provided data to add a realistic perspective to their risk assessments. The report’s historical view of security breaches provides the basis for determining probability risk occurring within an industry sector.

Returning to normal operations

One more important publication relates to a topic that many of us are looking forward to—returning to normal. Although targeted to financial services companies, many executives will find the Financial Services Sector Coordinating Council’s (FSSCC) “Financial Sector Return to Normal Operations Resource Guide” to be a practical resource that can be adapted by many industries.

What public accounting can learn about tech from the coronavirus outbreak

By JOEL LANZ

n a short amount of time, the COVID-19 outbreak has caused changes on a global scale that few thought would ever be possible. As with other professionals, public accounting firms have had to adapt their business models and processes in response to these new and unforeseen challenges.

As firms move forward and begin to establish a new normal for how business is conducted, it is important to understand what we have learned about the importance of technology and how these lessons can best be applied in the future.

Technology has changed how accounting firms handle in-house communication, client relations and other day-to-day activities. This has only accelerated since the onset of the COVID-19 outbreak.

It is no secret that changing a process within a firm can be quite the undertaking. With that in mind, a firm’s leadership would be wise to look both inward and outward to identify how and when processes can be improved. New processes can lead to new efficiencies, which, in turn, can lead to enhanced profitability. Having buy-in from the top will also show the rest of the firm the commitment that the organization has made to continual improvement. This can have a positive impact on morale and make the execution of new initiatives easier from top to bottom.

One of the principal themes to keep in mind when looking at products and processes is: Technology is an investment! New technology implementation can be capital and time intensive. The lesson here is that with the right plan, team and execution, a firm can put into place new technology in such a way that it will benefit in both the short and long term.

We have seen that there are some particular technologies readily available in the marketplace that can immediately improve the productivity of accounting firms, including secure electronic document signature software, calendar assistants, bots and mobile technology, robotic process automation (RPA) and project management software. Electronic document signature software is a secure way to send and execute
RISK MANAGEMENT

Returning to the office: What does the ‘new normal’ look like for firms?

By EMILY FRANCHI

A s many counties and states loosen COVID-19-related restrictions for employers across the country, more questions than answers arise regarding best practices in return-to-work procedures.

While continuing to allow employees to work in a remote capacity would be ideal, for some firms, continuing with a remote work environment might not be feasible. CPA firms are reporting problems, such as managing employees who cannot telework; maintaining morale and cohesiveness in a remote environment; overseeing employees and their work; and dealing with unplanned technology costs, paperless initiative issues and concerns related to cybersecurity and the safeguarding of client data.

This “new normal” is anything but normal, and information and best practices about how best to structure a return to the workplace and how to safely behave in the workplace will likely change frequently. Firms will need to be flexible and responsive as information and best practices regarding the pandemic are updated by local governments, the World Health Organization (WHO) and the Centers for Disease Control (CDC). Now, more than ever, management needs to be thoughtful and compassionate when dealing with the myriad feelings that employees will have as they contemplate returning to the office. Workers may be feeling anxious about being in the office surrounded by others or, due to personal or medical reasons, they may be unable to wear a mask. Perhaps they are even concerned at risk themselves or have an at-risk family member in their household. These are uncharted waters and trying times for employers and employees alike, and a more deliberate approach may be necessary when dealing with employee issues related to this pandemic.

Preparing for employees returning to the office should be a thoughtful and deliberate process, and one supported by guidelines set by state and federal health officials. As firms begin the planning process, there are several items for consideration in preparing the office and employees for the eventual return, in order to minimize some of the potential pain points.

**Policies and postings**

All firms should ensure that the Families First Coronavirus Response Act (FFCRA) is posted alongside any other employment posters. (In the case of employees working remotely, the posting should be sent to the employee via email.) Not only should the poster be placed in a visible or high-traffic area, but management should also be familiar with the language and employees’ rights reflected in the posting.

Additionally, firms should revisit all policies and look for opportunities to be flexible and supportive of employees during this pandemic. Leave policies—including sick leave, child care leave and family leave—would be reviewed to potentially expand eligibility, the amount of time allowed, vacation rollover and grace periods, as well as to allow employees to take time in excess of their paid-time-off balance. Current leave policies should also be updated to reflect any legislative updates. Firms should review bereavement leave policies and allow additional time off for employees who have lost a loved one. For employees expressing angst about returning to the office, perhaps a phased-in approach or a hybrid approach—with part time in the office and part time working remotely—might be an option reflected in the policy.

In addition to policies regarding leaves, firms must also put in place policies outlining employees’ responsibilities for frequent hand washing, staying home when ill, practicing physical distancing and following hygiene protocol.

