By RUTH SINGLETON
Trusted Professional Staff

Luminaries of the accounting profession turned out for the third annual Moynihan Scholarship Fund Gala on May 24 at the Prince George Ballroom, to support scholarship, diversity and recruitment programs throughout New York state. The event raised more than $287,000 in sponsorships and individual donations for the Moynihan Scholarship Fund—nearly double the amount raised last year.

Chris Gaetano, staff writer for The Trusted Professional, served as the emcee, introducing speakers with flair and high energy. Singer and harmonica player Rob Paparozi, with his band, Juke Joint, performed R&B hits that drew many attendees onto the dance floor.

The Moynihan Scholarship Fund supports the Society’s Career Opportunities in the Accounting Profession (COAP) and Excellence in Accounting Scholarships programs. The COAP program has, for over 30 years, introduced New York high schools students of color to the accounting profession through a five-day college readiness program at colleges and universities across the state. The Excellence in Accounting Scholarships offer financial assistance to college accounting majors who meet or exceed certain academic standards and demonstrate financial need.

At the Gala, the NYSSCPA honored three outstanding members of the profession: Kimberly N. Ellison-Taylor, Charles Weinstein and Kelvin Joseph. AICPA President and CEO Barry C. Melancon presented Ellison-Taylor, the immediate past chair of the AICPA, with the NYSSCPA Trailblazer Award and Kelvin Joseph with the COAP Promise Award at the Moynihan Scholarship Fund Gala on May 24.

Mojnihan Scholarship Fund Gala raises record amount to support next generation of CPAs

By CHRIS GAETANO
Trusted Professional Staff

Clients are clamoring for information on becoming pass-through entities, thanks to a provision in the Tax Cuts and Jobs Act (TCJA) that allows for a 20 percent deduction on qualified business income received through a small-business entity such as an LLC or an S corporation.

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TEE UP WITH THE NYSSCPA!
Summer golf events near you (see page 22)
Primary focus: increasing member engagement

O n May 24, at the Moynihan Scholarship Fund Gala, I was honored to be inaugurated as the 99th president of the New York State Society of CPAs, and the seventh woman to hold the office. As I begin my presidency, I want to recognize our newly elected officers and board members, who will be working on behalf of all the members of the NYSSCPA in the upcoming year to keep the Society one of the most vibrant and respected professional organizations not only in New York State, but also in the country. I look forward to working with all of you.

To build upon the successes of the leadership of the Society under Harold L. Deiters III and all other previous presidents, my primary initiative is to increase member engagement by prioritizing diversity and inclusion, and motivating the next generation of CPAs.

I am proud to say that the Society is already an established leader in diversity and inclusion through the establishment of our Diversity and Inclusion Committee. And while we have had many successes in increasing the diversity of the profession, there is still much to be done. And so a focus of my year as president will be, first, to strengthen our commitment to increasing diversity and promoting inclusion within the profession and, second, to advance our initiatives to communicate the benefits of Society membership to the next generation of CPAs.

So what does this mean, and how can members get involved?
First, I’d like to challenge Society members to mentor a young CPA. It can be as easy as inviting a younger staff member to a committee meeting with you, participating in the NYSSCPA mentorship program or simply inviting a young CPA to attend a fun function with you.

Sometimes, encouraging the younger generation can be a conscious decision, but sometimes, it may be an opportunity that shows itself unexpectedly—and you only need to recognize it when you see it. For me, one such unexpected opportunity presented itself at the Committees and Cupcakes function held at the Society’s offices, where members were encouraged get to know all about the different committees that the State Society sponsors. I intended to network with Society members and explain the benefits of committee membership, but then I met a professor from Iona College—Katherine Kinkel—and before I knew it, I was sponsoring two students to attend the Moynihan Scholarship Fund Gala: Erin MacDonal and Julia O’Rourke. It has been both a pleasure and a rewarding experience getting to know these two young women as they prepare for careers in our profession.

Another exciting initiative I’d like to invite members to attend is the Women’s Leadership Forum, which we are looking forward to hosting in January. The forum will explore issues that impact the advancement of women in the profession, and it is meant to be a discussion among all stakeholders that will explore ways to facilitate equal access to opportunities within the profession. So stay tuned for more information on this and how you can participate in the conversation.

I would like to thank everyone who has supported me from the day I started my career as a young CPA at Arthur Andersen about 30 years ago, in particular, my family. And, of course, I am grateful for the support of the leadership of BDO, which recognizes the importance of the work the Society does and of giving back to the profession.

Nominating Committee seeks members for 2019

By ANTHONY T. ABBoud
NYSSCPA Chair/Treasurer

A re you interested in helping to select who will serve on next year’s NYSSCPA Board of Directors? If so, consider serving on the Society’s Nominating Committee.

This year’s 11-person Nominating Committee will be recommending a president-elect; four vice presidents; a secretary/treasurer; five at-large directors; and directors from the Mid Hudson, Northeast, Queens/Brooklyn, Rockland and Utica chapters. These nominees are then presented to the membership in a proxy ballot that is sent out in April.

Under Article IX of the Society’s by-laws, the CPA membership—at-large fills nine Nominating Committee positions, and the Board of Directors designates the remaining two members. The NYSSCPA by-laws can be found online at nysscpa.org/ bylaws.

Nominations process

To be nominated for the Nominating Committee, petitions with original signatures must be received on or before 5 p.m. (EST) on Friday, Aug. 10, 2018, and shall be sent to: NYSSCPA Secretary/Treasurer, 14 Wall Street, 19th Floor, New York, NY 10005. Copies of the Nominating Committee petition can be downloaded online.

Petition signers are limited to signing only one petition, and signatures of members signing multiple petitions will be disregarded on all petitions they sign. Signers must also certify that the nominee would serve if elected. Petitions must be signed by at least 10 CPA members (other than the nominee), all of whom have been CPA members for at least five consecutive years. Submission of multiple petitions for one nominee will not cause the nominee to be disqualified, so long as there are at least 10 signers in the aggregate for that nominee.

Potential Nominating Committee members should know that they may not be nominated for any position on the Board of Directors for the upcoming fiscal year. If you hope to serve on the Board of Directors, you should not put yourself forward for the Nominating Committee.

A candidate for the Nominating Committee must not be a current member of the Board of Directors or have been a member of the Nominating Committee either for the two immediately preceding fiscal years or for any three years after June 1, 2003. A list of the members ineligible to serve on the Nominating Committee due to these restrictions can be found online on the Nomination Center web page at nysscpa.org/nomination.

Any candidate for the Nominating Committee must have been a CPA member of the Society for at least five continuous years, including at least two years of participation on either a statewide committee or a chapter executive board, or a combination of both.

Once all the Nominating Committee petitions are received, if more than nine people are nominated, we will hold a membership election to determine the nine petitioners to serve on the committee. If fewer than nine nominations are received, the Board will select the additional committee members, along with the two it designates under the by-laws.

To be nominated for the Nominating Committee, petitions with original signatures must be received on or before 5 p.m. (EST) on Friday, Aug. 10, 2018, and shall be sent to: NYSSCPA Secretary/Treasurer, 14 Wall Street, 19th Floor, New York, NY 10005, and additional mailing offices.

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For more information on submitting an article, email rsingleton@nysscpa.org.

To update subscription information, contact Member Services at 800-633-6320.
The Trusted Professional

The NYSSCPA thanks its member volunteers

Committee chairs

The NYSSCPA expresses its gratitude to its ongoing committee chairs. Many of the Society’s accomplishments are achieved through its committees. The leadership, dedication and commitment of these committee chairs benefit not only our members, but our entire profession as well. We thank the following chairs, whose terms ended on May 31, 2018.

Academic Advancement and Higher Education
Cynthia A. Scarinci

Accounting and Auditing
Robert M. Rollmann

Auditing Standards
Michael J. Corkery

Banking
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Thomas M. Horan

Public Schools
Thomas C. Zuber

Public Sector Oversight
Candice R. Mith

Small Business Outreach
Alan D. Fishman

Taxation of Financial Instruments and Transactions
Colleen Michugh

Technical hotline volunteers

The NYSSCPA wishes to extend its thanks to all committee technical hotline volunteers who have so freely given of their time to serve their fellow members during the busy year. The technical hotline, which exists in order to assist practitioners with their professional issues and questions, has grown into an efficient service and a valuable member benefit because of the contribution and commitment of the committees and their hotline volunteers. It has only been successful through their support. Those interested in serving as volunteers for the technical hotline should contact their committee chairs for more information.

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THANK YOU

The NYSSCPA thanks its member volunteers

Thank you, comment letter drafters

The NYSSCPA is considered a valuable source of comment letters about important issues affecting the profession. Our robust comment letter process is supported by many individuals who generously dedicate their time and expertise to ensure that the Society is serving its members and the public. We extend our sincere appreciation to the principal drafters listed below, for helping the NYSSCPA issue 32 comment letters during the 2017–2018 fiscal year.

—NYSSCPA 2017–2018 President Harold L. Deiters III, CPA


*Craig T. Goodman, an NYSSCPA Board member, passed away on Feb. 5. His obituary appears on page 7 of the April/May issue of The Trusted Professional. The NYSSCPA mourns his passing and honors his many years of service.
Society honors best financial reporting of 2017 at EFJ Awards

By RUTH SINGLETON
Trusted Professional Staff

A t the NYSSCPA’s Excellence in Financial Journalism (EFJ) Awards luncheon on June 8, the Society honored some of 2017’s best financial journalism, as well as the reporters and other professionals who produced it.

Jesse Eisinger, a Pulitzer Prize-winning senior reporter and editor at ProPublica and the author of The Chickenshit Club, which won the EFJ Book Award, served as the luncheon’s keynote speaker. He spoke before an audience of approximately 35 journalists, editors and awards judges at the Tribeca Grill in New York City.

