Corporate tax expert warns of new law’s hidden catches

By CHRIS GAETANO
Trusted Professional Staff

The new federal tax law enacted in December swapped out a graduated corporate tax rate topping out at 35 percent with a flat 21 percent rate across the board. While this provision, combined with the elimination of the corporate alternative minimum tax (AMT), might seem to have simplified matters considerably, attorney Jerald David August, a tax partner at Kostelanetz & Fink, LLP, who spoke at the Foundation for Accounting Education’s conference, “Impact of the New Tax Reform Act: A Sid Kess Workshop,” on Jan. 31, pointed out some complicating factors. The CPA Journal was a co-sponsor of the conference.

While the new corporate tax rate is, on paper, 21 percent, other taxes from before the bill’s passage and new limits imposed afterward can erode the benefits for certain companies, August said. He conceded that it is tempting for a closely held corporation to suddenly turn into a C corporation, and that the potential tax savings “does invite, in fact requires, an assessment of whether C is better.” However, he advised that clients go into the process with both eyes open.

Thus, while the corporate AMT was eliminated, there’s a new base erosion and anti-abuse tax (BEAT) that, he said, effectively acts like an AMT for large corporations with over $500 million in gross receipts, based on global income. A company subject to the BEAT would need to add back to taxable income its current-year deductions involving payments to related foreign persons (such as someone who owns at least 25 percent of the company’s stock), and then pay 10 percent of the resultant figure.

August also noted that corporate clients, even with a lowered income tax rate, will still need to contend with other taxes, such as the accumulated earnings tax, which carried over from the previous tax code. The accumulated earnings tax is a 20 percent levy on accumulated taxable income. Accumulated taxable income is taxable income—adjusted for matters such as charitable contributions and capital gains and...
New committees support career opportunities

One of the NYSSCPAs roles that I feel most strongly about is its support of members at all stages of their careers. After all, joining the Society 20 years ago was one of the best career moves I made, providing me with a network of friends and associates who have offered me mentorship and guidance.

It is crucial that we continue to attract young professionals to the CPA profession and provide them with support and encouragement throughout their professional lives. An essential part of this process is offering our members guidance with their career development. That is why the Society recently introduced two new committees that offer assistance with professional advancement: the CPA Careers Committee and the Career Transitions Committee.

The CPA Careers Committee focuses on outreach to high school and college students, as well as accounting graduates who are searching for jobs and preparing for the CPA exam. Many of our chapters have long held events aimed at recruiting local students for the accounting profession. One goal of Denise M. Stefano, the chair of the committee, is to formalize some of the best practices for these programs and extend them to every chapter. Such efforts will not only widen the scope of the Society’s outreach efforts, but they will also strengthen each chapter’s initiatives.

When I served as president of the Suffolk Chapter and as chair of its Young CPAs Committee, I was involved in a number of efforts aimed at career development, knowing that this is one of the most important services the Society can provide. Because the CPA Careers Committee is taking a holistic approach to outreach efforts, all of our chapters, and the membership as a whole, will benefit.

The Career Transitions Committee offers assistance and resources to accounting professionals who need to take time off midcareer for personal or health reasons, who wish to switch to a different specialty, or who become unemployed or encounter other career obstacles. Chaired by Sandra M. Gentile, this committee will hold training sessions in technical skills that are in demand, such as data analytics, and will also help with such job-hunting proficiencies as personal branding, professional presentation and interviewing.

Because the accounting profession is rapidly changing, and automation is phasing out many traditional jobs for early-career professionals, this committee has a crucial role to serve.

Both committees will supplement the services that the Society continues to offer for career development, including our NextGen program, our Career Center and our Mentor Match Program. Our NextGen program hosts the annual NextGen Conference and Accounting Career Fair, as well as events focused on networking and career development.

The Career Center hosts an online job board where members can post job opportunities at their firms or companies, and job seekers can post resumes—at no cost. The Mentor Match Program pairs members who are starting out with experienced professionals. Through the program, they meet at least once a month, and at least six times during the program, either in person or by phone or video chat.

In addition, the Society recently introduced a committee devoted to the cannabis industry—one of the fastest-growing in the country—with the potential to offer new career options for CPAs who service these clients. The Cannabis Industry Committee, chaired by Zachary Gordon, offers educational and networking opportunities for members who are interested in offering their services to clients in the burgeoning medical marijuana industry in New York state. A little over a year ago, the Society hosted its first-ever marijuana symposium, addressing many of the tax, accounting and regulatory issues unique to the industry. The Cannabis Industry Committee’s plans to make that symposium an annual event.

While medical marijuana is legal in New York state, law does not currently allow for either recreational marijuana or for cultivation of the plant, and it strictly limits the illnesses that can be treated with the drug. The recent announcement by the U.S. attorney general that the administration will reverse a policy against prosecuting marijuana criminal laws in states where the drug has been legalized means that the committee will have much to deliberate.

With these three committees and their ambitious agendas, the Society is making career development an even bigger focus. Members interested in joining any of these committees can contact Nereida Gomez at ngomez@nysscpa.org or president@nysscpa.org.

Formal Notice of the 2018 Annual Election Meeting of the New York State Society of CPAs

Please note that the annual membership meeting of the New York State Society of Certified Public Accountants will be held on Thursday, May 24, at 6:30 p.m. (opening reception: 5 p.m.) at The Prince George Ballroom, located at 15 East 27th Street, New York City.

The meeting will be followed by a fundraising gala for The Moynihan Scholarship Fund (see page 8 for more information and registration details). Seating will be available for members who wish to attend the annual meeting but do not wish to attend the gala. If you wish to be seated for the meeting only, and not the gala, please contact Nereida Gomez at ngomez@nysscpa.org or 212-719-8358.

The agenda for the meeting is as follows:
1. Approval of minutes from the May 17, 2017, annual membership meeting.
2. Election of the 2018–2019 officers and directors with terms beginning on June 1, 2018.
3. Other business.
JANUARY 11, 2018

OFFICERS: to hold office for one year, from June 1, 2018:

PRESIDENT
Jan Herringer automatically succeeds Harold L. Deiters III as President, in accordance with Article VIII, Paragraph 5 of the Bylaws.

PRESIDENT-ELECT
ITA M. RAHILLY to succeed JAN HERRINGER
RBT CPAs, LLP

VICE PRESIDENTS
CHARLES V. ABRAHAM to succeed PAUL E. BECHT
Mazzars USA LLP

SALVATORE A. COLLEMI to succeed JOHN B. HUTTLINGER, JR.
Marks Paneth LLP

IRALMA POZO to succeed MITCHELL J. MERTZ
CUNY Colleges

JANEEN F. SCHRANN to succeed CANDICE R. METH
Piaker & Lyons

SECRETARY/TREASURER
ANTHONY T. ABBOUD to succeed ANTHONY T. ABBOUD
Finley, Moran, Freer & Eass, CPA, P.C.

DIRECTORS-AT-LARGE: to hold office for three years, from June 1, 2018:

RUMBI BWERINOFIA-PETROZZELLO to succeed ELLIOT L. HENDLER
Rock Forensics, LLC

JENNIFER A. KARTYCHAK to succeed EDWARD L. ARCARA
Lumsden & McCormick, LLP

GERARD J. LOVERDE to succeed JACK M. CARR
Cicero & LoVerde, P.C.

STEVEN M. MORSE to succeed JENNIFER R. GEORGE
The Bonadio Group

DAVID G. YOUNG to succeed BARBARA A. MARINO
Young & Company, CPAs, LLP

DIRECTOR-AT-LARGE: to hold office for one year, from June 1, 2018

ROBERT M. ROLLMANN to succeed SALVATORE A. COLLEMI
PKF O’Connor Davies, LLP

DIRECTORS AS CHAPTER REPRESENTATIVES: to hold office for three years, from January 11, 2018:

BUFFALO
PATRICIA A. MCGRATH to succeed PATRICIA A. JOHNSON
Tronconi Segarra & Associates
SUNY at Fredonia

MANHATTAN/BRONX
CARNET A. BROWN to succeed IRALMA POZO
NYU Langone Health System
CUNY Colleges

SOUTHERN TIER
DARCY ALDOUS to succeed JANEEN F. SCHRANN
Darcy Aldous, CPA PC
Piaker & Lyons

SYRACUSE
TIMOTHY J. HAMMOND to succeed STEVEN A. STANEK
The Bonadio Group
Daley, LaCombe & Charette PC

WESTCHESTER
CATHERINE M. CENSULLO to succeed DENISE M. STEFANO
Catherine M. Censullo, CPA/CMA Wealth Management
Mercy College

ALL OF THE NOMINEES HAVE CONSENTED TO SERVE IF ELECTED.