**Daily work adjustments**

Protocols should be established to cover how the firm will adhere to guidelines for physical distancing, office cleaning, meetings, business travel, client interaction and other activities. Management and employees alike will have to be diligent in doing their part to ensure a clean work environment. Firms should also establish protocols for cleaning public spaces such as break rooms, rest rooms, elevators, stairs and lobbies, and include visual aids to mark social distancing in high-traffic areas. Firms should also provide sanitizing wipes, gloves, face masks and any other protective items.

Given the many changes to the office environment and how firms conduct business, it is recommended that management have all employees participate in an onboarding process when they return to working in the office. During the onboarding process, employees should be informed of the steps that the firm has taken to ensure employee safety, including, but not limited to, reconfiguring the office space, restricting business travel, refraining from in-person meetings and the use of hygiene stations. Additionally, the onboarding process would outline expectations for all employees in doing their part, and would set the stage for moving forward as well as revisit any updates to the firm’s policies.

If possible, firms should poll employees in order to gain a better understanding of their concerns in returning to “business as usual.” Management should share the general responses and provide follow-up and feedback so that employees feel validated and heard.

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**Communication, communication, communication**

This is the time for overcommunicating. Employees need to know what management has done and will do to ensure their safety. Communication should be frequent and detailed.

Communication should include what returning to work will look like and should include schedules, requirements for face masks, sanitizing, office layout, and channels for employees to express concerns and suggestions.

If the firm has access to an Employee Assistance Program (EAP), it should reach out and include the EAP in the return-to-work process in order to provide aid and tools to help ease the minds of employees during this unsettling time.

A well-thought-out and detailed plan will ensure that all of the most important factors are taken into consideration, that the risks to employees are managed, and that the expectations of both management and employees are clear. Reaffirming the firm’s commitment to the health and safety of its employees and including consistent messaging that “we are all in this together” will go a long way to smoothing the transition to a new normal.

**Lessons about tech**

Continued from page 12

documents such as proposals and engagement letters. It is a great way to enhance firm standardization and push forward a paperless initiative.

There are various forms of calendar assistants—from bots to add-ons—that integrate with the most commonly used email services. They can mitigate the need to manually negotiate meeting times and bookkeeping and beyond are projects that require continual management by a technology team and should not be taken lightly.

RPA utilizes bots to perform repetitive tasks, parse large populations of data and execute error-free testing at a speed and scale not possible for a human to achieve. This technology can run 24/7 and allows for the professionals involved to focus on more substantive and nuanced parts of an engagement.

Project management software is an absolute necessity for efficiently administering a firm’s portfolio of services and engagements, as well as its staff. Everything from tax returns to financial statement audits to bookkeeping and beyond are projects that need to be organized and executed in a timely, structured manner. Excel schedules and matrices may have worked to an extent in the past, but there is a better, more efficient way. One important note: Try to find user-friendly, visually appealing software that has a dashboard for user tasks. People tend to be visually responsive, and having a one-stop destination for tasks and their statuses can be a material difference in performance.

These are just some of the technology lessons that we have learned to date from the pandemic. This is an opportunity to revisit what is and is not working, and to make improvements to ensure the long-term success and continued evolution of each firm, and of the industry as a whole.

Emily Franchi is a loss prevention specialist for employment practices for CAMICO (www.camico.com). She provides CAMICO firms that have Employment Practices Liability insurance coverage with support on a variety of human resources management issues, focusing on employee relations and legislative compliance for the workplace.

Franchi works with firms to reduce exposure to potential employment practices claims, and she provides education and assistance in creating professional work environments.

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Committee Spotlight: Bankruptcy and Financial Reorganizations, Cybersecurity

By CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA Committee Spotlight is a feature that showcases the dozens of Society committees devoted to virtually every aspect of the CPA profession. If you would like to join either of the committees featured here, contact the committee chair or Keith Lazanas, manager of committees and technical resources, at klazarus@nysscpa.org. The interviews featured in the Committee Spotlight have been edited for length and clarity.

Bankruptcy and Financial Reorganizations Committee
Chair: Michael R. Koeppel, mkoeppel@lakeletag.com

What got you initially interested in the committee?
As a certified turnaround professional (CTP), I’d say that keeping current on the issues arising in bankruptcy and restructuring was a key factor in my joining this committee. In addition, I had an interest in the opportunity for networking and working with professional, experienced colleagues. With a relatively small firm, such as Lakelet Advisory Group, it is essential to have a group of colleagues I could always reach out to and get some professional words of wisdom from.

Our committee works together not only on committee issues, but also on cases where our unique skill sets are required. Over the past few years, I have done several joint projects with committee members whose expertise I can trust—I just reached out to another member this morning about a joint project between our firms. Equally important, I have been called upon to assist with other members’ client challenges.

I was extremely fortunate in becoming the committee chair. Our committee has had several dedicated committee chairs in Harry J. Kobritz and Geraldine M. Wolk. They both have laid the foundation for the committee. As a vice chair, I was able to learn the ropes.