“People should think about the media as undergoing two parallel crises,” Eisinger said. “One is the business crisis. The business model has completely collapsed.” The second crisis, he said, has been going on for at least two decades: “The very notion of objective journalism is under assault. … There has been an effort to undermine the idea that there can be a mainstream press that has an obligation, a professional ethos, to be fair, to be objective, to report seriously and accurately about the news.”

Eisinger said that the profession initially did not respond well to such attacks, but he observed that the press has recently regained its resolve. “I think that the press has realized that we need to be adversarial in a classic sense—that we’re not people’s friends, we don’t take sides, we have an obligation for fairness and accuracy. But we do not have a perverse obligation to be obsessively balanced.”

Eisinger then spoke briefly about his award-winning book. “Now, my book is about the collapse of an institution, the Department of Justice, and a collapse in our ability to hold the wealthy and powerful accountable. … I was trying to write about how we have a class of wrongdoers in our society who have impunity to commit crimes: top corporate executives. … It was building before the financial crisis, and it persists to today.”

Thomas Lee, who won the Best Opinion Award, also spoke about the importance of the press, when he accepted his award. “It’s a tough time for journalists these days,” he said. “To get an award from the Society, a group of CPAs and accountants, and to have this organization give out these awards for three decades, means a lot.”

EFJ Awards winners

After Eisinger’s remarks, the luncheon proceeded to the awards ceremony, recognizing journalists whose work was published, posted or broadcast in 2017 and contributed to a better and balanced understanding of business or financial topics. Judges included NYSSCPA members and journalists; they selected the winners, ranking their submissions based on accuracy of reporting; readability, clarity and style; and effectiveness and impact.

NYSSCPA Immediate Past President Harold L. Deiters III announced the winners:

Audio (Small Media): Jack Sweeney, host and creator of The Chickenshit Club podcast for two episodes, featuring HubSpot CFO John Kinzer and a panel of five CFOs discussing their top metrics used to demonstrate the effectiveness of achieving major business objectives.

Audio (Medium/Large Media): The Wall Street Journal’s “The Future of Everything” podcast, for an episode called, “In Bitcoin We Trust?” that explored the cryptocurrency we know as bitcoin, what caused the rise of this invention, how it works and its future.

Enterprise Reporting: The International Consortium of Investigative Journalists, The New York Times, The Guardian and other media partners, for “The Paradise Papers.” Following a leak of secret documents from 21 sources, more than 90 media partners investigated and exposed hidden dealings of corporate giants such as Apple and Nike, as well as secret deals made by tax-evading criminals and prominent politicians and their supporters. The investigation and exposure caused governments and corporations all over the world to open tax investigations.

General Reporting: Michael Grabell, ProPublica, and Howard Berkes, NPR, for “Sold For Parts.” Grabell focuses on a chicken-processing plant know as Case Farms, and its work practices, taking advantage of underage and undocumented immigrants, illegally hiring them to work under dangerous conditions and firing them if they protested or were injured on the job. Following this exposure, Grabell partnered with Berkes to analyze 14 years of Florida insurance data, to expose how employers and insurance companies were using a state law to get out of paying workers compensation benefits to injured, undocumented immigrants.

Infographic: Bloomberg News’s Matt Townsend, Jenny Surane, Emma Orr and Christopher Cannon, for “America’s Retail Apocalypse Is Really Just Beginning.” Through many interactive data visualizations, the Bloomberg News team illustrates the high amount of debt that retail companies own, and how it affects the retail industry and the future of the economy.

Local and Public Service Reporting: Jason Grotto, Sandhya Kamathampati and Ray Long from ProPublica Illinois and The Chicago Tribune, for their four-part series exposing Cook County’s unfair property tax assessment system in “The Tax Divide.” For two years, Grotto and his team studied the system, analyzing more than 100 million digital records and interviewing dozens of experts, attorneys and property owners. They found errors and discrepancies in tax assessments that punished poor homeowners and small businesses in Chicago, while giving the wealthy unsanctioned tax breaks and lining the pockets of politically connected tax attorneys.

Opinion: Thomas Lee of the San Francisco Chronicle, for a series of opinion pieces focusing on the Wells Fargo sales fraud scandal that broke in 2017. The series included an analysis of the bank’s leadership team, its cross-marketing strategies and how these unethical practices began well before 2017, dating back to 1998, when it merged with Norwest Corporation.

Video (Large Media): The Weather Channel and InsideClimate News teamed up for “Killing Clean: The Playbook to Destroy Clean Energy.” In this video, they discuss the clean energy revolution and how Ohio lawmakers flipped their positions on an issue they once supported. In 2008, Ohio passed an alternative energy mandate designed to adopt the use of solar and wind energy sources for electricity in the state, which helped create jobs, turn profits and close greenhouse gas emissions. Fast-forward to 2017, and most of those lawmakers who supported the mandate now opposed it. To find out why, the Killing Clean team investigated coal companies, utilities, think tanks, nonprofit foundations and political action committees that mobilized to roll back clean energy initiatives one state at a time.

Video (Medium Media): Fusion TV’s The Naked Truth, for “Debt Trap.” An inside look at America’s student debt crisis, this investigation discusses the causes, including the rise in tuition and government disinvestment, as well as the role of public and private lending entities.

Excellence in Financial Journalism Book Award: Jesse Eisinger, for The Chickenshit Club: Why the Justice Department Fails to Prosecute Executives. Eisinger offers an inside look at why at the U.S. Justice Department, following its prosecution of executives at Enron and WorldCom for financial fraud in the early 2000s, failed to prosecute executives responsible for the 2008 financial crisis.

This year’s EFJ Awards judges were Gary Belsky, Mary Jo Brancaleoni, Rumbi Bweuino-Petrozzello, Michael H. Hall, Orumé A. Hays, Richard L. Hecht, Elliot L. Hendler, Leon M. Metzger, Iralma Pozo, George I. Victor, F. Michael Zovitskoski and David S. Zweighaft. The 2018 EFJ book judges were Justin Baer, Susan M. Barossi and Leah N. Spiro.
Business professor makes case for employee-friendly policies as a means to improved performance and bottom line

By CHRIS GAETANO
Trusted Professional Staff

In his book Dying for a Paycheck: How Modern Management Harms Employee Health and Company Performance—and What We Can Do About It, Stanford business professor Jeffrey Pfeffer writes that modern business culture is promoting practices that are not just withering the human spirit and robbing workers of vitality and joy, but are also adding billions to health-care costs worldwide. This culture of stress, he argues, works to the detriment of both our quality of life and the bottom line, as many of these practices, such as extremely long hours or unpredictable shift work, actually decrease profits over the long run. Pfeffer took the time to talk to The Trusted Professional about how we got here, why things are this way today and what we can do about it. The following Q&A has been edited for length and clarity.

The first thing I thought when reading your book is that work is, by its very nature, stressful. A job is, fundamentally, a task that you do. What kind of stresses go over and above what we ought to expect from our jobs?

You urge workers to take care of their physical and mental health by doing things like limiting work hours to sustainable levels and taking time off when needed. At the same time, many companies not only encourage the opposite—such as being available via email anytime of the day, even on vacations—but sometimes even demand it. Given our current business environment and all its norms, does this mean there is tension between taking care of yourself and taking care of your career?

No, because you need to find yourself a place where you don’t have to trade off your life for your money. You don’t need to make that trade. Society has come to normalize the unacceptable. We have come to say the unacceptable is what everyone should be doing. People selecting their employers must worry about these other dimensions. I think companies will need to change their practices if they have trouble recruiting people.

Given their ostensible focus on work conditions and quality, what role, if any, can unions play in addressing the problems you talk about? Given historically low labor membership and the changing nature of employment, are they capable of playing a role at all?

While they could at one point, today, unions in the private sector have almost disappeared. Because of this, I think it’s unlikely they will have a major role, except as an advocate.

You make, essentially, a business case for employee well-being, noting that engaged workers who aren’t overworked, underpaid and micromanaged are more productive, take fewer sick days and stay longer. Yet the companies you talk about that seem to be doing it right, such as Patagonia or Zillow, tend to be dwarfed by the companies you talk about that seem to be doing it wrong. How do you explain this?

Does job stress scale with organization size, or do small businesses have much of the same problems as large multinational corporations?

It’s not size related at all. It cuts across everything. I think it’s leader related. Do you have a leader that is concerned about that? Measures and takes seriously, the health and physical and emotional well-being of their workforce? Or do you have someone who blows off that responsibility?

Since publishing your book, what have been the most common pushbacks you’ve received, and what has been your answer to them?

The most common pushback is that people ought to take care of themselves and that if you’re stressed, you should just get another job. My pushback to that pushback is: I think companies have, with respect to the human environment, exactly the same sorts of responsibilities they have to the physical environment. We ought to worry not just about environmental sustainability, but also about social pollution. Companies have a responsibility to do something about the health-care crisis they are causing.

What makes you hopeful? What makes you sad?

What makes me kind of unhopeful is that almost no competition left and, therefore, monopsony power, the power of buyers, has basically held down wages… I don’t see much interest on the part of the government or business, in general, to do much about this. So even though health-care costs are soaring across the world, I don’t see many governments or companies taking this nearly as seriously as they should. But maybe my book will have an effect on that.

gaetano@nyucpa.org

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Trusted Professional Staff

NEWSMAKER

Jeffrey Pfeffer

STANFORD GRADUATE SCHOOL OF BUSINESS
NYS Legislature passes Society-supported bill eliminating CPE exemption for new CPAs

By CHRIS GAETANO and RUTH SINGLETON
Trusted Professional Staff

The New York state Legislature has passed an NYSSCPA-supported bill that eliminates the three-year exemption from mandatory continuing professional education (CPE) for newly licensed CPAs. The Society lobbied for the legislation as part of an effort to ensure that new CPAs remain competent in new and emerging skill sets that clients and employers have come to expect in the age of blockchain and artificial intelligence.