DIRECTORS (provided the above nominees are duly elected):

TERMS EXPIRING IN 2018:
ANTHONY T. ABBOUD, Finley, Moran, Freer & Eass, CPA, P.C.
CHARLES V. ABRAHAM, Mazzars USA LLP
SOL S. BASILYAN, PricewaterhouseCoopers LLP
CHRISTOPHER G. CAHILL, Deloitte & Touche LLP
SALVATORE A. COLLEMI, Marks Paneth LLP
MITCHELL A. DAVIS, Grassi & Co.
HAROLD L. DEITERS III, Baker Tilly Virchow Krause, LLP
EDWARD F. ESPOSITO, Edward F. Esposito, CPA/ABV, CFE
TRACEY J. NIEMOTKO, Mount Saint Mary College
KEVIN P. O’LEARY, Marvin and Company
IRALMA POZO, CUNY Colleges
Renee Rampulla, Rampulla Advisory Services, LLC
BRIAN M. REESE, Fitzgerald, DePietro & Wojnas CPAs, P.C.
ROBERT M. ROLLMANN, PKF O’Connor Davies, LLP
JANEEN F. SCHRANN, Piaker & Lyons
MICHAEL M. TODRES, Todres & Company, LLP

TERMS EXPIRING IN 2020:
DENNIS N. ANNARUMMA, Ernst & Young LLP
ANTHONY S. CHAN, CA Global Consulting Inc.
WILLIAM H. DRESNACK, Rochester Institute of Technology
MARK L. FARBER, Mark L. Farber CPA PC
LYNNE M. FUENTES, Fuentes & Angel CPAs, LLC
JAN HERRINGER, BDO USA, LLP
DOUGLAS L. HOFFMAN, Hoffman Eells & Gray CPAs, P.C.
KIMBERLY G. JOHNSON, KPMG LLP
THOMAS S. PIRRO, Thomas S. Pirro, CPA, PC
MARK M. ULRICH, St. John’s University

TERMS EXPIRING IN 2021:
DARCY ALDOUS, Darcy Aldous, CPA PC
CARNET A. BROWN, NYU Langone Health System
RUMBI BWERINOFIA-PETROZZELLO, Rock Forensics, LLC
CATHERINE M. CENSULLO, Catherine M. Censullo, CPA/CMA Wealth Management
TIMOTHY J. HAMMOND, The Bonadio Group
JENNIFER A. KARTYCHAK, Lumsden & McCormick, LLP
GERARD J. LOVERDE, Cicero & LoVerde, P.C.
PATRICIA A. MCGRATH, Tronconi Segarra & Associates
STEVEN M. MORSE, The Bonadio Group
ITA M. RAHILLY, RBT CPAs, LLP
DAVID G. YOUNG, Young & Company CPAs, LLP

RESPECTFULLY SUBMITTED,
2017–2018 Nominating Committee

DAVID A. LIFSON (Chair)
ANTHONY CASSELLA
ANTHONY S. CHAN
SHERRY L. DELLEBOVI
ELIZABETH A. HAYNIE
JOHN J. LAUCHERT
KENNETH J. PINK
JOEL SCHLEifer
DENISE M. STEFANO
THOMAS D. WEDDELL
CHARLES J. WEINTRAUB

2017–2018 NYSSCPA NOMINATING COMMITTEE REPORT

www.trustedprofessional.com | The Trusted Professional | January/February 2018
2018–2019 NOMINEES

OFFICERS: To hold office for one year, from June 1, 2018

PRESIDENT-ELECT
ITA M. RAHILLY, Partner, RBT CPAs, LLP, Newburgh, N.Y. Member of the Society since 1988; member of the Mid Hudson Chapter. STATEWIDE: Past Vice President on the Board of Directors. Past Director as Chapter Representative on the Board of Directors. Past Vice President of the Executive Committee. Current Chair of the Investment Subcommittee of the Finance Committee. Current member of the Finance and Trust and Estate Administration committees. Past Chair of the Trust and Estate Administration and Member Relations committees. Past member of the Awards; New York, Multistate and Local Taxation; Quality Enhancement Policy; and Tax Division Oversight committees. Past member of the Rapid Response Subcommittee (TDOC). Current member of the AICPA Council. CHAPTER: Past Mid Hudson Chapter President, Secretary and Treasurer. Past Mid Hudson Chapter Executive Board member. Past Co-chair of the Mid Hudson Chapter Cooperation with the Bar, Bankers and Loan and Estate Planning committees. Past member of the New Paltz COAP Advisory Board.

VICE PRESIDENT
CHARLES V. ABRAHAM, Partner, Mazars USA LLP, New York, N.Y. Member of the Society since 2006; member of the Nassau Chapter. STATEWIDE: Current member of the Accounting and Auditing Oversight and SEC committees. Past Chair of the SEC Committee.

VICE PRESIDENT
SALVATORE A. COLLEMI, Partner, Marks Paneth LLP, New York, N.Y. Member of the Society since 1998; member of the Manhattan/Bronx Chapter. STATEWIDE: Current Director-at-Large on the Board of Directors. Current member of the FAE Curriculum Committee. Past Chair of the International Accounting and Auditing and Member Relations committees. Past member of the Accounting and Auditing Oversight and Professional Ethics committees.

VICE PRESIDENT
IRALMA POZO, Consultant and Adjunct Lecturer, City University of New York (CUNY) Colleges, New York, N.Y. Member of the Society since 2004; member of the Manhattan/Bronx Chapter. STATEWIDE: Current Director as Chapter Representative on the Board of Directors. Current member of the Executive Committee. Current member of the CPA Careers and Not-for-Profit Organizations committees. Past member of the Governance Subcommittee. Past member of the Academic Advancement and Higher Education Committee. CHAPTER: Past Manhattan/Bronx Chapter President, President-elect and Treasurer. Past Manhattan/Bronx Chapter Executive Board member. Past Chair of the Manhattan/Bronx Chapter One-on-One Committee. Past member of the Manhattan/Bronx Chapter NextGen Committee.

VICE PRESIDENT
JANEEN F. SCHRANN, Partner, Piaker & Lyons, Binghamton, N.Y. Member of the Society since 2002; member of the Southern Tier Chapter. STATEWIDE: Current Director as Chapter Representative on the Board of Directors. CHAPTER: Current Southern Tier Executive Board member. Past Southern Tier Chapter President, President-elect and Secretary/Treasurer. Past Chair of the Southern Tier Chapter One-on-One High School Outreach Committee.

SECRETARY/TREASURER
ANTHONY T. ABBOUD, Principal, Firley, Moran, Freer & Eassa, CPA, P.C., East Syracuse, N.Y. Member of the Society since 1998; member of the Syracuse Chapter. STATEWIDE: Current Secretary/Treasurer on the Board of Directors. Current member of the Executive Committee. Current Treasurer of the FAE Board of Trustees and the Moynihan Scholarship Fund Board of Trustees. Current Chair of the Finance Committee. Past member of the Audit Committee. CHAPTER: Past Syracuse Chapter President, President-elect and Vice President. Past Syracuse Chapter Executive Board member. Past Chair of the Syracuse Chapter Budget, NextGen and Young CPAs committees.

DIRECTORS-AT-LARGE: To hold office for three years, from June 1, 2018

RUMBI BWERINOA-PETROZZELLO, Principal, Rock Forensics, LLC. Member of the Society since 2012; member of the Queens/Brooklyn Chapter. STATEWIDE: Current Chair of the Diversity and Inclusion Committee. Current member of the CPA Careers and Litigation Services committees. Past member of the CPA Exam Task Force. CHAPTER: Past Queens/Brooklyn Chapter President and President-elect. Current Chair of the Queens/Brooklyn Social Media Committee. Past member of the St. John’s COAP Advisory Board.

JENNIFER A. KARTYCHAK, Principal, Lumaden & McCormick, LLP, Buffalo, N.Y. Member of the Society since 2002; member of the Buffalo Chapter. STATEWIDE: Current member of the Technology Assurance Committee. CHAPTER: Current Buffalo Chapter Executive Board member.

GERARD J. LOVERDE, Partner, Cicero & LoVerde, P.C., Staten Island, N.Y. Member of the Society since 1984; member of the Staten Island Chapter. STATEWIDE: Past member of the FAE Scholarship Awards, Legislation and Nominating committees. CHAPTER: Current Staten Island Chapter Executive Board member. Past Staten Island Chapter President, President-elect and Treasurer. Current Chair of the Staten Island Chapter Charitable Events Committee. Past Chair of the Staten Island Chapter Fundraising and MAP committees. Past member of the Staten Island Chapter One-on-One Program and Public Relations committees. Past member of the Staten Island COAP Advisory Board.
2018–2019 NOMINEES

DIRECTORS-AT-LARGE: To hold office for three years, from June 1, 2018 (continued)

STEVEN M. MORSE, Principal, The Bonadio Group, Pittsford, N.Y. Member of the Society since 1991; member of the Rochester Chapter. STATEWIDE: Past Director as Chapter Representative on the Board of Directors. Past Secretary and member of the FAE Board of Trustees. Past member of the Selections Subcommittee. CHAPTER: Current Rochester Chapter Executive Board member. Past Rochester Chapter Vice President and Treasurer. Past Chair of the Rochester Chapter Community Service Committee. Past Co-chair of the Rochester Chapter Cooperation with Industry and World of Accounting committees. Past member of the SUNY Brockport COAP Advisory Board.

DAVID G. YOUNG, Partner, Young & Company CPAs, LLP, Rochester, N.Y. Member of the Society since 1998; member of the Rochester Chapter. STATEWIDE: Past Director as Chapter Representative on the Board of Directors. Past member of the Selections Subcommittee. CHAPTER: Current Rochester Chapter Executive Board member. Current Chair of the Rochester Chapter Public Relations Committee. Past member of the Rochester Chapter Taxation Committee.

DIRECTOR-AT-LARGE: To serve the remaining one-year term, from June 1, 2018

(if Salvatore A. Collemi is elected to the position of Vice President)

ROBERT M. ROLLmann, Partner, PKF O’Connor Davies, LLP, Harrison, N.Y. Member of the Society since 1982; member of the Westchester Chapter. STATEWIDE: Current Chair of the Accounting and Auditing Oversight Committee. Current member of the Awards, Financial Accounting Standards, and International Accounting and Auditing committees. Past Vice Chair of the Accounting and Auditing Oversight Committee. Past Chair and Vice Chair of the Financial Accounting Standards committee.

DIRECTORS AS CHAPTER REPRESENTATIVES: To hold office for three years, from June 1, 2018

BUFFALO

PATRICIA A. MCGRATH, Principal, Tronconi Segarra & Associates, Williamsville, N.Y. Member of the Society since 2002; member of the Buffalo Chapter. CHAPTER: Past Buffalo Chapter President and President-elect. Past Buffalo Chapter Executive Board member. Current Chair of the Buffalo Chapter Accounting and Auditing Committee. Past Member of the Buffalo Chapter Accounting and Auditing Committee.