How would you describe your committee, in terms of what it does and the kinds of activities it focuses on?
Because of the professional diversity of our membership’s experience and skill sets, we are able to appreciate addressing the challenges of bankruptcy and restructuring from myriad positions. The committee seeks to provide our members with information and education on identifying challenged entities, the pros and cons of bankruptcy, the types of bankruptcies, a CPA’s role in a bankruptcy, marketing a firm for bankruptcy and restructuring work, working with other professional firms in such undertakings, and ensuring that firms are compensated for their services when working with distressed or bankrupt entities. We also discuss [Uniform Commercial Code] Article 9 sales, creditor’s rights and current trends. These are the topics of the past year or so that we have addressed.

The diversified approach to bankruptcy and restructuring includes having joint committee meetings. For instance, in July, we had a joint meeting with the Banking Committee about the challenges of the current economic environment and viable options for financial restructuring. Later this year, we are scheduled to have a joint meeting with Business Valuation and Litigation Services Committee.

What issues have been a major topic of discussion among your committee members lately? What has been the big issue that people are talking about?
The biggest issue, given the nature of our committee, is that we foresee a tidal wave of opportunities stemming from restructuring and bankruptcy challenges in the United States over the next six months. According to The Wall Street Journal, in May 2020 alone, bankruptcies rose by 48 percent.

Our specialization is highly relevant, given the current economic perils. Whether our services are sought for bankruptcy planning, execution and workout, or assisting clients in restructuring their entities, the current work opportunities are unparalleled. Moreover, both creditors and debtors are more willing to work together throughout these challenging economic situations. As CPAs, we add significant value when providing an array of financial options for mitigating COVID-19-related challenges, whether this value added is operational or financial.

Has this recent relevance meant more work for bankruptcy and restructuring practitioners?
It has created significant amounts of work for practitioners in this area. As stated above, bankruptcies were up by 48 percent in May 2020. There are not many proactive or distressed companies right now that do not need some sort of restructuring—either operational or financial—to get through the pandemic.

Maybe the companies are not at the point of bankruptcy, but they should be exploring a lot more about debt, supply changes, future revenues, bank covenants, projections, keeping stakeholders candidly apprised of the situation, and financial options and plans. I cannot think of a single industry that has not been impacted by COVID-19 in one way or another.

I am actually amazed at how open-minded financial institutions have been to restructuring opportunities. Previously, such restructuring was a more adversarial undertaking. Now, however, the approach is sympathetic. All stakeholders recognize that this economic environment is a situation that demands flexibility and cooperation.

Why join this committee? What would you say to someone who has never heard of it before to convince them to join?
Given where we are in today’s economic situation, our clients need the restructuring expertise that we can provide. I am not saying that you should recommend bankruptcy, but it would still behoove any CPA to look at their client’s balance sheet to see how they can add value through financial and operational restructuring in both the short and long term.

This committee connects you to professionals with years of knowledge in this field in a collegial atmosphere.

Cybersecurity Committee
Chair: Jeffrey J. Horning, jhorning@sompo-intl.com

How did you first get into the cybersecurity field?
When I started applying for internships around my junior year as an accounting major, I was learning about all the different professional services dealing not just with finances and accounting itself, but also with the controls and, within that, IT [information technology] controls. So when I spoke with the PWc recruiters, they asked if I wanted to do financial or IT audit, and I chose IT because I felt it was one of the fastest growing practice areas and also required the most innovation.

How would you describe your committee, in terms of what it does and the kinds of activities it focuses on?
Its definitely a lot of networking, which will always be the goal anyway we get members together. But, so far, our main process at meetings has been to have a guest speaker on some cyber-related topic, or an internal presentation. For example, this past meeting we had a presentation about different cybersecurity certifications that are good for a CPA who [is interested] in working in the cybersecurity realm to have.

What issues have been a major topic of discussion among your committee members lately? What’s been the big issue that people are talking about?
Lately, it’s been preparing for and preventing data breaches or hacks that we’ve been seeing a lot of in the news, in the last few years. Most of what we talk about when it comes to those topics in the industry is risk assessment and how to treat those risks to help reduce the likelihood of a breach, whether for our organizations or just our everyday personal lives. So we discuss best practices on topics such as how to detect a phishing or social engineering attack, or how to make sure you have the proper system backups in case some kind of ransomware locks things.

How much technical knowledge is required to be a CPA in cybersecurity?
Do you need an entire other field of knowledge, or does the standard CPA skill set cover most things?
It’s definitely more of the latter. Most of us in the IT auditing world—at least in my experience—come from an almost purely accounting-related academic background. A lot of what we learn in the auditing field, which can also be applied to the IT side of things, is testing—whether people are getting their access approved, whether they get access to a system, whether developers test changes they make. Things like that don’t require as much technical knowledge as the person being audited needs to have. To develop and write code, you definitely need some training in a different skill set, but to look at a business’ documentation, such as a ticket, and say, “Please point out to me the before and after, and who essentially stamped this for approval,” that’s something you don’t need technical expertise to do.