The legislation, A.10648/S.8522-A, passed the Assembly, 144-0, on June 19, and the Senate, 60-0, on June 20. It was sponsored by Assemblyman Albert “A”. A. Strupe (D-127) in the Assembly and by Sen. Pamela Helming (R-54) in the Senate.

As a result, newly licensed CPAs in New York state will need to earn up to 120 credit hours of CPE during their first three years of licensure, starting on Jan. 1, 2020, when the legislation goes into effect. Specifically, the legislation will require new CPA licensees to earn either 24 credits a year in a concentration, such as audit or taxation, or 40 credits a year in general CPE. The current ethics CPE requirement will also apply to the newly licensed in New York, which mandates that a CPA earn four credits in ethics CPE during his or her three-year registration period.

“At the pace of technology, the proliferation of regulations and increasing specialization accelerate, one of the greatest challenges for all CPAs is the attainment, maintenance and advancement of professional competence,” the bill memo states. “To meet this challenge and to maintain public confidence, it is critical that all CPAs remain current in accounting standards, knowledge, skills and abilities in all areas in which they provide services. It is not enough that an individual be successful in completing an accounting education and passing an exam. In a complex and complicated world, all CPAs need to demonstrate that they are taking substantive steps to maintain licensure. An unprofessional or unethical practice of accounting causes harm to the public. Mandatory CPE for all CPAs, therefore, is all about public protection.”

New tax law means more work, revenue for many CPA firms

By CHRIS GAETANO
Trusted Professional Staff

CPA firms are seeing a wave of new business opportunities because of the Tax Cuts and Jobs Act (TCJA), as clients scramble to figure out how they are affected and how they should respond. With no sector of the economy untouched by the bill, many tax practitioners are confident they can leverage increased demand into a better bottom line for their firms.

Catherine M. Censullo, founder of Catherine M. Censullo, CPA/CMC Wealth Management and a member of the Personal Financial Planning Committee, said that thanks to the $10,000 cap on the state and local tax (SALT) deduction, the pass-through entities provision, the new estate tax threshold and a panoply of other changes, she expects 2018 will continue to be a good year for her practice, given how much planning her clients will need.

“When you have changes like this and you have to be aware of what they are and figure out what to do now in this new environment,” she said.

Other CPAs are predicting similar results for their firms. Steven Eliaich, tax partner-in-charge at Marks Paneth LLP, didn’t rule out the possibility that his firm will even need to hire more people to keep up with the demand, most of which, he thinks, will be coming from existing clients looking to revise their strategies in the new landscape.

“I [will] have extra projects and planning to do for [those clients],” he said. “I hate to use the word ‘windfall’ because we charge by the hour, so I never view it as a windfall, but there will be an increase in the workload and perhaps even hiring.”

With this extra work, however, will also come more education and training, both for staff and for clients. Bradley H. Smallberg, a partner at Schissel Smallberg and chair of the Society’s Partnership Taxation Committee, said that a lot of his time lately has been devoted to clearing up misconceptions people pick up from the news.

“I think it’s a combination of the news articles and [reporters] not understanding it, so they’re not explaining it right, and then people read it and you have to clarify it,” he said. Censullo said that since the bill’s passage, she has been talking to a lot of clients who were concerned about the loss of deductions and other rule changes that could disrupt previously set plans. In this respect, she said she has found herself playing the dual roles of financial adviser and therapist.

“I think one of the things I’ve been trying to do is [to] calm clients down, first of all. The panic doesn’t really save anything. It’s a question of doing some number calculations and really looking at what the impact will be going forward. Since there are changes to the tax rates, it might help somewhat,” she said.

Larger firms likely to fare better

Adam R. Kort, a partner with Mariner Wealth Advisors and a member of the New York, Multistate and Local Taxation Committee, said that midsize and larger practices will probably benefit from people whose financial situations have improved because of the bill and suddenly, perhaps for the first time in their lives, need sophisticated tax planning.

“Those rules aren’t simple. The tax code is more complex now. So a certain part of our industry will see a huge drop-off in business. The higher end, where we are, we’ll probably see no change or more work. Maybe clients who might not use an accountant might now start using one,” he said.

On the other hand, David M. Barral, a senior financial planning associate with Mariner Wealth Advisors and the vice chair of the Personal Financial Planning Committee, said that the doubling of the standard deduction might hurt smaller firms that have clients with simpler tax needs. Fewer people will need to itemize because they now fall into the standard deduction threshold.

“They say, ‘Why am I paying you if I can just do this on TurboTax? Why not go to an H&R Block? There’s no itemizing, so I don’t need anyone to help me through my itemized deductions,’” he said.

Another potential negative impact is connected to the loss of miscellaneous itemized deductions. One of the items taxpayers used to be able to deduct before the new law was professional fees, such as those from a CPA firm.

“Even if clients never got a benefit—because if it was under 2 percent you never got it—now that the clients know they can’t deduct it at all, they may become very fee-sensitive for what the accountants charge them,” Barral said.

Dealing with uncertainty

As much as clients might want to seize on new opportunities or construct defens es against new problems, many CPAs have pointed out that much of the law is quite vague, and will remain so until the IRS starts putting out some technical guidance. With this in mind, Ronald B. Hegt, a tax partner with Citrin Cooperman and a member of the Taxation of Individuals Committee, said that his firm will take a cautious approach.

He said that while the firm is eager to take advantage of new tactics, the ambiguities that have been introduced into the system demand prudence.

“We’re finding [that] where there is nothing in the law or current regulations that tells us we can’t do something, we need to take a middle-of-the-road approach—one that is more likely than not to survive an audit [and] is more likely than not to avoid being penalized,” he said.

Barral pointed to another possibility that could complicate long-term planning: If the Democrats take control of the government, they will likely want to roll back some of these changes and make others, which will mean practitioners will need to get used to an entirely new landscape almost as soon as they’ve gotten used to this one.

“The risk,” he said, “is also [that] we might have a new administration, a new Congress; it could totally change in three years.”

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TAX CUTS AND JOBS ACT

With fewer itemizing, certain nonprofits fear cash squeeze

By CHRIS GAETANO
Trusted Professional Staff

While the Tax Cuts and Jobs Act raised the limit for charitable deductions, it also removed incentives that encouraged people to donate in the first place, which has led some nonprofit professionals to worry about funding drop-offs for their organizations.

Chief among the issues affecting nonprofit organizations is the doubling of the standard deduction to $12,000 for single filers and to $24,000 for married couples. Although the bill raises the charitable deduction limit from 50 to 60 percent of adjusted gross income, many taxpayers will choose not to itemize, given the higher standard deduction, according to attorney Michael J. Cooney, a partner at Nixon Peabody LLP and a frequent speaker on nonprofit topics.

Before the bill, roughly one-third of taxpayers itemized, he said. After the bill, it will be closer to 5 percent.

“If I’m going to get this standard deduction anyway, do I need to make charitable contributions to earn it?” said Cooney. “I’m getting the benefit of the deduction even without sending my money to a charity.”

He added that the changes to the estate tax could have a similar effect. Under the new law, the federal estate tax threshold has also doubled, and is now $10 million for individuals and $22 million for married couples (at least until the 2026 sunset, at which point it reverts back to 2017 levels). Charitable giving has long been an important part of minimizing estate tax liability. With the thresholds now doubled, though, there’s less of a reason to incorporate donations into the planning process.

“I’m not saying the estate tax drives charitable giving, but it certainly has an influence,” he said.

Impact on social services organizations

Cooney predicted that the pinch will probably be felt most acutely by social service organizations, as their donor base tends to come not from the 5 percent who will still be itemizing, but from those at the lower end of the income spectrum, who primarily give to their own religious institutions. With this group now within the standard deduction, he said, there will be less impetus to donate to these other organizations.

“Discretionary spending to social service organizations is predicted to drop. Coupled with expected decreases in federal support because of projected budget shortfalls, it could be an extraordinarily difficult road for those who tend to the most needy in our society,” he said.

Ronald F. Ries, a member of the NYSSCPA’s Not-for-Profit Organizations Committee who often speaks on nonprofit management issues, agreed that these types of organizations will see a bigger impact than others, though he added that losses will likely be on the prospective donor side, as opposed to that of existing donors. If someone already gives to, for example, a local animal shelter or AARP, he said, that person will probably continue to do so in the future. But the tax bill created conditions that make it less likely that someone will start giving to a new cause.

He added that social services organizations could also experience a “double hit” from diminishing donor funds on one side and diminishing government funds on the other. He pointed out that a lot of these organizations get much of their funding from government grants, and since social services spending is being reduced at all levels of government, this will naturally translate into fewer funds for nonprofits.

Proposed workarounds

Marie Arrigo, a tax partner at EisnerAmper LLP who specializes in nonprofit organizations, pointed to a couple of options for taxpayers who typically would fall within the standard deduction and would like to benefit from their contributions. For example, taxpayers could choose to bunch their donations into one big contribution every few years so that they can itemize and reap a tax benefit.

Another option would be to utilize donor-advised funds—large funds that give to charitable causes, based on input from their funders—enabling the taxpayers to itemize a large donation. This donation could then be converted into smaller grants over several years, Arrigo said. But Ries noted that this could potentially be problematic for the organizations themselves. He said that since there is no limit on how long money can stay in such funds before being released into the charitable sector, the donations themselves don’t necessarily translate into funding for the organizations when they need it.

“People are looking for the ultimate quid pro quo: ‘They want to get into heaven!’ he said.

Wealthy people whose donations significantly surpass the range of the new standard deduction tend to spend their charitable dollars on major gifts to institutions like universities, hospitals or museums, said Cooney. This, too, will likely continue with little disruption.