MANHATTAN/BRONX

CARNET A. BROWN, Accountant, NYU Langone Health System, New York, N.Y. Member of the Society since 2010; member of the Manhattan/Bronx Chapter. STATEWIDE: Current member of the Taxation of Individuals and Employee Benefits committees. CHAPTER: Current Manhattan/Bronx Chapter President. Past Manhattan/Bronx Chapter President-elect and Treasurer. Past Manhattan/Bronx Chapter Executive Board member.

SOUTHERN TIER

DARCY ALDOUS, President, Darcy Aldous, CPA PC, Ithaca, N.Y. Member of the Society since 2003; member of the Southern Tier Chapter. STATEWIDE: Current member of the Awards Committee. CHAPTER: Current Southern Tier Chapter President. Past Southern Tier Chapter President-elect, Vice President and Treasurer.

SYRACUSE

TIMOTHY J. HAMMOND, Manager, The Bonadio Group, Syracuse, N.Y. Member of the Society since 2010; member of the Syracuse Chapter. STATEWIDE: Current member of the Exempt Organizations and Not-for-Profit Organizations committees. Past member of the NextGen Committee. CHAPTER: Current Syracuse Chapter President-elect. Past Syracuse Chapter Vice President, Secretary and Treasurer. Current Co-chair of the Syracuse Chapter Public Relations Committee. Current member of the Syracuse Chapter Budget Committee. Past Chair and Vice Chair of the Syracuse Chapter Young CPAs Committee. Past member of the Syracuse Chapter Young CPAs Committee.

WESTCHESTER

CATHERINE M. CENSULLO, Sole Practitioner, Catherine M. Censullo, CPA/CMC Wealth Management, North White Plains, N.Y. Member of the Society since 1992; member of the Westchester Chapter. STATEWIDE: Current member of the Personal Financial Planning Committee. Past Chair and Vice Chair of the Personal Financial Planning Committee. Past member of the FAE Investment Committee. CHAPTER: Current Westchester Chapter Immediate Past President. Past Westchester Chapter President, President-elect, Vice President, Secretary and Treasurer. Past Westchester Chapter Executive Board member. Current Chair of the Westchester Chapter Local Practitioners Committee. Current member of the Westchester Chapter Taxation Committee.
Jeanette Franzel departs a PCAOB she says is more flexible, more effective

By CHRIS GAETANO
Trusted Professional Staff

Jeanette Franzel became a member of the Public Company Accounting Oversight Board (PCAOB) in 2012, having previously served as the managing director of the Government Accountability Office. During her time at the PCAOB, she was part of many major reforms, such as rules requiring audit firms to name the audit engagement partners, and the new expanded auditor’s report, requiring a discussion of critical audit matters. While, normally, PCAOB terms are staggered, the new head of the Securities and Exchange Commission (SEC), Jay Clayton, has opted, instead, to clear the entire board and replace them with a completely new set of members. Franzel left the PCAOB on Feb. 1. Before her departure, she took the time to talk to The Trusted Professional about her PCAOB tenure, her future plans and the kinds of challenges the new board will likely face.

Every board member, for every organization, has an idea of where he or she would like to take the organization. Where did you want to take the PCAOB when you were first appointed and, over the years, to what degree did its direction correspond with that?

I didn’t really come here with any pet projects or specific aims I wanted to accomplish. I came here with a dedication to the overall mission of improving audit quality and, of course, the PCAOB does that through a number of programs, so I was very focused on making sure our programs were effective and efficient and appropriate for achieving our mission. I was also very outspoken about what he need for the PCAOB to be nimble and flexible to adjust to emerging and current risks. During my six years, I’ve certainly seen audit quality improve. I’ve seen many firms turn a corner in terms of audit quality and achieving improvement.

We’ve also made a lot of improvements to our own programs: We improved our approach to standards setting, we put better information on the inspection reports, and we have better enhanced data analysis capacity, so I’m very happy with the direction we’ve gone in. I think we’ve advanced and progressed and modernized, but of course, there’s a lot more work that needs to be done. Then again, it’s never done.

What was the best thing you worked on at the PCAOB? What do you regret not having enough time to do?

Well, in addition to really advancing our mission—because I think that was a significant accomplishment—we had some individual projects I really enjoyed, like developing and promoting the use of audit quality indicators [AQI] for audit firms. That was something really quite new that [hadn’t] been attempted before, and we’re seeing some really interesting experimentation with these AQIs by firms. They’ve really taken this and run with it, and gained a lot of insight into what it takes to do a quality audit, all the way down to people’s behavior and project management. I think we can see a lot of improvement and advancement there.

Looking at a lot of new technology [like blockchain or artificial intelligence] and its potential impact on financial reporting has just been fascinating, and I was really preparing to roll up my sleeves and start getting involved with it. I think that it will be very interesting, going forward. I think we’ll see reporting change quite a bit and auditing change quite a bit, and the PCAOB will need to adjust its oversight. So I’m kind of sorry I won’t be there for that, but however long I am in this space, I’ll be impacted by these things, because they are very pervasive, very significant issues affecting financial reporting and auditing.

What was the most frustrating thing about being at the PCAOB?

The length of time it takes to get an inspection report, and most other documents, out of the PCAOB [and into the public’s hands] was frustrating to me, just frustrating that we couldn’t get information out to the market quicker. So I know our staff has been trying to work on that, and we have made some progress, but more still needs to be done. I also really wish we could have put more information in plain English. While we’ve made some progress with that in our inspection briefs, again, more work needs to be done in this area.

What was the most rewarding thing?

I really enjoyed working across various stakeholder groups to promote an understanding of the PCAOB’s mission and activities, and to get feedback from them about the impact of PCAOB oversight—that feedback was both positive and negative, but it’s really important for us to understand actual or even perceived impacts so that we could then adjust or correct. So I did a lot of outreach to audit committees and the CFO community and auditors, and there were some tensions, but I found I was able to really connect with them, giving our common interests, and take a constructive approach. I think we walked out of the room with a better understanding. So I found that very productive and rewarding.

I think all the different stakeholders obviously need to work together because we have aligned interests and common goals. … I also really enjoyed going to universities and giving guest lectures and meeting with accounting faculty just to reinforce the importance of reliable financial reporting and auditing. I think people kind of take [these things] for granted sometimes, until some-thing goes wrong, but it really is the backbone of our current economic system and the well-being of our people.

What, years later, do you still find yourself correcting people on, regarding the PCAOB?

While this might surprise you, I’ve run into quite a number of people who think the PCAOB is part of the SEC, or that we’re a government agency. So I’ve got my elevator speech on explaining how the PCAOB is a not-for-profit D.C. corporation created by the Sarbanes-Oxley Act. Some people have even called me “commissioner.”

What do you think your era’s PCAOB will be most remembered for?

Well, I think we transitioned the PCAOB from a startup organization to a stable and maturing regulator. I think we built the foundations for the PCAOB to be nimble and flexible in the future, because there’s going to be so much rapid change going forward, that if the organization isn’t flexible and competent, it won’t be able to keep up. It will just become a bureaucratic regulator. So we’ve positioned the organization, I think, for success in the future.

What now? Will you remain engaged with the audit community?

Well, I hope to stay involved in the current space I’m working in, which is promoting audit quality, good governance, reliable financial reporting and strong internal controls. These tenets are so critical for the effective functioning of financial and capital markets and the economy, as a whole, and the well-being of investors, workers and the overall public. There are a lot of different ways I can [remain involved]—I’m very passionate about working in this space, and so my next step will be to figure out what roles I want to take on and what I can do to keep contributing to this same space.

What was the last really good book you read?

Well, since I’ll have extra time on my hands in the near future, I’ll tell you the first two things on my reading list: Nudge: Improving Decisions About Health, Wealth, and Happiness, by [Cass R.] Sunstein and [Richard H.] Thaler—I’ve been wanting to get to that one forever—as well as The Underground Railroad, by Colson Whitehead.
Nominations now being accepted for FAE trustee board

I

If you are interested in serving on the Foundation for Accounting Education (FAE) Board of Trustees, now is the time to submit your nomination.

The FAE, a 501(c)(3) organization and an affiliated entity of the New York State Society of CPAs (NYSSCPA), is very important to the Society and society at large. It administers the lifelong continuing education program (CPE) for New York state CPAs. The central importance of the FAE's efforts for our CPAs makes service as a FAE trustee a highly fulfilling activity for members interested in giving back to the profession.

As the educational arm of the NYSSCPA, the FAE has its own governing body—a 12-person Board of Trustees—nine of whom serve a three-year term. The trustees’ three-year terms are evenly staggered, so three vacancies occur each year. According to its bylaws, the FAE’s Board of Trustees acts to fill vacancies in the three-year positions on the FAE board, but its choice is limited to the six or more candidates identified by the Society’s Board of Directors.

**Trustee responsibilities**

FAE trustees typically meet four times a year to discuss the business of the Foundation. They are responsible for approval of the FAE budget, setting the general direction for educational programs, and overseeing the scholarship and Career Opportunities in the Accounting Profession (COAP), a week-long program geared toward encouraging minority high school students to enter the accounting profession. In November 2009, the Society’s Benevolent Fund was merged into the FAE. If there is an application for benefits, FAE trustees would be responsible for evaluating such requests. There is no compensation for service on the FAE board.

**Eligibility requirements**

According to Foundation bylaws, to serve on the FAE board, a prospective candidate must be a CPA and a member in good standing of the NYSSCPA. Trustees are appointed based on their interest and ability to contribute to the educational goals of the Foundation. Trustee selection, to the extent possible, represents a cross-section of the Society’s membership, in terms of geography and areas of professional practice.

Over and above the Foundation’s bylaw requirements, it is beneficial for candidates to have taken FAE courses or to have been responsible for sending others to FAE programs. In addition, candidates should be familiar with the market for adult learning in a CPE environment. The FAE primarily targets small- and medium-sized CPA firms for its customer base. The market is expanding into programs for industry CPAs, as well.