What have professionals in this field in the past been seeing since COVID-19? Do you find people being better, worse or largely the same about cybersecurity?
The main risk that people in our field are keeping an eye on is the number of people who are working from home or, if not home, wherever they can find WiFi. This was becoming more common even before the virus, but now, so many have to work from home who never did—or never wanted to—before. This presents new risks that people might do something incorrectly or take an action they may not have otherwise taken around the office, such as enabling or disabling a configuration. They might not think that such an action is important, but it could make it easier for someone to get into a network. Or they could click a link that comes through an email, whereas if they were at the office, they might have turned to someone and asked what that person thought first. Since they’re separated from everyone, they might not evaluate the message as carefully. What we are seeing is certainly preventable, with good risk assessment and cybersecurity programs.

Why join this committee? What would you say to someone who has never heard of it before to convince them to join?
I would say that whether a person is coming from an accounting background, an IT background, or some other field and is just interested in the subject, it’s a great way to enhance your understanding of the area.
Heeding the Compliance with Standards Rule

By VICTORIA L. PITKIN
Member of the NYSSCPA
Professional Ethics Committee

When CPAs discuss the Code of Professional Conduct, the first thing we tend to talk about is the Independence Rule and its attendant interpretations. In fact, all too often, it seems that the discussion ends there as well. But there is a lot more to the code beyond independence. Specifically, CPAs should be aware that the Compliance with Standards Rule applies in many situations, and that failure to adhere to it could result in a finding of ethics violations.

The Compliance with Standards Rule (ET 1.310.001) of the AICPA Code of Professional Conduct, which the NYSSCPA adopted in May 2013, is almost entirely referenced in the following sections of the Independent Accountant’s Review Report:

1. Materiality
2. Management’s Responsibility for the Financial Statements and Adverse Conclusion

Three significant changes to the profession that result from SSARS 25 are the explicit requirement to determine materiality in a review of financial statements, the allowance of an adverse conclusion and the requirement of a statement related to independence in the Independent Accountant’s Review Report. The standard will become effective for periods ending on or after Dec. 15, 2021; early implementation is permitted.


Materiality
SSARS 25 calls for specific requirements relating to materiality, as materiality is specifically referenced in the following sections of the Independent Accountant’s Review Report: “Management’s Responsibility for the Financial Statements,” “Accountant’s Responsibility” and “Accountant’s Conclusion.” While both review and auditing standards include language for materiality, the guidance prior to SSARS 25 for documentation and use of materiality during a review engagement was less explicit and resulted in inconsistencies within the profession. In addition to refining the definition of materiality, SSARS 25 clearly indicates that the accountant should determine materiality for the financial statements, as a whole, and apply materiality when designing and evaluating the results obtained from the procedures performed. Furthermore, the standard indicates that materiality should be revised accordingly during the review engagement if circumstances arise and cause the accountant to believe that he or she has determined a different materiality amount initially. In addition to creating consistencies within the profession, these new standards provide review requirements that are specific to the conclusion on which the Independent Accountant’s Review Report is based.

Adverse review conclusion
SSARS 25 provides accountants with the option to issue an adverse conclusion in the Independent Accountant’s Review Report, when the financial statements are determined to be both materially and pervasively misstatement, an option permitted under ISRE 2400. SSARS 25 defines pervasive, in the context of misstatements, as effects on the financial statements that, in the accountant’s judgment, are not confined to specific financial statement items. If so confined, could represent a significant portion of the financial statements; or, with regard to disclosures, are fundamental to the users’ understanding of the financial statements. If the misstatements are both material and pervasive, examples of circumstances under which it may be appropriate to issue an adverse conclusion include 1) not consolidating an acquired subsidiary because the company has not been able to ascertain the fair value of its assets and liabilities at the acquisition date, 2) management’s nonapproval of the capitalization of a materializable lease, and 3) management’s inability to substantiate fair-value representations associated with related-party transactions.

In the event that a misstatement is both material and pervasive, and the accountant issues an adverse conclusion, the accountant is required to provide a description of the matter giving rise to the modification in a paragraph entitled, “Basis for Adverse Conclusion,” immediately before the “Adverse Conclusion” paragraph, which replaces the “Accountant’s Conclusion.” An adverse conclusion for a single-year Independent Accountant’s Review Report reads as follows: “Based on my (our) review, due to the significance of the matter described in the Basis for Adverse Conclusion paragraph, the financial statements are not in accordance with the applicable financial reporting framework.”