But even if the impacts are not widespread, Cooney lamented the changes. He said the concept of the charitable deduction is one of the oldest in the tax code, and the reason for that is because “it’s really a pretty good tax deal and a really good fiscal approach.” Instead of sending a dollar to Washington, he said, people could choose to send it to a charity, which, he said, was a good reflection on American values.

“To me, it really signifies that this is a provision of the tax code that says, that donors all across America, large and small, urban, suburban and rural—support charitable institutions, and this has been enshrined in the tax law. If you want to know what a society values, look at the tax law.”

—Michael J. Cooney, partner, Nixon Peabody LLP

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Social service organizations may feel the pinch the most because their donor base tends to be taxpayers of modest income, who will no longer be able to itemize their deductions.

Gina Goodenow, senior vice president and CFO at the United Way of New York City and a member of the Not-for-Profit Organizations Committee, isn’t too worried about the changes, however. She said that people generally don’t give to charities because they want a tax break—they give because they think it’s the right thing to do—spend about half of their charitable dollars on religious institutions like churches, mosques and synagogues. Even though fewer people will be itemizing, Cooney expects these gifts to continue.

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“To me, it really signifies that this is a provision of the tax code that says, that donors all across America, large and small, urban, suburban and rural—a real hallmark of American life—support ... charitable institutions, and this has been enshrined in the tax law. If you want to know what a society values, look at the tax law,” he said.

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Bipartisan bill would overhaul IRS for first time since 1998

By CHRIS GAETANO
Trusted Professional Staff

Federal legislators have proposed a major overhaul of the IRS, the first such reform since 1998, which is intended to modernize the agency and emphasize the service aspect of its mission. Backed by both Democratic and Republican members of the House Ways and Means Committee, the legislation is organized into nine divisions, covering a wide variety of topics ranging from information technology to taxpayer services to enforcement policies. The bill passed the House by an overwhelming majority in April, but it has yet to be introduced in the Senate.

One of the major provisions in the proposed overhaul is the creation of a new IRS Independent Office of Appeals. This office would be led by a chief of appeals, who would report directly to the IRS administrator. (The bill would change the title of the IRS’s leader from “commissioner” to “administrator,” as a way to emphasize that the primary responsibility of this person is to administer the tax code.)

While the IRS already has an independent appeals process, the bill aims to make it more widely accessible. If the IRS does not grant a referral to the Independent Office of Appeals, then the taxpayer must be provided with a precise and detailed reason why, and be given instructions as to how to protest the decision. Further, those taking part in the appeals process would be able to independently review the decision. Among other things, the proposal would allow for limited sharing of tax information to enforcement policies. The IRS will also be required to develop, by 2023, robust and secure online accounts for taxpayers and preparers. These services are intended to supplement, not replace, existing IRS taxpayer services.

Data protection

Another major focus of the bill is identity theft and cybersecurity. It would formally codify the already-existing public-private partnership represented by the IRS Security Summit, allow for limited sharing of tax return information with state-level and private-sector partners as part of an information-sharing and analysis center; establish a single point of contact within the IRS for identity theft victims; allow anyone to get an identity protection personal identification number (IP PIN), which before was available only to at-risk taxpayers; and prohibit the IRS from providing taxpayer information to any outside contractor, unless the contractor has adequate privacy safeguards in place. In addition to safeguards described in existing law under 26 U.S.C. Section 6103(p)(4), the legislation would include the requirement of an on-site review of each contractor over three years, submission of the review’s findings to the secretary of the Treasury and an annual certification of compliance to the secretary.

The IRS will also be required to develop, by 2023, robust and secure online accounts for taxpayers and preparers. These services are intended to supplement, not replace, existing IRS taxpayer services.

Other proposed changes

Among other things, the proposal would require the IRS to develop a comprehensive customer service strategy within a year after enactment, addressing how it intends to provide taxpayer assistance and establish benchmarks and metrics to gauge its success. The IRS chief information officer, seen by the IRS, would be led by a chief of appeals. This office would be able to independently review the decision. Among other things, the proposal would allow for limited sharing of tax information to enforcement policies.

James P. Bressingham, director of taxation at RBSM LLP and current chair of the Relations with the Internal Revenue Service Committee, noted that the proposed changes would make procedures a little easier for both the taxpayer and tax practitioner.

He said he welcomed modernizing the IRS, especially in the context of new challenges such as rising identity theft. His impression was that this measure signals that the government views preparers as a partner in the fight to protect client information. He added that measures to fight identity theft should not put additional burdens on taxpayers or preparers, and that nothing he has seen in the proposal so far indicates that this will happen.

According to the proposal, the IRS would also be required to develop and implement an information technology (IT) strategic plan that accounts for the service’s long-term IT needs. This strategic plan would be overseen by the IRS chief information officer, a position that this bill formally codifies as part of the service’s structure.

The legislation also greatly expands the number of professional tax preparers and organizations that must file electronically. The threshold for when the mandate for tax preparers kicks in would be reduced from 250 returns to 10, and all tax-exempt organizations would be required to file online, whereas right now, the requirement applies only to those organizations with assets over $10 million.

In addition, the bill would curtail the IRS’s ability to seize property, requiring that the agency show probable cause when seizing funds that appear to have been structured for money-laundering purposes.

Finally, the bill introduces what appear to be largely cosmetic changes. Along with changing commissioner to administrator, it would change the name of “special trial judges” to “magistrate judges,” which brings the U.S. Tax Court in line with other federal courts.

The NYSSCPA made its presence known at the Canna-bis World Congress and Business Exposition, held May 30–June 2, at the Javits Center in Manhattan. The Society maintained a booth promoting the services of the State Society to the fast-growing cannabis industry, which boasted sales of nearly $10 billion in 2017. Zachary Gordon (right), chair of the newly formed Cannabis Industry Committee, attended, along with Steven B. Shaiman (left), a member of the committee. The Society will host a Cannabis Conference in December and will release further information on nysscpa.org shortly.
Pass-through entities

Continued from page 1

If clients haven’t already filed to become pass-through entities, they’ve been asking whether they should do so—and if they’ve already filed, they’re asking how they can qualify for the deduction. While on its face, the provision might seem simple, Ronald B. Hegt, a tax partner with Citrin Cooperman and a member of the NYSSCPA’s Taxation of Individuals Committee, said that there are actually a lot of underlying complexities that make answering these questions a little tricky, at least not without further IRS guidance.

“It is taking probably two-thirds of my day, every day, to deal with this. … I could spend an hour listing the things we don’t have answers to,” he said.

For example, not every pass-through entity can qualify for the deduction—excluded are firms engaging in what the bill calls a “specified service trade or business.” This includes the fields of accounting, law, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset is the reputation or skill of at least one of its employees. (Although the code previously included architects and engineers in the definition of service trade or business where the principal asset is the reputation or skill of at least one of its employees, they were removed from that definition, so they are entitled to the deduction.)

It’s not always obvious whether a particular pass-through counts as a service business. And what if someone owns more than one pass-through entity? A second pass-through counts as a service business. If they are, they probably won’t qualify for the 20 percent deduction. As an example, Scott M. Cheslowitz, a tax partner at Rothenberg & Peters PLLC and a member of the Closely Held and S Corporations Committee, said to consider two different restaurants, both operating as pass-through entities. One is a typical eatery with typical owners. Another is owned by celebrity chef Emeril Lagasse. While both entities are functionally identical in the type of business they’re in, the first is much more likely to get the 20 percent deduction than the second, since the Lagasse name is a significant factor in getting people to eat there.

“So it’s not only the type of industry, but you’ve got to peer deeper into the possibilities that maybe I won’t benefit from this just because I’m well known and my name attracts business,” he said.

Cheslowitz also pointed out, however, that in some situations, it can be hard to determine where the line is drawn, with regard to reputation.

Bradley H. Smallberg, a partner at Schissel Smallberg LLP and chair of the Partnerships and LLC’s Committee, said that the pass-through provision might result in clients getting “strident in trying to prove to the IRS that they are not, in fact, service businesses, particularly if there are any ambiguities involved.

“You know, there are always wishy-washy areas; there are some that are black and white. Some people are clearly yes and some clearly no, but … maybe clients want to get more aggressive there, and say they are not a service-based company,” he said.

Then there are the exceptions to the exceptions. For instance, even though the bill explicitly says that accounting firms are barred from the deduction, Chaim V. Kofinas, senior tax manager at Beacon Partners and chair of the New York, Multistate and Local Taxation Committee, noted that, technically, accountants can take advantage of the deduction, provided their income is below a $175,000 threshold (or $315,000, if married), which means that a firm might choose to designate a staff accountant as an independent contractor. While there could be issues with the distinction between an employee and an independent contractor, Steven Eliach, principal-in-charge of tax services at Marks Paneth LLP, said that his own firm, while not yet considering any formal policy change, has been reluctant to make any changes. He noted that, technically, they cannot give W-2 wages to their partners—they’re more like guaranteed payments, which have their own rules. In addition, he said the level of income can dictate whether an S corporation is more advantageous than a partnership. If income is in the phase-out range, it is better to be an S corporation. But Cheslowitz cautioned that there are many possible confounding factors that could swing the balance one way or another.

“Obviously, we’re thinking about within the firm might benefit from the pass-through deduction. It could vary among partner groups—more senior versus less senior partners. We’re doing our own tax planning in terms of what would be the best model,” he said.

For those clients that set up a pass-through entity in order to take advantage of the deduction, the question becomes, “What type of entity is best? An S corporation? A partnership?” Cheslowitz said that without clear guidance from the IRS, that can be difficult to figure out.

“We don’t have regulations yet; we still need to find out a little bit more about this, so I’m telling clients, ‘Don’t quickly rush into anything—let’s just wait and find out a little more.’