**How to submit a nomination**

Those interested in serving on the FAE Board of Trustees should send an email to the attention of NYSSCPA President-elect Jan Hrncirz at presidentelect@nysscpa.org by Monday, March 12, 2018, at 12 p.m. (EST). The email should include a résumé and a statement of interest and ability to contribute to the educational goals of the Foundation.

Candidate information will be forwarded to the Selections Subcommittee of the NYSSCPA Board of Directors, which will propose to the Society’s Board of Directors the names of individuals to fill the three FAE vacancies. The Society’s Board will submit at least six nominees to the FAE Board of Trustees. The FAE board then appoints three individuals from among the nominees by the Society’s Board to become FAE trustees.

Gov. Cuomo’s new budget includes support for non-CPA firm ownership

By RUTH SINGLETON

Trusted Professional Staff

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ov. Andrew Cuomo’s executive budget for fiscal year 2019, released on Jan. 16, includes a proposed bill and statement in support of non-CPA ownership of accounting firms in New York state. The NYSSCPA has, for the last five years, supported previous legislation enabling non-CPA ownership so that New York state-based firms remain competitive as firm structures and that hiring practices evolve to include more non-CPAs, in tech and other areas of consultancy.

Cuomo’s statement in support of the bill emphasizes the important contribution that non-CPA experts make to accounting firms: “In today’s rapidly evolving economy, accounting firms endeavor to provide a variety of services to their clients and to do so often requires the skills of individuals who are not Certified Public Accountants such as actuaries, industry experts, information technology professionals and valuation specialists.”

The statement also stresses the business benefits that would accrue to the state if the non-CPA ownership legislation passed: “By allowing non-CPA professionals to become minority owners of public accounting firms, this bill would modernize New York’s incorporation laws and better enable accounting firms in the State to provide the services their clients have come to expect.” Delaware and Hawaii are the only other states in the country that prohibit non-CPA ownership.

The proposed budget bill provision would allow New York public accounting firms with up to 49 percent ownership by individuals who are not CPAs to incorporate in New York state, provided the words “Certified Public Accountant” or the abbreviation “CPA” is excluded from the firm’s name. It is similar to legislation originally introduced by Sen. Kenneth P. LaValle (R) in 2013 and Assemblyman Felix W. Ortiz (D) in 2014, which failed to pass.

The text of the governor’s proposed bill appears in the FY 2019 executive budget under the heading “Education, Labor and Family Assistance.” In addition to the provision appearing in Cuomo’s proposed budget, Assemblywoman Crystal People-Stokes (D) introduced stand-alone legislation with virtually identical language, A8973, on Jan. 9 of this year, which was referred to the Assembly’s Standing Committee on Higher Education After a Senate bill died in the Assembly last year, it was returned to the Senate and referred to that chamber’s Higher Education Committee on Jan. 3. The legislative session began on Jan. 3 and runs through June 20, so if the Legislature were to pass the bill this year, it would need to do so by June.

Last year, the Senate bill, sponsored by LaValle, passed the Senate in June, and it was delivered to the Assembly, where it died. The Assembly version, sponsored by Assemblyman Francisco P. Moya (D), was referred to the Assembly’s Higher Education Committee, where it stalled. There was a similar result in 2015 and 2016.

By RUTH SINGLETON

www.trustedprofessional.com | The Trusted Professional | January/February 2018

Society’s Excellence in Accounting Scholarships available to New York accounting majors

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he NYSSCPA, through its Foundation for Accounting Education (FAE), is offering scholarships to accounting majors at New York-based colleges for the 2018–19 academic year. Most of these Excellence in Accounting Scholarships offer $2,500 for full-time study and $1,250 for part-time study, but there are also several types of scholarships that offer different amounts. Applications are due by April 8, 2018.

To be eligible for the scholarships, applicants must be U.S. citizens or permanent residents who are enrolled in, or accepted to, a New York state college or university that offers an accounting program registered by the New York State Education Department as meeting the professional requirements for admission to the CPA examination. They must also be declared accounting majors who have completed a minimum of 72 credit hours by April 1, 2018, and 84 credits by the start of the fall 2018 semester. Applicants have achieved a cumulative grade point average of 3.0 or higher. In addition, applicants must have already completed and filed a Free Application for Federal Student Aid (FAFSA) and been approved for financial aid. They can be either undergraduate or graduate students.

Applications are available online at https://app.smarterselect.com/programs/45123-Nysscpa (scroll to the bottom). The application consists of sections devoted to personal, academic and financial aid information; a questionnaire; and an essay. Applicants must also have a letter of recommendation submitted from either an FAE campus liaison, a department chair or an accounting professional contact, such as an employer. A list of campus liaisons is available at https://www.nysscpa.org/nextgen/college-students-campus-liaisons.

To be eligible for the full-time scholarship, applicants must be enrolled for at least 12 semester credits, and, for the part-time scholarship, 6 to 11.5 credits. Students may qualify for the scholarship even if they only take an online course. In addition, requests for consideration of special circumstances, such as a deferral of a scholarship during period of leave of absence, may be made to the FAE Scholarship Committee.

Details about the Excellence in Accounting Scholarships are available online at www.nysscpa.org/nextgen/college-students-scholarship. A listing of all five types of scholarships can be found on the application page. Applicants with questions can contact Stephanie Doctor at sdoctor@nysscpa.org.

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By RUTH SINGLETON
The Moynihan Scholarship Fund Gala 2018

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Corporate tax

Continued from page 1

losers—minus the sum of dividends paid in deductions and the accumulated earnings credit. It was developed to encourage corporations to distribute dividends versus sitting on cash.

“So the point here is if you go to the C corp world, or if you're already there, and clients love the idea of 21 percent, ... you're going to have to prime them about the accumulation of earnings in the C corporation and whether or not you have a reasonable 'needs of business' defense, once the accumulated earnings tax credit of $250,000 or $150,000 for personal service corporations, is exceeded based on prior taxable years,” he said.

The tax is targeted at earnings accumulated beyond the reasonable needs of the corporation's business, as the law states that it applies to companies “formed or availed of for the purpose of avoiding the income tax with respect to its shareholders or the shareholders of any other corporation, by permitting earnings and profits to accumulate instead of being divided or distributed.”

Therefore, said August, if a company wants to switch to a C corporation, it will need to switch to a C corporation, it will need to “prime” its shareholders of any other corporation, by permitting earnings and profits to accumulate instead of being divided or distributed.”

He said, however, that this tax might actually be one “you'd want to intentionally run into,” because entities could claim deductions if they invest in preferred stocks, which require dividend payments.

August lamented what he said was a dearth of attention to these two taxes, with everyone excited about the new 21 percent corporate income tax rate instead.

“We really don’t know what we have yet. We think we know a lot. We have a lot of speculation of what was intended and not intended, what the conference report says and what it omitted to say, but we have this massive piece of clay, if you will, that hasn’t been carved down,” he said.

Another tax that August said corporations should pay attention to is the personal holding company tax. He noted that if a company is subject to the accumulated earnings tax, it is not subject to the personal holding company tax, and vice versa. The personal holding company tax applies to C corporations in which more than 50 percent of the outstanding stock is owned, directly or indirectly, by no more than five individuals, and those individuals receive at least 60 percent of their adjusted ordinary gross income from passive sources. The tax rate on undistributed personal holding company income is 20 percent.

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Nominees for 2018–2019 board

Continued from page 1

Independent nominations

According to Article X of the Society’s bylaws, independent nominations for an officer or elected director may be made by a petition filed with the secretary/treasurer by March 1. (See www.nysscpa.org/about/about-nysscpa/governance/board-of-directors/bod-documents/bylaws.) These candidates are then added to the ballot, along with those individuals nominated by the Nominating Committee, which will be sent to the Society’s voting membership.

Pursuant to the bylaws, any submitted petition for independent nominees requires at least 472 signatures of CPA members (2 percent of the CPA membership) for the purpose of avoiding the income tax with respect to its shareholders or the shareholders of any other corporation, by permitting earnings and profits to accumulate instead of being divided or distributed.”

Therefore, said August, if a company wants to switch to a C corporation, it will need to prove that its accumulated earnings are a response to a reasonable need.

Based on the votes cast in the ballot, the officers and directors for 2018–2019 will be elected during the NYSSCPA’s 121st Annual Election Meeting at The Moynihan Scholarship Fund Gala on Thursday, May 24, to be held at the Prince George Ballroom in New York City. Official notice of the meeting can be found on page 2.

Contact information

If you have any questions about this process, please contact me at secretarystreasurer@nysscpa.org, or NYSSCPA General Counsel Joanne Thelmo at jthelmo@nysscpa.org.
Society forms ad hoc committee to address NYS responses to new tax law

By RUTH SINGLETON
Trusted Professional Staff

The NYSSCPA has formed a Tax Cuts and Jobs Act (TCJA) Ad Hoc Committee in response to the new federal tax law. The committee, chaired by Kevin J. McCoy, has as its mission “to review and analyze proposed changes that may develop in New York tax regimes and policy as a result of impacts of the federal Tax Cuts and Jobs Act.”

Among the most significant changes that the new law implements is a $10,000 cap on deductions for state and local income, property and sales tax (SALT). In letters to both houses of Congress before the law was enacted, the Society objected to proposed limitations on these deductions. These letters pointed out that the average property tax in six New York counties is higher than $10,000, according to the Office of the New York State Comptroller.

Gov. Andrew Cuomo, in his State of the State Address on Jan. 3, said that New York is considering work-arounds to the deductions cap, such as switching from an income tax to a payroll tax system or enabling New Yorkers to make tax-deductible contributions to the state government, in lieu of taxes. On Jan. 16, Cuomo included a payroll tax proposal in his fiscal year 2019 executive budget.

“In light of the changes to the federal tax law, the impact on New York state tax law will be significant,” said McCoy. “The Society has decided it is important for us to be able to address the potential legislative and regulatory changes that will result.”