The ARSC determined that allowing for an adverse conclusion is in the best interest of the public, as the information included in the Basis for Adverse Conclusion Paragraph in the Independent Accountant’s Review Report informs the users of the financial statements of the matter(s) at hand. Not allowing for an adverse conclusion would call for the accountant’s withdrawal, resulting in the material and pervasive misstatements being concealed and enabling the entity to seek another accountant. SSARS 25 requires in the Basis for Adverse Conclusion paragraph, if the accountant chooses to issue a review report. This is further complicated by the fact that under current guidance for a review engagement, the successor accountant performing a review engagement is not required to communicate with the predecessor accountant. The permitted lack of communication allows for the successor accountant to be uninformed about significant issues that may not be voluntarily conveyed by management, leaving the matters to be revealed by analytical review procedures, if at all.

Finally, SSARS 25 addresses material misstatements that are not pervasive, currently referred to in the Independent Accountant’s Review Report as a known departure from Generally Accepted Accounting Principles (or other applicable financial reporting framework). Such nonpervasive material misstatements are considered a modification under the new standards, and are expressed in a “Qualified Conclusion” paragraph, with a preceding paragraph entitled, “Basis for Qualified Conclusion.”

Independence statement
SSARS 25 introduces a new statement in the Independent Accountant’s Review Report regarding independence, and explicitly disclaims the accountant’s ethical responsibilities. The statement is positioned before the “Accountant’s Conclusion” (or Basis for Qualified or Adverse Conclusion, if applicable) in the Independent Accountant’s Review Report, and includes the following wording, as provided in the standard for a single-year engagement: “We are required to be independent of XYZ Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.” This additional language serves to align with a similar statement required in the auditor’s report in accordance with Statement on Auditing Standards 134, “Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements.”

It is expected that SSARS 25 will reduce inconsistencies in practice without causing a substantial change in standard practice.

Lenore C. Sanchez is a manager at PKF O’Connor Davies, LLP, the chair of the NYSSCPA’s Accounting and Review Services Committee and the immediate past president of the Society’s Rockland Chapter. Ross A. Trapani is a manager at RBT CPAs, LLP, and is a member of the Accounting and Review Services Committee and the immediate past president of the Society’s Rockland Chapter.

New AICPA standard focuses on materiality

By LENORE C. SANCHEZ, ROSS A. TRAPANI and NICK TSOUKARIS

AICPA STANDARDS
Auditing during a pandemic presents unique challenges

By CHRIS GAFETANO
Trusted Professional Staff

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llison M. Henry, vice president of professional and technical standards with the Pennsylvania Institute of CPAs, speaking at the Foundation for Accounting Education’s Employee Benefits Conference on June 4, said that the major disruptions brought about by the pandemic mean that auditors must be both diligent and creative if they wish to preserve audit quality.

The crisis has completely changed the audit environment, she said, meaning that auditors cannot rely on approaches that may have worked before, whether they may be procedures that won’t work in a remote audit or using data that may no longer be applicable. This is the case even if previous audits worked out well.

“I know some of you are sitting back saying your 2019s are fantastic, that the internal controls are great, that there was no fraud being committed,” she said. “But you’re performing these audits in 2020, and you would be missing some significant risks, subsequent events, potentially, if you were to just ignore what’s going on in 2020.”

As just one example, she said auditors must figure out how they will evaluate company culture if all they can do is have video conferences with the client. While some firms might say this isn’t a concern because they’ve been auditing this one client for 15 years and know all about it, “you also have to think about how this might impact you taking on new audits for new clients.”

Data access is another issue. Henry said she’s heard from individuals who’ve said that they haven’t been able to get access to payroll records, but, she said, “there’s just no other option” if the auditor wants to complete the engagement. Some have been able to make do with copies of the data, but even in that case, “there should be a heightened level of skepticism surrounding the authenticity of those documents, and where they come from and if they are secure.”

Beyond audit fundamentals such as these, she has also observed independence issues due to the offering of nonattest services, especially in the context of Paycheck Protection Program (PPP) loans. She said that she has heard reports of auditors helping clients to fill in the PPP application and even signing it themselves, which, she said, is a major independence issue, regardless of one’s motivations in doing so.

“I know there are some out there saying, I’ll be the savior and go help this client, and they need this money,’ and sign the application. But really, stand back and think about what it is you’re signing,” she said.

Henry added that doing so can prevent the firm from doing further audit work for that client, such as in the case of Economic Injury Disaster Loans, which can potentially require a review engagement.

The offering of these nonattest services, too, have problems unto themselves. Over the course of peer reviews, she has seen engagement letters and representation letters not properly tailored to the client, not all nonattest services being properly evaluated for whether they represent an independence violation, nonattest services being added at a later date, the firm failing to document that management is aware of its responsibilities in the audit, and failure to note whether a documentation issue is due to independence impairments.