As things stand right now, though, Cheslowitz said that S corporations have an edge over partnerships in terms of this deduction because the deduction is applicable only to either 50 percent of W-2 wages, or 25 percent of W-2 wages plus 2.5 percent of qualified property, whichever is greater. While he has seen partnerships try to do this, he said that, technically, they cannot give W-2 wages to their partners—they’re more like guaranteed payments, which have their own rules. In addition, he said the level of income can dictate whether an S corporation is more advantageous than a partnership. If income is in the phase-out range, it is better to be an S corporation.

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NYS proposes new unincorporated business tax as salve to SALT cap

By CHRIS GAETANO
Trusted Professional Staff

T he New York State Department of Taxation and Finance (NYSDTF) has released a discussion draft on a proposed unincorporated business tax (UBT) that will affect partners of partnerships doing business in New York, as part of the state’s overarching response to the federal Tax Cuts and Jobs Act.

The proposal would impose a 5 percent tax on an unincorporated taxable income, which would be multiplied by unincorporated business net income by a three-factor allocation percentage involving property, payroll and gross income percentages.

With this tax would come three UBT credit provisions. One, the unincorporated business credit (UBC) would give an affected partnership a credit against its unincorporated business tax liability. If an affected partnership receives income from a lower-tiered partnership that has already paid the UBT, it can calculate a UBC to offset its own UBT liability. This provision will prevent New York state from collecting UBT twice on the same credit, however, cannot exceed the UBT and will not carry forward.

The other two credits are a personal income tax credit and a corporation franchise tax credit, collectively called the Credit for Unincorporated Business Tax; they are meant to mirror each other, as they will be used to off-set the income and franchise tax of individual and corporate partners, respectively.

The personal income tax credit is for 93 percent of the partner’s proportionate share of the UBT of the affected partnership; it would be nonrefundable and could be carried forward indefinitely. The corporation franchise tax credit is for 93 percent of the personal income tax credit, but cannot be applied against the fixed-dollar minimum.

In a January report, the NYSDTF suggested the UBT as one way the state might mitigate the impacts of recent changes to the federal Tax Cuts and Jobs Act, chiefly the new $10,000 limit on state and local tax (SALT) deductions, which had previously been unlimited.

“New York State would shift non-deductible individual income taxes to a deductible business tax on pass-through businesses, or some subset of pass-through businesses, and credit part or all of the value of the tax to the owners of the business on their personal income taxes. This could provide the benefit of preserving deductibility for individuals on certain non-wage income while maintaining revenue levels for the State,” said the report.

Jeffrey S. Gold, tax director at LM Cohen & Company and a past chair of the NYSSCPA’s New York, Multistate and Local Taxation Committee, noted that while other measures—namely, the optional payroll tax that passed as part of the state budget—did much to address the SALT deduction cap, it didn’t address the timing of when notices go out, making it seem as though the state decided to change their taxes arbitrarily.

In a letter informing them that their refund had been modified before they received the letter, he explained. This was something questionable in a return, it automatically instructs that the taxpayer be sent an inquiry letter asking for more information.

London added that if the issue involves itemized deductions, the system will calculate the aspects that are not suspicious and refund the amount based on these items or, more commonly, the standard deduction, so as not to hold up the refund. Once adjusted, the system sends a letter to the taxpayers informing them of the change.

“As it is an actual attempt to pay as much up front as is proper, based on the information available to them through that process,” London said.

The problem, however, was that there was a lag period between the inquiry letter and the refund reduction letter. The inquiry period had a longer lag period than the refund-reduction letter, he explained. This meant that taxpayers were receiving the letter informing them that their refund had been modified before they received the letter informing them that there was an issue with their return, making it seem as though the state decided to change their taxes arbitrarily.

“It was a processing issue,” said London. “[The NYSDTF] thought they had it corrected but, as it turns out, with our input, they discovered it wasn’t [corrected]. But they will be fixing that on a go-forward basis.”

Specifically, he said, the state will adjust the lag time to five days for the inquiry letter and eight days for the refund-reduction letter, ensuring that taxpayers receive them in the proper order. He said that the NYSDTF will also include new explanatory language about why their refunds had been adjusted, “in order to make it clear that this is supposed to be a good thing.”

“Fraud these days is so sophisticated that if you pay out an amount that is fraudulently claimed, you’re never getting it back, and that will cost us all as taxpayers,” said London.

He said that the New York, Multistate and Local Taxation Committee has an open dialogue with the NYSDTF regarding its communications with taxpayers, which was very useful in getting this matter resolved expeditiously.

—Philip J. London, immediate past president, New York, Multistate and Local Taxation Committee

“TAXATION”

Society helps resolve refund notice mix-up at NYS Dept. of Taxation

By CHRIS GAETANO
Trusted Professional Staff

T he NYSSCPA, through its New York, Multistate and Local Taxation Committee, has helped resolve an issue involving taxpayers who received notices saying that their New York state tax refunds had been adjusted, without an explanation.

The problem stemmed primarily from a processing issue at the New York State Department of Taxation Committee at the time, discussed the matter with the NYSDTF and found that the problem came from its administrative procedures, specifically, the timing of when notices go out.

He said that the state uses a selection-and-review algorithm meant to detect fraudulent returns. If the algorithm detects something questionable in a return, it automatically instructs that the taxpayer be sent an inquiry letter asking for more information.

London added that if the issue involves itemized deductions, the system will calculate the aspects that are not suspicious and refund the amount based on these items or, more commonly, the standard deduction, so as not to hold up the refund. Once adjusted, the system sends a letter to the taxpayers informing them of the change.

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“TAXATION”

For multiteried entities, it will require two different taxable income calculations .”

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Notice regarding a client with modest earnings and unusually high medical bills and, consequently, itemized deductions. He said the state eliminated the itemized deductions and recomputed the client’s tax based on the standard deduction. Other members reported similar experiences.

Philip J. London, the chair of the New York, Multistate and Local Taxation Committee at the time, discussed the matter with the NYSDTF and found that the problem came from its administrative procedures, specifically, the timing of when notices go out.

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Moynhian Scholarship Fund Gala

Continued from page 1

“This means so much to me because I think I represent the very nature of what you’re doing for high school students and underrepresented minorities, exposing more and more next generation leaders to the accounting profession,” she said.

Richard A. Eisner presented Weinstein, CEO of EisnerAmper LLP, with the David J. Moynhian Award, which honors individ- uals who have offered long-term financial support for NYSSCPA programs that encourage mentoring the next generation within the ac- counting community. Weinstein has support- ed the Moynhian Scholarship Fund since its inception. During informal remarks, he said, “It’s such a great feeling to be an honoree tonight. … The work the Scholarship Fund does is really important to the future of the profession.”

Rumbi Bwerinafo-Petrozello, an NYSSCPA director and the chair of the So- ciety’s Diversity and Inclusion Committee, presented Kelvin Joseph with the COAP Promise Award. Joseph is a 1996 graduate of the COAP program who is now CMO and COO of Steiner Sports. He “wanted to thank COAP for giving [it] to me, and I plan on giving to COAP every year.”

NYSSCPA Past President J. Michael Kirkland, who serves as the Moynhian Scholarship Fund fundraising chair, spoke about the importance of COAP and the scholarship programs in increasing diversity within the profession.

In his remarks, Immediate Past President Harold L. Deiters III paid tribute to the memory of Past President David J. Moynhian, for whom the fund is named: “David dedicated his life to supporting the next generation of CPAs. He [helped found] the Syracuse chapter of the COAP program. He helped numerous young accountants pass the CPA exam, mentored them and supported them. There are a lot of Syracuse CPAs today because of David Moynhian. What we do here this evening continues that legacy.”

In addition, Deiters presented the Dr. Emmanuel Saxe Outstanding CPA in Edu- cation Award to Victoria Shoaf, and the Outstanding CPA in Government Award to Scott M. Adair.

Incoming President Jan C. Herringer spoke about her focus for the year ahead: to increase member engagement through diversity and inclusion initiatives, as well as outreach to young CPAs. “You’ve heard a lot this evening about the programs that you are supporting by your presence here tonight,” she said. “And while this is the third year the State Society has hosted the Moynhian Scholarship Fund Gala, the programs it supports have been helping to shape the next generation of CPAs in New York for decades.”

In addition to Herringer, the NYSSCPA installed Ita M. Rahilly as president-elect; Anthony T. Abboud as secretary/treasurer; Charles V. Abraham, Salvatore A. Col- lemi, Imilda Peco and Janeen F. Schramm as vice presidents; and 12 directors to the Board. They are Rumbi Bwerinafo-Petrozello, Jennifer A. Kartychak, Gerard J. Loverde, Candice R. Meth, Steven M. Morse, Robert M. Rollmann and David G. Young as directors-at-large; and Patri- cia A. McGrath, Carnet A. Brown, Darcy Aldous, Timothy J. Hammond and Cath- erine M. Censullo as directors as chapter representatives.


See the photo spread on the next pages.

Nominating Committee

Continued from page 2

Failure of the post office or any other per- son or entity to deliver a completed petition to the above address by 5 p.m. (EST) on Aug. 10, 2018, shall cause such petitions to be disregarded. In addition, any submission by email (including email submission of a petition in PDF format) or by fax shall be dis- regarded. Submission of a petition with any photocopied signature shall be disregarded.

First meeting date

The date set in the bylaws for the Nominat- ing Committee to meet is Thursday, Jan. 10, 2019. In recent years, the Nominat- ing Committee has also met via conference call in December to prepare for the January meeting.

For more information

For additional information on the nom- ination process, contact me at secretary- treasurer@nysscpa.org or NYSSCPA Gen- eral Counsel Joanne Thelmo at jthelmo@ nysscpa.org.

Nominating Committee

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The NYSSCPA Moynihan Scholarship Fund Gala

On May 24, members of the NYSSCPA community and their guests attended the Moynihan Scholarship Fund Gala, raising more than $287,000 in sponsorships and donations to support scholarship, diversity and recruitment programs throughout New York state.
“While this is the third year the State Society has hosted the Moynihan Scholarship Fund Gala, the programs it supports have been helping to shape the next generation of CPAs in New York for decades.”
—NYSSCPA President Jan C. Herringer

The Moynihan Scholarship Fund benefits two worthwhile programs: Career Opportunities in the Accounting Profession (COAP) and Excellence in Accounting Scholarships.