Gov. Cuomo recently convened a roundtable of tax experts to discuss potential state responses to the tax law, and the NYSSCPA was invited to participate. Philip J. London, the chair of the Society’s New York, Multistate and Local Taxation Committee, attended, representing the NYSSCPA and its TCJA Ad Hoc Committee. Other participants included members of the governor’s administration and representatives from the Business Council of New York, the New York Conference of Mayors, the AFL-CIO, the New York State Association of Counties, the Urban-Brookings Tax Policy Center, the Fiscal Policy Institute, and the Partnership for New York City.

“We are closely monitoring the proposals and we’re poised to react once they are announced,” London said. “We have a seat at the roundtable convened by the governor’s office to discuss their proposals and the implementation of them.”

On Feb. 15, Cuomo issued his 30-day amendments to the executive budget, including a proposal that would retain a state income tax but would also allow employers to opt in or out of a payroll tax to offset some income tax liability. As of press time, the TCJA Ad Hoc Committee is reviewing this proposal and formulating a position on it.

rsingleton@nysscpa.org

Cannabis Industry Committee to focus on networking, education and advocacy

By CHRIS GAETANO
Trusted Professional Staff

With marijuana legalized for medical use in 29 states and recreational use in eight, sales of cannabis-based products in North America reached nearly $10 billion in 2017. As the industry matures, however, there has been a growing need for competent financial guidance from trusted professionals, which the NYSSCPA’s new Cannabis Industry Committee hopes to meet.

Formally approved during the Society’s November Executive Committee meeting, the new committee is chaired by Zachary Gordon, who runs a tech industry incubator that supports cannabis industry-specific ventures. Gordon said that his exposure to this burgeoning industry impressed upon him its need for a committee of professionals who understand the issues that affect it.

“What we found is that, to put it lightly, there’s not a lot of professional experience in the industry, whether looking at taxation, compliance or regulation. It’s the wild, wild west,” he said.

The committee is for anyone who is interested in the cannabis industry, with its members ranging from seasoned industry specialists, those on the periphery who want to become more involved, and those who don’t know much about the industry but are interested in learning more. Gordon thought that the committee was a great opportunity to bring together businesspeople from the industry, including non-CPAs—not only to support cannabis entrepreneurs but also to push back against the stereotypes that often accompany them. Gordon hopes that beyond networking opportunities, the committee can also provide education and even advocacy.

“I would consider the committee a success if, over the next year or so, we’re able to actually bridge some of [the misconceptions],” to be able to actually go to Albany and say, “This is an outline of what we think the industry needs in New York; this will help us be on the cutting edge of one of the fastest growing industries in the country right now,” he said.

New York has legalized marijuana, but only for medical purposes, and it is heavily regulated. Current state law disallows the actual handling of the plant itself, with dispensaries only being able to sell extracts and hire those with no criminal record. Buyers, meanwhile, are only able to access the product for a very specific set of ailments, such as terminal cancer, and even then, there are just 10 registered organizations in the entire state. Gordon said that, through forming the committee, he hopes to enable professionals to challenge people’s perceptions of the industry and encourage its growth in New York.

“I think there are so many applications for cannabis as a product, but there are ... services that just haven’t developed to support it. So there’s a massive need for accountants and other professional services.”

Section 280E of the Internal Revenue Code forbids deductions in connection with the sale of illegal substances. Since marijuana is considered an illegal substance under federal law, that means that many calculations that apply to other businesses don’t apply to marijuana, and CPAs who work with the industry have to be familiar with workarounds.

“I think, speaking specifically to the accounting professionals out there, between 280E and some of the other specifics in the Internal Revenue Code and elsewhere, they just need to be aware that this is an industry that is growing, and their clients in the industry will have very specific needs,” he said.

While the U.S. attorney general recently issued a memo stating that the Department of Justice would no longer honor the 2013 Cole Memorandum—an Obama-era document giving federal prosecutors broad discretion not to prosecute state-authorized marijuana businesses—Gordon said that any actual negative impact on the legal cannabis industry seems relatively minimal. Indeed, he said, this shift could even represent a new opportunity.

“I would look at this development as an opportunity to reinforce relationships with clients, to help them make sure that all matters are in order for compliance, regulation and taxation purposes. As long as your clients are operating their businesses legally (as defined on the state level), there should be little to fear. At the end of the day, this may finally force Congress to address cannabis legislation and legalize [marijuana] at the federal level,” he said.

Members interested in joining the committee can contact either Nereida Gomez at ngomez@nysscpa.org, or Gordon at zachary.e.gordon@gmail.com.

ogaetano@nysscpa.org
New committee aims to provide support to CPAs at career crossroads

By CHRIS GAETANO
Trusted Professional Staff

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s with all careers, the path of a CPA can be one of twists and turns. Someone who started out in audit might migrate to tax, then become a consultant, before winding up as a CFO in a public company similar to the ones that person used to audit. The NYSSCPA’s new Career Transitions Committee is meant to help guide CPAs through these sorts of changes by providing networking resources and education.

Committee Chair Sandra M. Gentile said she thought there was a need for a career-focused committee for the many professionals at different stages of development who may want to make a change but don’t have the knowledge or resources to do so effectively. Everyone, she said, will eventually go through some sort of transition—the Career Transitions Committee’s aim is to help its members be “opportunity-ready” at any given time.

“We become business advisers as we progress and pick up new skills, and when you’re in that position, and there are a lot of things you could possibly do, where you have a lot of choices, [you] sometimes become stuck. So you’re at a crossroads and maybe don’t know what you want to do next, and want to explore a little. So having a network facilitates that,” she said.

Beyond those looking to shift their career directions, she said the committee is also for people who have recently become unemployed or are about to become unemployed, as well as for those who are returning from a career break, such as taking the time to raise children, care for an elderly relative or go on military deployment. She noted that all of these groups can have overlapping needs, so the committee can serve as a valuable resource for many different kinds of professionals.

Gentile anticipates that the committee will be very busy as it starts picking up steam. She said that she has a “whole slate of proposed events” for 2018. As far as education goes, she wants to be able to provide training in areas including personal branding, professional presentation (such as taking quality headshots), job hunting (especially for those who haven’t needed to find a new job in a while), in-demand skills like data analytics and cybersecurity, as well as writing. She also wants the committee to hold panel discussions and networking events, both with other committees and with other professional groups like the New York State Bar Association.

Gentile also speaks from personal experience—she had to take time off from own her career, first because of an illness, and then because she had to help two family members who became ill.

“One of the reasons I’m so enthusiastic is that I’ve been there,” she said. “I’m on a career hiatus right now, and I know what it’s like to [have to] reinvent yourself.”

Members interested in joining the committee should email Nereida Gomez at ngomez@nysscpa.org, or Gentile at sgentile2003@yahoo.com.

CPA Careers Committee has its eye on next generation of CPAs

By CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA recognizes that it needs to take an active role in encouraging bright, creative and motivated young people to become CPAs. As one means to that goal, the Society recently formed the new CPA Careers Committee, for members who want to help recruit the next generation of CPAs into the profession.

“It’s really to engage students, whether at the high school or college level, in the accounting profession, and, as it relates to college students, to get them more engaged with the NYSSCPA,” said the committee’s chair, Denise M. Stefano, an accounting professor at Mercy College.

To this end, Stefano said the committee plans to offer outreach through high school and college visitsations, CPA exam support, and helping to recruit students into firms and the Society, as a whole. The overall aim, she said, is to promote the profession to students at both the high school and college levels. Stefano anticipates a lot of coordination with individual chapters and hopes that this will lead to a more synchronized statewide effort, as opposed to each chapter doing outreach without knowing what’s happening throughout the rest of the state. The ultimate goal, she said, is to have representation from each Society chapter so that they can all begin planning more local events.

She said that, so far, the CPA Careers Committee includes members from the Adirondack, Buffalo, Manhattan/Bronx, Mid Hudson, Northeast, Rochester, Suffolk and Westchester chapters. It has already worked with these chapters to put on several presentations for students. As the committee gains steam, Stefano said she hopes it can formalize some best practices among the chapters for high school visitation programs.

“I think there will be more outflow of what we will home in on when we share our best practices. That’s the goal there, to share best practices and see if we can formalize those initiatives,” she said.

Members interested in joining the committee should contact either Nereida Gomez at ngomez@nysscpa.org, or Stefano at dstefano@mercy.edu.

Seeking Judges For Financial Journalism Awards

The NYSSCPA’s Excellence in Financial Journalism (EFJ) Awards celebrates the year’s best: distinguished reporting that cultivates and promotes a better understanding of accounting, finance and business topics. This is the 35th year that the Society has hosted its competition to raise awareness and exposure of the outstanding work being done in business journalism.

During those 35 years, the EFJ Awards have attained a high level of prestige, due in large part to the efforts of our members who volunteer their time to serve as judges. This year, once again, we are looking for judges. Those who have served as judges report that it is a highly rewarding experience, and many have done so for multiple years. Members who volunteer would need to review submissions between mid-April and mid-May—after tax season.

There are 12 awards in nine categories: audio, enterprise, general reporting, infographic, local, opinion, public service, video and book.

If you are interested in serving as a judge, please let us know:
Contact NYSSCPA Assistant Communications Manager Maya Lindsay at 212.719.8350 or send an email to journoawards@nysscpa.org.

The EFJ Awards luncheon will be held in June 2018 in New York City.

cgaetano@nysscpa.org
Winter Open House

The NYSSCPA’s annual Winter Open House, “A Night at the Movies,” was attended by 144 people—including members and guests—who enjoyed cinema-related concessions, posters and trivia questions, and who mingled with each other as well as with costumed movie characters and Robert De Niro and Marilyn Monroe impersonators. In addition, the Dec. 6 event featured cocktails, hors d’oeuvres, games and live music. Performing that evening was cabaret singer Karen Gross.
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Westchester Chapter symposium promotes diversity in the workforce

By GWENDOLYN R. HORN

H eading the call of NYSSCPA President Harold L. Deites III to “bolster our efforts to diversify the accounting profession” (The Trusted Professional, September/October 2017), the Society’s Westchester Chapter held a workforce diversity panel discussion/symposium on Oct. 20 at Mercy College’s Dobbs Ferry campus.