She also noted that auditors should pay special attention to the client’s internal controls this year as well, considering “the pace and magnitude of change.” For instance, workforce changes, particularly furloughs, could present new internal control risks, as can delayed filing deadlines, liquidations, or even extra overtime for the employees who are still around. Even if these things don’t necessarily present fraud risks, she noted that it’s important to ensure that whatever changes companies make to adapt to the pandemic be in accordance with the plan document.

Of course, she added that auditors should be especially wary of fraud risks, noting that 25 percent of fraud is due to personal financial circumstances. In this time of economic tumult, the incentives and the opportunities to commit fraud are especially elevated. Henry acknowledged that auditors making fraud inquiries rely a lot on body language and facial expressions, and both of those can be tough to read in a remote engagement. In a virtual environment, she said, tone at the top becomes very important, and so she advised that auditors focus there. On one hand, auditors might see some clients aggressively communicating a commitment to ethics and taking active steps to prevent fraud. On the other, they might see clients not so concerned about this.

“If no one is looking, and management is turning a blind eye, there could be significant pressures and incentives for fraud this year. That’s the purpose of my focus, not only on 2019 internal controls, but what’s going on now. It’s critical,” she said.

This is all part of the overall imperative to ensure that while these may be strange times, auditors cannot forget their core commitments and ethical standards. While the difficulties of conducting an engagement might be seen by some as a reason to be more lax, Henry asserted that it is times like these when audit quality is more important than ever.

“It’s not just about completing the grid. It’s about understanding the clients, the entity, the internal controls, the fraud risks, and taking all those risk areas in the financial statements ... all the assertions, including the going concern, the core commitments and ethical standards, and evaluating all of that at the relevant financial statement and assertion levels,” she said.
What has been the biggest challenge for you in the transition to remote work?

WILLIAM C. HUETHER | Manager | Brightwaters

One of the bigger challenges has been just keeping all team members engaged and feeling connected in the remote environment. In the beginning, there were the obvious issues where productivity decreased while we were trying to get everyone adapted to the new remote environment, but the firm responded to this by investing in some new technology, including additional portable monitors for all staff and Microsoft Teams. With the new technology, we began setting up weekly meetings so that we could at least bring everyone together face-to-face to connect. We’ve also found that screen-sharing helps with coordination and, just a little, re-creating the time when you’d just walk to someone’s desk to have a discussion about something. It’s also been good for training purposes.

For me, personally, things have worked very well. I’d recently moved to a new house and had set up a home office just a week before everything shut down, so I’m nicely settled. The firm has done a great job providing everyone with all the technology needed to be efficient and effective, and I have found this to be very helpful. Still, I do miss going to the office and having personal interactions with staff and clients.

whuether@sheehancpa.com

NOELLE COLLAZO | Manager | Stamford, Conn. (office in Montvale, N.J.)

As we moved to working remotely, some of the challenges we encountered were not being able to physically meet with our clients, adapting to a new way of connecting with team members, and ensuring that everyone is taking the time to disconnect and recharge. In place of meeting with our clients in person, we switched to virtual meetings. Once all of the technological challenges were addressed, we were able to meet easily with our clients. Microsoft Teams and Skype for Business have allowed us the opportunity to see clients over the computer and still maintain that connection we wanted. Throughout this process, our clients and teams understood that we were in this together and would assist them with the support they needed.

As we settled into our new daily working environment, it was crucial that our staff continued to have their managers’ support so that they could continue to expand their knowledge and grow in their roles. For my team, we have weekly scheduled calls to connect on work and see how their lives are going. As needed, we would also conduct any one-on-one conference calls to help answer questions, check in and have regular discussions the way we would when we were in the office.

Now that we are settled into our routines, it is important that our teams take the proper time away at the end of the day to disconnect and maintain a strong work-life balance.

ncollazo@kpmg.com

NATHAN FARKAS | Sole Proprietor | Montreal, Canada (U.S. office in Plattsburgh)

The biggest challenge was going from a proper office to a home with two kids running around and a newborn. There’s the general problem of household responsibilities, on top of the fact that they want more help and attention, since I’m home now. I’ve had to adapt. I used to work normally from 9 to 6 and then take a train home. Now that I work at home, I keep slightly different hours: I’m not able to get as much done during the day, so now I start my work a little later in the day, take a break midevening, and then work later at night, after the kids are in bed.

As far as working with my staff goes, Zoom has been a godsend—we meet as necessary and share screens. Going all-digital has been a little hard for my older clients, who are used to hard copies, but I set up a drop outside my house for picking up and dropping off documents for them.

nfarkas@nathanfarkas.com

TRACY BADGLEY | Partner | Newburgh

This question came in moments after I had had one of my most difficult work-from-home challenges. Total synchronicity.