“I am so excited to be receiving the Trailblazer Award. This means so much to me because I think I represent the very nature of what you’re doing for high school students and underrepresented minorities, exposing more and more next-generation leaders to the accounting profession.” —Kimberly N. Ellison-Taylor
Harvey Moskowitz remembered for technical skill, friendly personality

By CHRIS GAETANO
Trusted Professional Staff

Former NYSSCPA Board member Harvey D. Moskowitz, a retired senior partner at BDO who led the firm’s accounting and auditing practice during his tenure, died on June 1, surrounded by his family. He was 86 years old.

Moskowitz was extremely active in the Society for decades. He served on the Board of Directors, the Executive Committee, the Foundation for Accounting Education Board of Trustees, the Professional Ethics Committee and numerous other committees.

Most recently, he was on both the Litigation Services Committee and the Mediation and Arbitration Committee from 1996 to 2013. He also served on the New York State Board for Public Accountancy in 1998–2000 and 2004–2005.

In addition, Moskowitz chaired an 11-person NYSSCPA task force in 1990 to study the problem of the deep discounting of audit work and its effects on the profession. The task force eventually concluded that auditors who perform services for fees less than the direct labor and related costs should be presumed to lack independence from the client.

Moskowitz first joined BDO in the ‘70s, following a merger, and quickly became the firm’s national director of accounting and auditing. Wayne A. Kolins, a retired BDO partner who worked closely with him for over 10 years, said Moskowitz played an essential role in forming the firm’s policies and technical guidance, particularly its global audit manual, which Moskowitz co-authored with his U.K. counterpart. Kolins, who repeatedly mentioned Moskowitz’s strong technical skills, said he brought these skills to bear when shaping these policies.

“He was the one leading everything at that time. … Would [the manual] have been the same? That, to me, was the depth of thought that ultimately was embedded in it would have been the same,” he said.

Kolins described Moskowitz as an extremely approachable, even-tempered person who was happy to share his knowledge and experience, recalling that he often went to him with questions on some technical matter or another. He was also a very patient man, refusing to cut corners of any kind.

“He was painstakingly professional. He didn’t want to get anything issued until it ‘sang.’ The words had to mean what the intention was, and the logic, the thought, that went into what he did, and the logical construction of what he did was mind-blowing,” he said.

This attention to detail meant that Moskowitz wasn’t satisfied with just telling people what to do. Kolins said that he’d take the time to understand why his staff made the conclusions it did, and would patiently explain his rationale for why he might want to do things a little differently. All the while, Moskowitz took a sensitive and diplomatic approach, eschewing a dictatorial style of management, Kolins said. Instead, he was warm and engaging, which made for a great impression throughout the firm.

Moskowitz retired from the firm in the early ‘90s and went on to become a consultant in financial matters and an expert witness in high-profile accounting fraud cases.

Overall, Kolins said that Moskowitz was a deeply dedicated professional with an inexhaustible work ethic. He said that when Moskowitz first entered the profession, he had also been going to law school at night, while simultaneously pursuing a master’s in taxation.

This, he said, was typical of Moskowitz, who, once he set his mind on an objective, would be laser-focused on achieving it.

“He’d take the subway from Brooklyn to work, and he’d take it to law school … standing up reading the background for whatever it was he had to be working on, whether a course or test or client matter. He was using every waking hour to fulfill whatever objective he had in mind. … That, to me, was the image: someone standing up in the subway with a book and reading it on the way to the next ladder in his professional career. It’s not a funny story, but it certainly reflects the kind of person he was from a professional standpoint,” Kolins said.

Neil A. Gibgot, who served on the NYSSCPA Board with Moskowitz, had a similar recollection.

“I remember he was extremely technically proficient and caring, and he would give advice to anyone who needed his help,” he said.
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RISK MANAGEMENT

Six risk management mistakes that CPA firms make—and how to avoid them

By TIM HUGGINS

Managing CPA liability risk exposures is a complex process, and it’s easy to underestimate the potential for risk along the way. CPA firms can avoid making the following six mistakes by staying aware and taking the right steps.

1. Failing to discuss questions about an insurance application with the underwriter or agent.

Whether it’s for a new or renewal policy, taking care with the application will increase the chances that you’ll avoid mistakes and problems. Take time to review the questions, and determine what information and data you will need for them; if you’re unsure about a question or the information being requested, give your agent or underwriter a call and ask for an explanation. Also, state all information accurately. Applications are not opportunities to matter of embellish your firm’s profile. Misstatements may result in a higher premium or policy coverage issues. Some insurance companies encourage CPAs to call their underwriters or agents with questions about the application and the information requested. A phone call is an easy way to correct errors before the policy issues.

2. Having inappropriate policy limits for the firm’s profile.

Excessively high limits of insurance offered at bargain prices are red flags. An insurance company will sometimes offer high limits at bargain prices to “buy” business or increase market share. The company may later raise premiums in subsequent years to make up for the inadequate rates, but if claims losses become too high, it may need to impose exorbitant premium increases, or even exit the market entirely. In addition, high limits will often put a bigger bullseye on your firm (policy limits can be discoverable during litigation in New York and other jurisdictions) and potentially lengthen the claims process. However, you also need to carry enough limit to be able to protect yourself in the event of a severe claim, or to fight a frivolous claim. A specialized underwriter, agent or account executive can discuss your firm’s specific risk exposures, policy limits and coverage options. Each accounting practice is unique—tax specialists have exposures that are different from those of auditors. An underwriter or agent experienced with CPA firms will work with you to create a policy that addresses your specific risk areas, with the appropriate limits and cost structure.

3. Admitting liability, assuming damages, voluntarily making any payments or incurring claim expenses.

These are all actions a CPA firm must avoid without the prior written consent of the insurance company. Such actions will likely violate policy conditions, which may result in a denial of coverage. Policyholders should not take action without first receiving guidance from a risk adviser with the insurance company. CPA firms should avoid agreements that include “hold harmless” or indemnification provisions that are onesided and not in the firm’s favor. Firms that go along with clients in attempting to handle a problem internally without reporting it are sometimes surprised to find out later that the problem is much more significant. If the problem was not reported in a timely fashion, in accordance with the policy, the damages might not be covered.

4. Failing to report a potential claim as early as possible.

The sooner claims and potential claims are reported, the more effective an insurer can be in achieving an early resolution. Early reporting will also help assure coverage for the potential claim. Some insurers encourage the early reporting of claims by reducing the deductible for any potential claim that is reported before a claim is made. Further, if it is determined that it is appropriate to retain legal counsel in order to assist with a pre-claim situation, some insurers will absorb the legal expenses, help policyholders achieve a resolution with the client, prepare a tax penalty abatement request, draft talking points for communicating the facts of the situation with the client, and provide subpoena and other services, if the needs arise. CPAs are often so busy that they don’t recognize or acknowledge a potential claim as it is developing. Such a failure to act can be particularly devastating when the damages claimed are significant and are not covered because of late reporting. It’s important for CPAs to pay attention to potential issues and to report to their carriers as soon as they think there may be a problem. Since 2015, “continuity of coverage for potential claims” has been available to CPA firms. This provision helps eliminate coverage gaps for potential claims known to an insured and not timely reported by the insured, while coverage is consecutively renewed with the insurer.

5. Not utilizing the insurance program’s advisory, loss prevention and risk-management services.

The best way to avoid a claim is to manage the risks that lead to claims. Some of the basic risk-management tools, such as client screening, engagement letters and followup documentation, are crucial in managing potential major problems. The more tools and resources an insurance program provides its policyholders, the better those policyholders will be at avoiding or minimizing problems and disputes. A good insurance program will also advise on how to utilize its resources to help your firm improve its practices. You can also get a good feel for a company’s service and attitude toward its policyholders by using its services. The company should do its best to help you minimize your losses and control your premiums.

6. “Dabbling” in high-risk work, without doing enough to stay proficient in it.

Claims data show high loss ratios for services that comprise less than 15 percent of a firm’s work. By the same token, loss ratios are low for services that comprise 65 percent or more of a firm’s work. Part of the client screening process includes making sure that the engagement is a good fit for the firm’s expertise, and proficiency in any type of engagement includes the ability to identify risk stress points. CPAs are expected to possess a thorough understanding of the client’s business and industry in order to identify those stress points. They should establish a policy for what types of engagements the firm should avoid because of a lack of technical expertise. Firms with sound risk management practices tend to write a description of the engagements they accept, as well as the way they conduct business and perform services, including steps for controlling liability exposures (such as engagement letters and other forms of documentation).

The CPA firm should always feel comfortable about contacting its liability carrier and asking questions about any matters, regardless of how small they may appear to be. If the company is committed to providing good services and helping CPAs solve problems, it will be revealed just by reaching out with an email or phone call.

Tim Huggins is the manager of underwriting operations with Camico (www.camico.com), responsible for underwriters and underwriting department activities. The information provided in this article is a general overview and not intended to be a complete description of all applicable terms and conditions of coverage. Actual coverages and risk management services and resources may vary, are subject to policy provisions as issued, and are provided by Camico or through its partners and subsidiaries.

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Fed proposes risk management guidance; Society suggests more emphasis on independence

By CHRIS GAETANO
Trusted Professional Staff

T he Federal Reserve has proposed a new guidance outlining what it expects from large financial institutions regarding risk management, as part of its efforts to ensure a robust and efficient financial system for the entities it regulates. This is the latest in a series of actions the Fed has taken with regard to these firms, in the wake of the 2007–2009 financial crisis. While the NYSSCPA largely agrees with the Fed’s proposal, it argues in a March 1 comment letter that the proposal doesn’t go far enough to ensure independence in certain areas.