The event—which the chapter co-hosted with the Mercy College accounting program and the Westchester/Fairfield Chapter of the Institute of Internal Auditors—drew over 100 interested participants. Denise M. Stefano, chair of the NYSSCPA’s CPA Careers Committee, and I served as co-chairs of the symposium, in which a panel of seven talented and diverse executive and accounting business professionals shared best practices in recruiting, retaining and managing a diverse workforce.

Moderated by Edie Magnus, a former correspondent and anchor at ABC, CBS, NBC and PBS News, and currently Mercy College’s executive director of media and innovation, the panel addressed a variety of questions about diversity and inclusiveness. The panelists shared insight into practices within their organizations, and volunteered personal stories about their own journeys navigating as diverse professionals.

Driving the discussion was the larger question of why diversity and inclusion are so important. Bria Griffith, senior manager and National Diversity and Inclusion Council chair at CohزنReznick LLP, said firms and companies competing for talented individuals need to make sure that these people want to stay with the company. That happens, according to Griffith, when they feel that they belong.

Similar sentiments were echoed by Semarley Jarrett, agency strategist at Google. For a global company, said Jarrett, “it’s extremely important to have [employees] that are from diverse back­grounds and with different talents and abilities to be able to serve a global audience.”

“Many different studies . . . have shown the overall health of an organization, even the profit . . . can be correlated to the diversity of one’s workforce,” said Kevin Kubicki, director of talent at IBM Cloud. Diversity of thought, diversity of background and diversity of experience, therefore, constitute a strategic imperative for IBM.

One of the areas the group explored in depth was the issue of unconscious bias as a barrier to underrepresented minorities coming into an organization and advancing. The panelists shared various strategies to identify and combat that unconscious bias.

Banking Committee hosts panel on blockchain and other financial services innovations

By NIGYAR MAMEDOVA and GINA C. OMOLON

O ne of the most talked-about technologies in financial services is blockchain. Nowadays, many companies are making significant investments in emerging technologies and expect the accounting and auditing professions to keep pace. What is blockchain, and how will it impact the way businesses are run and how risks are managed?

How will this new technology affect auditors, in particular, and the profession, in general? To address these questions and to prepare the accounting profession for the future, the NYSSCPAs’ Banking Committee held a technical session titled, “Blockchain and Other Technological Innovations in the Financial Services Industry.” The technical session took place on Nov. 27 at Grant Thornton LLP’s offices in New York City, and was moderated by Nigyar Mamedova, technical director and innovation leader at the National Association of State Boards of Accountancy (NASBA). The distinguished expert panel included A. Michael Smith, a partner and U.S. internal technology audit services leader at PricewaterhouseCoopers; Pramod Achanta, IBM’s blockchain services leader for North America; and Prashant Nisar, an audit senior manager leading the blockchain practice at Grant Thornton LLP.

The panel discussion focused on new technologies used in the financial services industry and the impact of these emerging technologies on existing processes and controls. Smith provided an overview of blockchain, bitcoin and smart contracts.
clarifying that blockchain is not synonymous with bitcoin, and that bitcoin is a use case—in this context, a particular goal—of blockchain. Blockchain is a form of applied cryptography, and there are different forms of blockchain currently used across different companies. Proper implementation of the blockchain technology enables the development of operational and processing systems that create irrefutable transaction history and transaction integrity. Bitcoin does not have physical tangible value; its value is created by the market participants’ willingness to create its inherent value and to use it as a medium of commerce.

Achanta provided examples of use cases of blockchain, and its application in the financial services industry. The use of blockchain can decrease trade settlement time, streamline cross-border payments and automate know your customer (KYC) processes. Smart contracts, for example, can be used in the insurance industry to decrease processing and settlement time for insurance claims.

The panel also discussed emerging audit and accounting issues related to the implementation of the new technology. Nisar highlighted some of the key audit risks associated with the use of blockchain and related technologies.

Blockchain, attendees learned, is a distributed ledger—in other words, a shared database, with each participant having both a public key and a private key. The public key serves as the user’s identification in the ledger, while the private key is used to send or receive payments via blockchain. If the private key is lost, this can result in lost funds and a write-down of the digital asset. Private keys are susceptible to fraud risk, and auditors need to design audit procedures to address that risk. Auditors will also need to audit securities policies centered on the use of the public and private keys, as well as new controls created around blockchain.

The use of bitcoin is also raising questions on valuation and classification. For example, is this a level 1, level 2 or level 3 item in the fair value hierarchy, and is bitcoin considered a cash item, a security or an intangible asset? The panel emphasized that blockchain will significantly change the way audits are performed, in that it will make possible the auditing of transactions as they occur. The technology is still emerging, and there are many moving parts that create new questions and make it difficult to develop new standards and regulations. However, there will always be a need for competent and knowledgeable auditors. Advancements in technology such as blockchain, robotics and artificial intelligence are no substitute for the need to provide assurance that new processes and controls are designed and operating effectively.

The Banking Committee will hold another technical session on April 19, focusing on three topics: “A Fairer Fair Value,” “Is My Net Worth Wrong?” and “The Interest Rate Lock Commitment Controversy.” For more information about the Banking Committee itself, please go to the committee’s web page at www.nysscpa.org/membership/committees.

Nigyar Mamedova and Gina C. Omolon are members of the NYSSCPA’s Banking Committee. They can be reached, respectively, at nmamedova@nasba.org and Gina.Omolon@mazarsusa.com.
STEVEN A. CARMINA, Amherst, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program as a result of an investigation alleging a potential disciplinary matter with respect to his performance of professional services on the audit of the financial statements of a not-for-profit as of and for the year ended Dec. 31, 2012. Based on publicly available information on the Federal Audit Clearinghouse’s website and the auditor’s reports, financial statements and certain other documents, there appeared to be prima facie evidence of violations of the following rules of the Code of Professional Conduct: Rule 202–Compliance with Standards; Rule 203–Accounting Principles; and Rule 501, Interpretation 5–Failure to Follow Requirements of Governmental Bodies, Commissions, or Other Regulatory Agencies. Without admitting or denying the alleged violations, Carmina agreed to forgo any further investigation of the matter, waived his rights to a hearing and agreed to his suspension from membership in the NYSSCPA for a period of two years, effective July 31, 2017.

In accordance with the directives, as outlined in the settlement agreement, Carmina agrees to complete 10.5 hours of specified CPE within three months of the effective date of the agreement, and to provide an attestation immediately, and then every six months for a period of three years, that he is no longer performing audits or reviews. If he returns to performing such work, he agrees to complete an additional 45 hours of CPE prior to commencing an audit or review engagement, and to provide an attestation immediately, and then every six months for a period of three years, that he is no longer performing audits or reviews. If he returns to performing such work, he agrees to complete 39 hours of specified CPE prior to commencing such work. He will be required to provide evidence of such completion. Seltzer agrees to immediately comply with professional standards applicable to the professional services he performs, and provide an attestation immediately, then every six months for three years, that he is no longer performing audits, reviews or compilations. If he returns to performing such work, he agrees to complete 39 hours of specified CPE prior to commencing such work. He will be required to provide evidence of such completion. Seltzer agrees to immediately comply with professional standards applicable to the professional services he performs, and provide an attestation immediately, then every six months for three years, that he is no longer performing audits, reviews or compilations. If he returns to performing such work, he agrees to complete 39 hours of specified CPE prior to commencing such work. He will be required to provide evidence of such completion.

In accordance with the directives outlined in the settlement agreement, Seltzer agrees to immediately comply with professional standards applicable to the professional services he performs, and provide an attestation immediately, then every six months for three years, that he is no longer performing audits, reviews or compilations. If he returns to performing such work, he agrees to complete 39 hours of specified CPE prior to commencing such work. He will be required to provide evidence of such completion.

ANDERSON M. CLARKE, Brooklyn, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program as a result of an investigation alleging a potential disciplinary matter with respect to his performance of professional services on the audit of the financial statements of a not-for-profit. In reviewing publicly available information, as well as relevant documents provided by Clarke, there appeared to be evidence of violations of the following rules of the Code of Professional Conduct: Rule 202–Compliance with Standards; Rule 203–Accounting Principles; and Rule 501, Interpretation 5–Failure to Follow Requirements of Governmental Bodies, Commissions, or Other Regulatory Agencies. Without admitting or denying the alleged violations, Clarke agreed to forgo any further investigation of the matter, waived his rights to a hearing and agreed to his suspension from membership in the NYSSCPA for a period of two years, effective Sept. 11, 2017.

In accordance with the directives outlined in the settlement agreement, Clarke agrees to immediately comply with professional standards applicable to the professional services he performs, and provide an attestation immediately, then every six months for three years, that he is no longer performing audits, reviews or compilations. If he returns to performing such work, he agrees to complete 33.5 hours of specified CPE prior to accepting such work. He will be required to provide evidence of such completion. Clarke agrees to hire an outside party to perform preissuance reviews of the reports, financial statements and working papers on all employee benefit plan audits performed by him for one year from the date a reviewer has been approved, will be required. The reviewer will report quarterly on his progress in complying with the agreement. Six months after completion of the preissuance reviews, he must submit a list of the employee benefit plan audits that he performed in the period between the date of completion of those preissuance reviews and the end of the six-month period following the completion of the preissuance reviews. One engagement will be selected for review.