I had just gotten off a Microsoft Teams call with a staff member who was struggling with an accounting issue. While working in the office, I have an open-door policy. People are free to come into my office and ask questions—whenever. It seems as though, even though we have every electronic resource that exists—Microsoft Teams, Zoom, Skype and forwarded phones—people try to be more mindful of others’ “space.” It almost feels like a personal intrusion to call someone on Teams when they are at home, even during “available” work hours.

I had the realization that, in some cases, staff are not getting the “love” they deserve. They need to be together. They are not getting their teaching moments. They are not able to ask questions of peers freely. They are spinning their wheels trying to figure stuff out on their own. They are trying to teach themselves things that need to be taught in real time, just an office away. Teaching themselves is not optimal, and it does not work. It is not on-the-job training, and it is not how we are supposed to grow our staff. No one should have to fend for themselves. No one should lose out on the teaching moments.

Forget about the other challenges, like technology, lack of socialization, too many hours with not enough done, and not seeing everyone—that’s about me. Today, I realized the greatest work-from-home challenge wasn’t what I thought or expected. It wasn’t about me, and it is not the same answer I would have given yesterday. The greatest working-from-home challenge is not being able to help the staff in a manner they deserve. The challenges and adjustments are ongoing.
Navigating the CPA profession in the time of COVID-19—someone should write a book. Many of us are still reeling from the disruption to our lives and livelihood; however, our ability to be agile and resilient has helped us throughout the crisis. I co-chair an industry-specific financial managers committee for an advocacy group. In the past, we met monthly; now, the committee meets weekly to discuss and interpret the rapidly issued executive orders and COVID-19 emergency regulations that could help our organizations survive this crisis.

Several accountants, partners from public accounting firms who provide financial services to the not-for-profit sector, have made significant unrecognized contributions during this time of uncertainty. They have been our trusted professionals, providing guidance, and often caution, as we attempt to navigate the Coronavirus Aid, Relief and Economic Security (CARES) Act and emergency funding from New York state. Chief financial officers, controllers and financial analysts continue to spend countless hours revising year-end forecasts, covenant calculations and budgets, meeting with board and finance committees on a weekly basis. Members of the NYSSCPA in public and nonpublic firms have stepped up to lead webinars and share their valuable knowledge with peers. Without a doubt, health care and essential workers have saved lives and gone beyond the call of duty to help those who were infected with this pandemic. In order for them to continue to save lives, accountants have to be there to ensure financial and service viability, now and long into the future. Accountants are essential too!

When I understood this simple but crucial business fact of life, I made the decision to become a CPA. I had no clue about either the effort required to become a CPA or the doors it would open for me and many others. As I embark on my term as president of the Manhattan/Bronx Chapter and contemplate the focus of my tenure, current events confirm why I chose this profession. Now more than ever, we need more trusted and diverse professionals in every industry. I believe the CPA profession should become more tangible to someone who previously had no idea what an accountant actually does and the impact accountants have in the business and the livelihood of others. With the help of technology, accountants can work anywhere and meet virtually—we are adaptable!

The focus of my tenure will be to help students and those seeking a career change see the vast opportunity in accounting to support their passions and their need to effect change. We will encourage and support those interested to enter the profession of certified public accountancy, whether it is to work for a public firm or in industry. Our NextGen Committee has been very active during the quarantine period. In March, it hosted a timely virtual transition panel discussion; engaging and knowledgeable industry professionals discussed career transition experiences, exploring both pitfalls and useful information. In April, the NextGen Committee hosted an interactive, virtual cybersecurity session, “What CPAs Need to Know.”

St. Victor of Focal Point Data Risk LLC led a lively interactive discussion on cybersecurity and the latest schemes to defraud the public. On June 24, our chapter’s NextGen Committee co-presented with the Diversity and Inclusion Committee an expert panel on “How to Negotiate.”

There are many ways to effect change. Accounting is an essential, honorable and valuable profession. I would like to breathe life into the One on One Committee, which has a specific focus on high school student engagement to plant the CPA seeds to encourage college preparedness. This would involve attending Career Day events in New York City high schools and developing relationships with local youth community centers in the boroughs of Manhattan and the Bronx. There will be more opportunities to participate in virtual events as school openings slowly evolve.

The mission of the Manhattan/Bronx Chapter’s Promoting CPA Careers Committee is to encourage young people to become CPAs. The committee planned to host two Career Day events, in May and November, during which professionals from various practice areas would speak to students and introduce them to the many career opportunities that exist in the CPA profession. Because of pandemic-driven school closures, both events were canceled this year. We will seek creative opportunities to engage students in the future.

The heart of the chapter is membership engagement and recruitment. There are several events scheduled later in the year; you can find them here. We are hoping to coordinate a welcome-back social event when in-person events are allowed—stay tuned.