The Fed’s proposal, which it released for comment at the beginning of this year, identifies core principles for effective senior management, business line management and independent risk management.

These principles emphasize that senior management, under the oversight of an institution’s board of directors, is responsible for managing the day-to-day operations of the firm and ensuring safety, soundness and compliance with internal policies and procedures, laws and regulations, including those related to consumer protection. This includes promoting and enforcing prudent risk-taking behaviors and business practices through internal control policies and procedures, and periodically assessing the risk management framework as a whole.

The principles stress that business line management—the managers accountable to senior management—should execute their activities in a manner consistent with the business line’s risk appetite, measure and manage risks associated with the business activities under a broad range of conditions; provide resources and infrastructure sufficient to manage the business line’s activities in a safe and sound manner, in compliance with relevant laws and regulations; ensure that the internal control system is effective for the business line operations; and operate within established policies, guidelines, laws, regulations and guidance.

With regard to independent risk management, the principles lay out the responsibility of the chief risk officer to maintain independent risk management appropriate for the size, complexity and risk profile of the firm. They also provide that the chief audit executive should have clear roles and responsibilities to establish and should maintain an internal audit function that is appropriate for the size, complexity and risk profile of the firm. In its comment letter, prepared by Matthew T. Clohessy, a member of the NYSSCPA’s Banking Committee, the Society agrees with the overall principles but recommends a greater emphasis on independence. The letter states that the principles should explicitly state that any line management self-testing should be conducted by individuals who do not operate the controls, such as those from different departments within the institution or external or internal auditors. Further, it recommended that any reporting activities should be conducted by an independent line management or a quality assurance function as well.

“Guiding management towards ensuring that self-testing is conducted and reported by individuals independent of the control execution would increase the reliability of the results and decrease the risk of bias or intention misrepresentation by control owners,” said the Society in its comment letter.

The Federal Reserve’s proposal provides that, under the direction of the chief risk officer, entities should establish enterprise-wide risk limits consistent with the firm’s risk tolerance for its full set of risks, including those associated with revenue-generating activities and those inherent to the business. Under the proposal, risk limits should be assigned to specific risk types, business lines, legal entities, jurisdictions, geographic areas, concentrations, products or activities commensurate with the firm’s risk profile.

The Society concurred with this view, but suggested that, while independent risk management personnel maintain final authority in terms of risk tolerance and limits, they should be encouraged to seek input from business line management for consideration when setting and reviewing risk tolerance limits. The Society also recommended that the independent risk assessment in order that ensure independent risk management be well-informed by line management when establishing risk tolerance limits.

The proposal would apply to domestic banking holding companies with total consolidated assets of $50 billion or more, and savings and loan holding companies with total consolidated assets of $5 billion or more, the combined U.S. operations of foreign banking organizations with combined U.S. assets of $50 billion or more, any state member bank subsidiaries of the foregoing, and systematically important nonbank financial companies designated by the Financial Stability Oversight Council for supervision by the Federal Reserve Board. This encompasses a total of 13 financial institutions: Bank of America, BNY Mellon Corporation, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, State Street, Wells Fargo, Barclays, Credit Suisse, Deutsche Bank, UBS and Prudential Financial.

Society: SOFR not used enough to be considered benchmark interest rate

By CHRIS GAETANO
Trusted Professional Staff

T he NYSSCPA has criticized a proposal from the Financial Accounting Standards Board (FASB) that, if implemented, would allow the Secured Overnight Financing Rate (SOFR) to become a U.S. benchmark interest rate for purposes of applying hedge accounting. A March 29 comment letter, authored by members of the Society’s Financial Accounting Standards Committee, said that the rate isn’t used widely enough in that way.

The Society submitted the letter in response to the FASB’s Proposed Accounting Standards Update—Derivatives and Hedging (Topic 815): Inclusion of the Overnight Index Swap (OIS) Rate Based on the Secured Overnight Financing Rate (SOFR) as a Benchmark Interest Rate for Hedge Accounting Purposes. The proposed update is part of a broader effort on the part of the Federal Reserve to find an alternative to LIBOR. LIBOR is an interest rate benchmark that serves as a reference point for many other rates, such as those for commercial loans or derivatives. In 2012, it was revealed that a network of traders and bankers around the world had been manipulating this rate in order to improve their own financial positions, as well as obscure troubles at their respective institutions. In the wake of these revelations, then-Fed Chair Ben Bernanke said that LIBOR is structurally flawed and that he could not assure that it is reliable.

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NEW LEASE STANDARD

Speaker: When implementing new lease standard, broker-dealers must sweat the small stuff

By CHRIS GAETANO
Trusted Professional Staff

When speaking with broker-dealer clients on implementing the Financial Accounting Standards Board’s (FASB) new lease standard, Charles V. Abraham said the first question he often gets is how can they avoid doing it at all. Speaking at the Foundation for Accounting Education’s annual Broker-Dealer Conference on May 9 in Manhattan, Abraham, an NYSSCPA vice president and a partner and the financial services practice leader at Mazars USA LLP, said that there are very few circumstances in which clients could be exempt from the standard.

FASB’s new lease standard, approved in 2016 and effective for 2019, places all leases on the balance sheet, with total lease payments on the liability side and the right to use the leased item on the asset side. Abraham said there are only two ways to avoid this. One is to determine that a contract is not actually a lease, as when there is no identifiable asset or there is no control over the asset. This generally does not work because it’s a very rare rental contract that does not meet these criteria. The second is to deal only with short-term leases, defined as those under 12 months. But it is tricky for broker-dealers to pull off this exemption because they are generally not vacating their building before the year is up, even if it’s a parent company that’s actually making the lease.

“I don’t think either factor will get people to say, ‘I don’t have to follow this,’” Abraham said. “This is a very long way of saying, ‘OK, leases will go on your balance sheet.’”

Once clients accept this, the question then becomes what goes on the balance sheet. Abraham said that broker-dealer clients generally tend to think in terms of what he said were big-ticket items, such as their office buildings. Yet he warned that people need to think of things in more granular terms.

For instance, he said firms might think that equipment rentals are immaterial, but they have to conduct an analysis to show this. Further, the standard requires that entities separate out lease components from nonlease components, such as maintenance or property taxes; only lease components are accounted for in accordance with the new standard. Abraham said that this can involve a lot of subjectivity and judgment, but he advised that the general way to tell one from the other is that a lease component is an item or activity that transfers a good or service to the lessee. Entities need to evaluate the total amount they are paying and come up with a consistent allocation methodology to separate the lease and nonlease components.

Beyond all this, there is also the challenge of categorizing leases. All leases in the new standard can be divided between operating leases and financing leases. While there is no real bright line between the two, Abraham said that, in general, a financing lease involves control over the asset itself (generally, where the risk and reward are borne by the lessor) and an operating lease concerns control over the use of the asset (generally, where the risk and reward are borne by the lessee).

Overall, implementing this standard requires pulling a lot of information together, which he said broker-dealer clients have found challenging.

“It’s gathering the pieces of data, the people, to do the analysis,” he said. “That has taken people some time. ... Start early, start speaking with clients early, and if you’re the broker-dealer, talk to your auditor, your FINOP [financial and operations principal], etc.”

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Combating cybersecurity risk: a challenge posed to the CPA profession

By ALLISON BARNES, MATTHEW CARLE and ZULIMA MUNOZ

There are no guarantees with cybersecurity. Continual advances in technology increase the risk that businesses will fall victim to information technology breaches, which can bring devastating impacts. Some businesses experiencing breaches respond in a positive, constructive manner and seek to solve and correct the problem as quickly as possible. However, in some recent instances, this has not been the case. Deficiencies in these businesses’ ethical practices—combined with a lack of a strong information technology risk management structure—contributed to serious cybersecurity breaches affecting millions of individuals whose personal information these businesses had a fiduciary responsibility to protect.

In September 2016, Yahoo! Inc. announced that more than 500 million accounts had been hacked—a breach that actually occurred roughly three years prior to its discovery. Then, in December 2016, the technology giant disclosed an even larger hack of more than 1 billion accounts, this one occurring roughly two years prior. In April 2018, Yahoo agreed to pay a $35 million fine issued by the Securities and Exchange Commission to settle charges that it misled investors by not informing them of the hack until September 2016, despite knowing of it as early as December 2014.

Then, in March 2017, credit reporting agency Equifax Inc. failed to act after being notified of a flaw in its site’s security, as well as a patch to fix this vulnerability. As a result, in May and July of that year, sensitive personal information of over 143 million people was leaked.

Even the CPA profession itself has fallen victim to cybersecurity breaches. In September 2017, Deloitte’s email system was hacked, compromising confidential emails and plans of some of the firm’s “blue-chip clients.” The breach went undetected for months. However, in contrast to the untimely corrective actions taken by Equifax and Yahoo, Deloitte, once the breach was uncovered, immediately issued a statement disclosing details regarding the breach, as well as the corrective actions it was taking to address the breach.

Legislative proposals

Congress has now introduced two bills that would set ethical standards and requirements regarding cybersecurity breaches. The first bill, the Consumer Privacy Protection Act of 2017, would require companies that store large amounts of consumer data to implement a “comprehensive consumer privacy and data security program(s).” The bill would also “make it a crime to intentionally and willfully conceal knowledge of a security breach that results in economic harm of at least $1,000 to any individual.”

The second bill, the Data Security and Breach Notification Act, would require companies to notify the public of any information technology breaches within 30 days. If a company is found to be purposefully concealing a data breach, executives of the company would face a sentence of up to five years in prison. Ethically, companies would be required to implement new policies to prevent and mitigate damages incurred from data breaches.

Neither bill has advanced out of committee, however, and the prospects for passage during Congress’s current session appear to be slim.