Thirty days after acceptance of an engagement subject to Government Auditing Standards and/or OMB Circular A-133/Uniform Guidance, he must provide evidence that his firm has submitted an application to join the AICPA Government Audit Quality Center. In addition, Clarke agrees to schedule a peer review of his firm’s system of quality control within 60 days of acceptance of an engagement subject to peer review. Clarke will be prohibited from serving on any ethics or peer review committees of the NYSSCPA, performing peer reviews in any capacity, or teaching CPE in the areas of not-for-profit accounting and auditing, as well as Government Auditing Standards and/or OMB Circular A–133/Uniform Guidance, until all directives in the settlement agreement have been met.
Ethics CPE changes put on hold

By RUTH SINGLETON
Trusted Professional Staff

ew York state's ethics continuing professional education (CPE) requirement will remain unchanged for the 2018 year because the State Board for Public Accountancy did not submit for approval proposed rule changes to the Board of Regents in 2017.

At the state board’s quarterly meeting on Jan. 17, board Executive Secretary Jennifer Winters reported that the regulations regarding the changes approved at the board’s July 2017 meeting were not yet drafted. “We weren’t able to convene the Education Committee to fully look at the ethics CPE,” she said, adding that the committee is hoping to meet before the board’s April meeting, and when it does, “we will be bringing the items forward.”

After the public accountant board approves the ethics CPE language, it will be submitted to the Board of Regents for review as changes to Education Law regulations. But Winters pointed out that the regulatory approval process can be slow: In October 2016, the public accountant board submitted proposed changes to Board of Regents Rules Section 29.10 (covering unprofessional conduct in the practice of public accounting), and those changes are still under review.

“As you can see, it’s already a long time for changes we submitted, so unfortunately, [the ethics CPE changes] will go … last, [and] we don’t know when the changes will be added,” Winters said. Because of this anticipated delay, there is a possibility that the ethics CPE regulations may not even be approved this year; in that event, those regulations would not go into effect until 2020, at the earliest.

The state public accountant board voted to change the requirements after a recent review found that half of all New York-licensed CPAs failed to meet their professional ethics CPE requirement in 2016. The board pointed to multiple reasons for the failure, but they all seemed to stem from confusion surrounding the type of ethics courses the state requires and when CPAs need to take them.

Under the new requirements, CPAs would need to earn six CPE credits in ethics every three years, up from the current four-credit requirement. Specifically, CPAs would have to earn those six credits at a rate of two ethics credits a year; however, they would be able to take a wider variety of ethics courses in order to fulfill four of those six credits, including behavioral ethics and other non–New York-focused courses.
Be wary of requests made by email

By SUZANNE M. HOLL, CPA

In this era of cybercrime, social engineering and email address spoofing, everyone who works at a CPA firm should be wary of any requests made via email. Here’s one way that many unsuspecting CPA firms have been scammed by hackers.

An email looks legitimate and trustworthy, and it appears to be from someone the recipient knows, such as a long-term client of the firm. The sender requests a change in bank accounts and routing numbers in order to send a tax refund to the new account. Or the sender requests a wire transfer of client funds to a new bank account.

What the recipient can’t tell is that the request is from a hacker who has commandeered both the client’s and the CPA’s email accounts. Messages going out and coming in are being controlled and manipulated on both ends—also known as a “man in the middle” attack.

Services that convert voicemail messages into email messages can also be used to help facilitate such attacks. A hacker might even take control of a tax software program, complete and file client tax returns, and redirect refunds to the hacker’s bank account.

Loss prevention tips

Individuals who work for a CPA firm should avoid getting lulled into a sense of comfort with email and other communications. They should be suspicious if asked to do anything outside of the ordinary routine. A fraudulent email request may resemble prior legitimate requests, but a request to transfer funds to a new bank account is often a red flag, especially if the new account is in another country.

Phishing or social engineering schemes can be sophisticated and even employ high-grade counterfeit documents, such as investment direction letters, checks and insurance policies. Sometimes, phone lines are set up to route calls to scammers posing as employees, who then vouch for the validity of counterfeit checks.

Anytime a CPA firm receives an email with a request for a transfer of funds, the firm should verbally confirm with the client that the client wants to proceed in accordance with the directions in the email. That person should confirm, at a minimum, the dollar amounts, the name of the financial institution and the actual bank account number.

Another way to verify requests is to confirm, by phone call, information that only the client would know and a hacker would not have access to. It’s also essential to call the client to verify that unsolicited email attachments or links are legitimate before anyone opens or clicks on them. Better safe than sorry!

Cybersecurity and data breach tips

With cyberattacks and data breach incidents growing in frequency, it is critical to ensure that your firm has taken all reasonable measures to protect your clients and the firm.

1. Back up all important data and information frequently. Regular backups reduce the likelihood that critical data will be lost, in the event of a cyberattack or physical incident such as a fire or flood. The primary defense against ransomware attacks is to institute frequent backups of the files you do not want to lose, and to protect the backups in a remote or external location where they will be safe from ransomware that seeks out backup copies.

2. Require employees to complete regular cybersecurity awareness training. Firms should invest in the cybersecurity awareness training necessary to educate their employees about the ever-present dangers, such as clicking on links or attachments found in emails, downloading malware through insecure websites or social media, or responding to requests for information from socially engineered emails designed to scare people or exploit their desire for a good deal.

3. Implement the “least privilege” concept of user permissions. Strictly defined user permissions and restrictions help ensure that people have only the level of user rights that they need to do their jobs.

4. Require site administrators to log out of systems and programs immediately after they have completed their tasks. Excessive rights and activities enable malware to cause more harm, and result in greater data losses.

5. Have a cybersecurity expert test and evaluate your firm’s systems. Experts familiar with the firm’s systems can work with insurance and breach-response service providers to reduce damages from breaches, minimize the costs of addressing the problems, and enable the firm to recover sooner.

6. Have cyberinsurance that includes breach-response services. In the event of a cyberincident, the firm will need to verify whether it’s a breach, as defined by current state and/or federal laws. Your cyberinsurance risk advisors will assist in making that determination and help you fulfill the reporting and notification requirements under the law. Covered services should include legal counsel, IT forensics, client notifications, credit monitoring, call centers, public relations, ransomware demands, decryption and restoration of files.

Another recommended step is to install a secure client web portal that will archive and store all of your clients’ personal documents and data. It will also lower your staff’s administrative burden. There will be much less processing, sorting and filing work for them to do, and important electronic documents will be much harder to misplace in extended email threads.

Two-factor authentication is also recommended—usernames and passwords alone are often insufficient for preventing account takeovers. By adding and combining another factor, such as a six-digit number generated by an authenticator app, you can create another layer of security that helps protect your firm from a data breach.

Robust breach response services and an effective risk management program are more important than ever to assist firms in recovering from an incident. Remember, adequate preparation will make all the difference in enabling your firm to get back to functioning as soon as possible.

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

For information on the Camico program, call Camico directly at 800-652-1772, or contact: (Upstate) Reggie DeJean, Lawley Service, Inc., 716-849-8618, and (Downstate) Dan Hudson, Chesapeake Professional Liability Brokers, Inc., 410-757-1932.
To learn more about your benefits or how you can join the NYSSCPA, contact Lauren Biggers at lbiggers@nysscpa.org.

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What is your optimistic prediction for the profession in 2018? What is your pessimistic prediction?

STEVEN M. MORSE | Partner | Pittsford

I’m typically bullish on the profession. The reason I think 2018 is going to be very positive for the profession is that we will have plenty of opportunities to assist our clients, specifically, with changes that will be coming into play this year and in the near future. Our clients will be implementing not-for-profit reporting changes; ramping up for lease accounting and revenue recognition changes; navigating tax reform, from both a personal and business perspective; assessing cybersecurity gaps; and understanding new government regulations, just to name a few. Also on the positive side, the accounting profession will remain an excellent career choice for college students. With an increased focus on management information systems and technology in the profession—topics the younger generation grasps intuitively—these college graduates will really be able to help us transform the profession, as it wrestles with keeping pace on the technology front.

More pessimistically, while the opportunities I mentioned will solidify professional relationships with our clients, the challenge will be, as always, balancing client time demands as we try to deliver our services and products in time for all of our clients. Having said that, I am sure we will, as a profession, step up and make it happen.

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CHRISTOPHER F. JOSEPH | Partner | Spring Valley

I would say that I am cautiously optimistic about the new tax law that was passed late last year. I think there will be a lot of planning opportunities for CPAs and practitioners such as myself, from both new and existing clients. I think this might also be a good time [in] that many business owners will seek the services of actual CPAs versus relying on just any tax professional or accountant.

Of course, there are the unknown unknowns—something out of the ordinary that could throw everything out of sync. There [are] Fortune 500 companies feeling very optimistic right now, but I’m not sure if everyone has really understood the implications of the new tax law. I’ve been meeting with individuals and businesses, and I’m trying to explain to clients that, yes, this is great, but while you might see a benefit or improvement in one respect, it may not translate into others. For instance, some people will be happy with the increase in the standard deduction, while others will see it as nullifying a lot of the exemptions and deductions they’ve used for years. Planning will be key, since there is no “one size fits all.”

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KEVIN M. PENNER | Senior Accountant | Amherst

I think that we’ll continue to see technology, as well as [the] outsourcing of certain tax and compliance work, freeing up CPAs to get a little bit out of the finer details and more into the high-level calls that come with being a trusted adviser. I think it will be a slow process, but technologies like blockchain and [artificial intelligence] have been advancing rapidly over the years, and this expands the options for CPAs in 2018. This will be a thing to look out for in the coming year.

More pessimistically, similar to how self-checkouts at grocery stores meant you didn’t need as many clerks, I don’t know if, because of this technology, firms won’t need as many CPAs. It’s a double-edged sword in that respect. It really opens up a lot of efficiencies but, at the same time, will really change the profession, and we’ll just have to see how that affects firms in the future.

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WILLIAM C. HUETHER | Staff Accountant | Brightwaters

I think the high, for me, is the many planning opportunities we’ll have as CPAs with the new tax law that just went into place, which gives us a lot to work out with our clients. They’re going to be depending on us now more than ever to assist them in being compliant with the new law, while finding new ways to minimize their tax burden and plan for the future. But in addition to the new tax reform, there are also huge planning opportunities this year on the accounting and auditing side, with the new lease and revenue recognition standards becoming effective over the next couple of years. (The revenue recognition for public entities [becomes] effective this year.) There will be increased opportunities to be proactive in serving our clients and helping them to plan and navigate through these significant new standards.