Thank you to the board and members of the Manhattan/Bronx Chapter for your dedication. I look forward to serving with you and Orumé Hays, our president-elect.

A’Isha.Torrence@ahrcnyc.org
Mid Hudson Chapter members mentor accounting students: an effective collaboration

By TRACEY NIEMOTKO, MOIRA TOLAN and MICHAEL FIGUEROA

The Foundation for Accounting Education (FAE) delivers professional education programs for CPAs and other financial professionals, including those working in public accounting practice areas, as well as those working in government, industry and academia, to help satisfy their New York state calendar-year continuing professional education (CPE) requirements. New CPEs are subject to the following two requirements:

1) Either 24 or 40 contact hours (credits) of acceptable formal continuing education completed from Jan. 1 through Dec. 31 of each calendar year (24 if concentrated in one of the recognized subject areas (fields of study) or 40 if in any combination of recognized subject areas); and 2) 4 contact hours of acceptable professional ethics completed during every three calendar years. These 4 credits of ethics may be counted toward your 24 or 40 CPE credits in the calendar year in which you actually complete the ethics course.

Courses may only be categorized as the following fields of study for CPE accreditation: Accounting, Advisory Services, Auditing, Ethics, Specialized Knowledge and Taxation.

Learn more about upcoming conferences and seminars.

Below is a selection of upcoming virtual conferences to attend.

43rd Annual Nonprofit Conference Webcast (Accounting and Auditing Track)
Jan. 14, 2021, 8:30 a.m.–5 p.m.
Course Code: 35550112
CPE Credits: 5 Accounting, 2.5 Auditing, 1 Specialized Knowledge
Member Price: $300
Nonmember Price: $400

43rd Annual Nonprofit Conference Webcast (Government Track)
Jan. 14, 2021, 8:30 a.m.–5 p.m.
Course Code: 35550111
CPE Credits: 2 Accounting, 5.5 Auditing, 1 Specialized Knowledge
Member Price: $300
Nonmember Price: $400

International Taxation Conference Webcast
Jan. 28, 2021, 8:10 a.m.–5:35 p.m.
Course Code: 35610111
CPE Credits: 9 Taxation
Member Price: $300
Nonmember Price: $400

The following is an example of the mentorship assignment at Mount Saint Mary that offered students an opportunity to network with a CPA mentor and to further develop soft skills. The assignment had three parts: email correspondence, a written report and a class presentation.

Students began the assignment by preparing drafts of emails to mentors to request a virtual, phone or in-person meeting. The email drafts were discussed and reviewed in class. Class presentations took on a professional quality when mentors were invited to attend and provide feedback. Students were also required to prepare an email correspondence to thank mentors and to share feedback.

To make the mentorship a true growth opportunity, students were able to choose their own meeting terms—by phone, by virtual meeting or in person. As they become familiar with the professional arena, students broadened their level of comfort. They also grew by recognizing the importance of conveying gratitude to their mentor for their service.

Sample interview questions for CPA mentors included the following: What are your responsibilities and what do they entail? Which aspects of your work as a CPA do you find most challenging? Based on your experience, what is the biggest challenge facing the accounting profession?

Students then prepared a written report summarizing the mentor interview, including interview questions/responses and the “takeaway,” or insights from the mentor assignment.

Finally, students prepared a PowerPoint presentation to share interview experiences and insights with the class; mentors were invited to attend.

Feedback from students
Since a great deal of time and effort goes into arranging mentorship assignments, it is important to get feedback from students to determine if they benefited from them, and to gauge if changes should be implemented moving forward. It is very rare to receive negative feedback from students regarding their work with mentors.

At Mount Saint Mary, mentorships offered accounting students an excellent opportunity to get a taste of the professional environment and to lessen their trepidation as they move closer to their professional careers. By providing their support through a curriculum or the NYSSCPA’s Mentor Match Program, mentors had a positive impact on the lives of students and on the future of the accounting profession. This template can be adapted by other chapters, and at other colleges, as needed.

Special thanks go to the Mid Hudson Chapter volunteers, especially Denise Finney and Magda Reyes for taking the lead, and Ita M. Rahilly for her service as president of the NYSSCPA in 2019-20. The Mid Hudson Chapter mentors are Magda Reyes, Tracy Badgley, Denise Finney, Kevin Musshet, Noelle Collazo, Tracey Tarsio, Maria Petrollee, Lorraine Barton, Kathy Seckler, Jennifer George, Valerie Torres and Elisha Brestovan. The mentors and presenters are Thomas Weddell and Robert Unger.

Tracey J. Niemotko, J.D., CPA, CFE, is a professor of accounting at Mount Saint Mary College, in Newburgh, N.Y., where Moira Tolans, Ph.D., is a professor of business. Michael Figueroa, MBA, served as a research assistant.
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