The pessimistic part goes hand in hand: Everything I mentioned above is going into effect around the same time. So efficiency might go down a bit as a result of the increased time needed to research and plan for these new standards and assess the impact on our clients. However, I do not consider the increased workload that is coming our way as something negative—we’re used to long hours and lots of work—but rather, as a new and exciting challenge that our profession faces.

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A successful CPE event on sustainability accounting and reporting

By J. MICHAEL KIRKLAND, CPA, CGMA
Past President, NYSSCPA, and Manhattan/Bronx Chapter Member

O
n Sept. 6, the Manhattan/Bronx Chapter held an evening CPE program entitled, “Overview of Sustainability Accounting and Reporting.” The program was held at the NYSSCPA’s offices at 14 Wall Street.

There were three speakers at the event: Renee Mikalopas-Cassidy, who has served as chair of the NYSSCPA’s Sustainability Committee and its International Accounting and Auditing Committee; Frank J. Aquilino, associate dean at the Feliciano School of Business at Montclair State University; and Laurence DeGaetano, instructional specialist at Montclair State University.

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The seminar focused on key concepts and players of sustainability accounting, as well as key frameworks, including GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board) and integrated reporting by the IIRC (International Integrated Reporting Council). The speakers observed that as sustainability accounting is an evolving sector of accounting practice, it is important and exciting to understand how presentations, practices and goals are being interpreted, both as CPAs and as potential investors/consumers. They discussed the natural points of entry for CPAs to get involved with sustainability accounting, such as environmental disclosures, corporate governance, valuations, supply chain and risk management, and nonfinancial business performance metrics. They noted that CPAs are already involved in many of these types of work for their clients. Frank and Larry reviewed a study they had undertaken on how ranking agencies had ranked the sustainability efforts of corporations. The speakers explored why and how these rankings often differ in their conclusions. The presentation generated lively discussions and created interest in sustainability accounting and reporting.

The seminar was well attended, and it served as a first-rate example of teamwork between a chapter (Manhattan/Bronx) and a committee (Sustainability) to educate NYSSCPA members and nonmembers. My thanks to all three of the speakers, as well as to Manhattan/Bronx Chapter President Carnet A. Brown, who made the opening comments.

If you have any feedback on this program and/or suggestions for future CPE programs and/or social events, please contact Carnet at carnet1020@yahoo.com. Anyone interested in sustainability who would like to join the Sustainability Committee, please contact me at the email address below, and visit the committee’s website at www.nysscpa.org/membership/committees.

If you were not able to attend the seminar, we look forward to seeing you at our future events.

Please visit the chapter website, www.nysscpa.org/membership/chapters/manhattan-bronx, for upcoming CPE programs and social events.
70 high school students attend autumn Career Day

By SONIA CHOPRA
Manhattan/Bronx Chapter President-elect

O
n Nov. 3, 2017, the Manhattan/Bronx Chapter held a Career Day for high school students interested in learning about career opportunities within the field of accounting. Each year, since the early ’90s, the chapter has welcomed students to this fun-filled day, which provides them with an opportunity not only to ask questions about the accounting profession but also to learn firsthand what being a CPA is all about.

In our chapter, Career Day is a biannual event, taking place each spring and autumn.

Last November, 70 students participated in Career Day at the NYSSCPA offices on Wall Street. Seven high schools, throughout all five boroughs, were represented.

What makes Career Day so valuable? Well, the short answer is, it helps students make a proactive, rather than a reactive, decision to pursue the field of accounting. Accounting, in particular, is a field with which many students are just not intimately familiar, whether it is the technical aspects of what accountants do on a daily basis or the myriad opportunities available within the field of accounting. I can definitely relate to this lack of familiarity—when I was a student, I simply was not aware that accounting was a viable career option, nor was there much in terms of resources that would open my eyes to the possibility. Hence, one can say that I (like many others, perhaps) “stumbled upon” accounting as a career.

The chapter’s Career Day sought to bridge the gap between student curiosity and understanding what accounting as a career truly means. To do so, the chapter invited speakers from all walks of accounting life; they came from a variety of accounting backgrounds, including public accounting, government accounting and various industries, as well as academia. Each speaker had a chance to share with the students some tidbits related to his or her journey to accounting, explain what his or her specialization was, and then answer the students’ questions. The diverse team of accounting professionals discussed working in public accounting, working in interesting industries, traveling abroad and teaching accounting; this provided valuable insight into the range of opportunities within the accounting profession. The morning continued with a round of “Accounting Jeopardy,” followed by a visit from a couple of representatives from an accounting firm who spoke about the interviewing process and engaged in mock interviews with students.

Finally, for the second portion of the day, the students left the office and visited several accounting firms: Citrin Cooperman, CohnReznick LLP, Ernst & Young LLP and KPMG. During these visits, students met with accounting professionals and learned what type of work they performed on a day-to-day basis. The students were able to get a true sense of life in the accounting world.

Overall, it was another successful Career Day. I would like to take this opportunity to give special thanks to the speakers—Elysa K. Dauerman, Jill A. Harris, NYSSCPA President-elect Jan Herreng, Dan Kaplan, John R. Lieberman, Barbara A. Marino, Zulima Munoz, Edward Muradian, Katie Nasta, Brandon Robinson, Sarah Saul, Denise M. Stefano, Ami Takahashi, Bei Lei Wang and Steven Zelin—who, along with myself, shared knowledge from various fields of accounting with the students, in a down-to-earth fashion. I would also like to thank the accounting firms—Berdon LLP, Citrin Cooperman, CohnReznick LLP, Ernst & Young LLP, KPMG and Mazzar USA LLP—that supported this event and made this day possible.

Now that the students are armed with this powerful knowledge, we can hope that when some of them are posed with the question, “What do you want to be when you grow up?” the answer will be, “An accountant!” Let’s take a proactive, rather than a reactive, approach.

A half year of events focusing on charitable giving, ethics and educational initiatives

By DOREEN M. INSERRA
Staten Island Chapter President

The first six months of my year as chapter president were a busy time; we had multiple chapter events and CPE sessions. We’ll most likely offer more than 20 CPE events locally, to our chapter’s members—including CPA, student and associate members—during the current fiscal year. By opening some events to nonmembers, we are reaching out to professional associates who might benefit from the educational events of our chapter. In the fall, we held our annual networking event with bankers and attorneys to learn from each other, expand our business relationships and clientele, and make new friends and colleagues.

On the charitable front, our members are very active. For example, on Nov. 4, 2017, Gerard J. LoVerde (past president, 1996–97), continued the chapter’s efforts in supporting the annual Bowl-a-Thon for Batten Disease research. This year’s Bowl-a-Thon helped to raise more than $13,000 for the Metro NY/NJ Chapter of the Batten Disease Support and Research Association (BDSRA); over the past 17 years, this event has raised about $300,000, according to Jerry, who coordinates the fundraiser each year.

Rosemarie A. Giovinazzo-Barnickel (past president, 1998–99), along with chapter board member Mark A. Fappiano, helped to promote our chapter’s CPE Ethics Update on Nov. 27, working with the Northwell Health Foundation, which provided a free educational outreach center at the Regina M. McGinn, M.D. Education Center of Staten Island University Hospital.

In addition, Sharon Sica-Costanzo (past president, 2016–17) is shaping the chapter’s first formal education scholarship with member contributions through the Foundation for Accounting Education’s Excellence in Accounting Scholarship, administered by the Moynihan Scholarship Fund. The Staten Island Chapter will offer this scholarship annually to the next generation of CPAs. To qualify, candidates must be accounting students with more than 72 college credit hours, who are enrolled in one of the three colleges on Staten Island: the College of Staten Island, St. John’s University and Wagner College.

The members’ efforts described above do not include the countless hours contributed by members who planned the World of Accounting and Education Night events, including Dennis N. Annarumma (past president, 2012–14) and Rosemarie Giovinazzo-Barnickel. Volunteers such as Orumé Hayes swiftly coordinated with the presenters at the Society’s NextGen Conference and invited some of them to speak at the World of Accounting event; Orumé captured the highlights of these events on social media for the chapter. Also, John J. Ligouri presented at Education Night. In addition, every autumn, Education Committee co-chairs Cynthia A. Scarcini (past president, 2010–11) and Frank J. DeCandido, chapter treasurer, promote these events to Staten Island high school juniors and seniors as well as upcoming Staten Island college graduates in an effort to reach out to these students about the accounting profession.

This year, for the first time, Frank DeCandido has developed a financial literacy program for New York City public schools, sourced from his presentation, “The College Planning Process,” which he unveiled at our chapter’s Annual Taxation Conference on Nov. 17, held at the College of Staten Island. Frank is working with the Society to make his college financial planning presentation available to the 14 other NYSSCPA chapters, in light of the burden college students face when looking for financial aid when planning their college education.

As current chapter president, I support Frank, and I would like our chapter to take the initiative in supporting the Society’s position that financial literacy courses need to be offered to public school students throughout the state. These courses should be offered not just in specialized programs, such as the New York City Department of Education’s Career and Technical Education program (CTE)—of which I am an active committee member at a Staten Island public high school—or the Specialized High Schools Institute at one of the city’s public high schools, but at all public schools throughout New York City and New York state. Reaching out on financial literacy is one of the key core values a CPA in New York state can provide to help our next generation of leaders in the workforce.

With this, I look forward to tax season and the remaining chapter events and programs as we get closer to our 66th Anniversary Installation Dinner in May, when we will recognize the Chapter Hall of Fame and Above and Beyond award recipients. In late April or May, I wouldn’t mind possibly holding our chapter’s first legislative breakfast—time will tell. So, while we wait, here’s to a prosperous 2018 to all!
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