The CPA’s role

Even in the absence of such legislation, CPAs have a public responsibility to aid in the prevention and detection of cybersecurity risks, as well as to take corrective actions—both at their own firms and with their audit clients. While the CPA profession has been highly engaged in assessing information technology controls for decades through a host of standards and practices, its role in doing so has been limited to the audit of financial statements and, if applicable, to internal control over financial reporting. Given this narrow focus, such audits, conducted according to professional standards, would likely not include areas addressing a cybersecurity breach.

In May 2017, the Center for Audit Quality, a nonprofit public policy organization based in Washington, D.C., produced a paper on this topic. Entitled “The CPAs Role in Addressing Cybersecurity Risk: How the Auditing Profession Promotes Cybersecurity Resilience,” it discusses an entity-level cybersecurity risk management framework developed by the AICPA. This framework is intended to assist audit client management in implementing and evaluating a cybersecurity risk management program and communicating useful information about it to various stakeholders. It has several objectives, which include—

• providing common criteria for disclosures about an entity’s cybersecurity risk management program;
• providing common criteria for assessing program effectiveness;
• reducing communication and compliance burdens;
• providing useful information to a broad range of users, while minimizing the risk of vulnerabilities;
• providing comparability;
• permitting management flexibility;
• enabling management to consider best practices encouraged by the most commonly used control and cyberframeworks;
• being voluntary, scalable and flexible; and
• having the ability to evolve to meet changing environments and organizational and stakeholder needs.

At many businesses, it is not a matter of whether there will be a new data breach, or even when the new breach will occur, but how the breach will be addressed. The high risk of such breaches makes it incumbent upon the CPA profession to stay ahead of the hack. And it can do so by continuing to invest efforts in promoting cybersecurity resilience, including the AICPA’s reporting framework. By building on the profession’s long history of IT controls assessment, CPAs can provide businesses with a foundation for strengthening their IT risk management programs, as well as the ethical practices associated with those programs.

The authors are accounting students of Associate Professor and Accounting Department Chairperson Denise M. Stefano, CPA, CGMA, MBA, at Mercy College, who provided mentorship and advice in the creation of this article.
DISCIPLINARY MATTERS

BRIAN A. SEROTTA, Hackensack, N.J., was disciplined under the provisions of NYSSCPA bylaws Article XII—Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline. Serotta’s NYSSCPA membership was suspended for one year, effective Sept. 21, 2017, in connection with the disciplinary action taken by the Securities and Exchange Commission (SEC). Through an “Offer of Settlement,” in which he neither admitted nor denied the findings, the SEC denied Serotta the privilege of appearing or practicing before the SEC as an accountant, with the right to apply for reinstatement after one year from the effective date of the SEC’s order. The decision was based on the SEC’s findings that Serotta engaged in improper professional conduct by deviating from Public Company Accounting Oversight Board (PCAOB) standards in significant ways, which resulted in the issuance of audit reports that contained unqualified opinions that were not supported by sufficient appropriate audit evidence. Further details regarding the SEC’s order can be found at www.sec.gov/litigation/admin/2017/34-82110.pdf.

MICHAEL C. SABATINO, Oyster Bay, N.Y., was disciplined under the provisions of NYSSCPA bylaws Article XII—Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline. Sabatino’s membership was suspended for one year, effective Nov. 17, 2017, in connection with the disciplinary action taken by the New York State Education Department, Board of Regents. Warren submitted an application for permission to surrender his license to practice as a certified public accountant in the state of New York (Calendar No. 28910). The Board of Regents granted the request by vote on Oct. 17, 2017. In said application, Warren admitted guilt to one specification of professional misconduct, charging him with being convicted of committing an act constituting a crime under federal law (Willful Failure to Collect or Pay Over Tax, a felony), in violation of 26 U.S.C. Section 7202.

SILFORD M. WARREN, Rosedale, N.Y., was expelled from membership, effective Jan. 9, 2018, under the provisions of NYSSCPA bylaws Article XII—Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline, and Article XII, Section 3. Impairment of License to Practice Public Accounting, in connection with disciplinary action taken by the New York State Education Department, Board of Regents. Warren submitted an application for permission to surrender his license to practice as a certified public accountant in the state of New York (Calendar No. 28910). The Board of Regents granted the request by vote on Oct. 17, 2017. In said application, Warren admitted guilt to one specification of professional misconduct, charging him with being convicted of committing an act constituting a crime under federal law (Willful Failure to Collect or Pay Over Tax, a felony), in violation of 26 U.S.C. Section 7202.

Enjoying the fine art of public speaking at the NYSSCPA’s Toastmasters Club

NYSSCPA members sharpened their public speaking skills at a recent meeting of the NYSSCPA’s Toastmasters Club, part of Toastmasters International. The club meets at the NYSSCPA’s offices at 14 Wall Street on the second and fourth Tuesday of every month, from 6:15 to 7:30 p.m. The next several meetings are scheduled for July 10, July 24, Aug. 14 and Aug. 28. Meetings are open to all members. For more information, email events@nysscpa.org.
How did preparing for the Tax Cuts and Jobs Act affect this year’s tax season?

RONALD B. HEGT  |  Tax Partner  |  White Plains

I don’t think the tax season was drastically worse than before. It presented me with the more fun part of the practice: the thinking and planning and working through new issues. We all make our living on compliance, but the planning is where the real fun comes in.

Everyone basically asked the same question: “How much, how badly, will this hurt me?” We began planning for these questions in December. We ran generic projections for different income levels and locations, and we knew what group of people this was going to hurt and which group it would help. So we had advance conversations with clients about what their picture was probably going to look like. Then, using software, we were able to project what their 2018 [taxes] might look like, too. …This was good for clients, not just so they could get a handle on what was to come, but because it got them thinking about tax planning early.

Now, the thing that took a lot of time is the new pass-through entities deduction. The big challenge was figuring out who qualified [because of the exclusion for a “specified service trade or business”]. Certainly, at one end of the spectrum, you know the law firm or doctor’s practice doesn’t qualify, and at the other end, a manufacturer does. But we live in the 80 percent of the world between those two. “Can I spin off the nontechnical part of a professional practice into a separate entity and maybe turn that into an eligible business?” “Is an insurance broker eligible?” “Is a headhunter eligible?” We don’t have answers to these questions. I can’t tell clients to start the legal reorganization of their business if there’s the possibility that I’ll have to tell them later that we got the regulations and they wasted their time. Mostly, we’ve been telling clients to just hold off until we get more concrete information.

ROBERT S. BARNETT  |  Partner  |  Jericho

With estate planning, our wealthier clients were more inclined to make gifts to utilize the doubling of the estate tax exemption before it could either sunset or reverse. So they were looking at gifts, with a renewed attention on the generation-skipping tax (GST) because the increased exemption also applied to the GST, and they were very proactive in taking advantage of that to alleviate the next generation’s estate problems.

Because in New York you lose the benefit for all deductions past a certain point, those close to that cliff were very focused on utilizing either direct kinds of shelter trust planning or disclaimer planning for qualified disclaimers—we found a tremendous interest in that. Clients also paid a tremendous amount of attention to the step-up in basis [changed value of an inherited asset], which was very interesting to see. Our elder care department has been seeing a lot of interest in developing the step-up features within an elder care or Medicaid trust.

The other thing that got a lot of attention—I think too much—was entity choice and 199-A [business deduction for pass-through entities].

KATHRYN H. VUNIC  |  Sole Practitioner  |  Manhattan

I think, for the most part, practitioners found it difficult to accurately calculate estimates the way we’ve been able to do in the past because so many of the changes impact one another. For example, now we have the SALT [state and local tax] deduction limit of $10,000, but the changes to the alternative minimum tax (AMT) need to be considered to determine how exactly the SALT changes impact an individual taxpayer. When practitioners are calculating an individual’s estimates, they really need to ensure that they are looking at each change in the law to see how the various changes play against each other. A lot of times, for example, clients who used to be in the AMT zone aren’t as impacted by the adjustments to SALT deductions, but you may have other clients who now won’t be impacted by the AMT at all, or who, for the first time, will be impacted by it, so the whole thing is more complex because of all the moving parts. Additionally, tax brackets have changed, so that is another piece of the calculation that needs to be addressed. And this is just what’s actually in the law—there are also a lot of misconceptions you need to address, where even those who are very financially astute can sometimes have difficulty understanding how the new law would impact them.

Overall, what this has meant is that things took a little more time this year. All these changes mean that I had to spend a little more time than in other years reviewing information to make sure everything was accurate.

VINCENT J. COSENZA  |  Tax Manager  |  Manhattan

Our clients have been asking a lot of questions, especially about the 20 percent business deduction for pass-through entities. Determining whether they qualified was difficult because of all the different variables, like the W-2 wages of each entity, and all the different thresholds to deal with. I had to figure those numbers out and see how they stacked up against the limitations. At the end, a few clients were able to qualify. A lot of people were also affected by the changes to the state and local tax deductions. Most had to pay more in taxes due to the loss in benefits.

Overall, things were challenging because we basically had to do tax planning for two years—2017 and 2018—to see how the 2018 taxes would affect them, and give them a heads-up on what to expect. This meant we had to put in more time in what was already an intense busy season.
Buffalo

Buffalo Annual Summer Symposium
Day One
When: July 24, 8:30 a.m.–4:45 p.m.
Where: Millennium Hotel Cheektowaga, 2040 Walden Ave., Buffalo
Cost: $265 early bird until 7/1 member; $315 early bird until 7/1 nonmember; $285 member; $335 nonmember
CPE: 1 (accounting) 4 (advisory services) 3 (auditing)
Course Code: 28101901
Register online or call 800-537-3635

Buffalo Annual Summer Symposium
Day Two
When: July 25, 8:30 a.m.–4:45 p.m.
Where: Millennium Hotel Cheektowaga, 2040 Walden Ave., Buffalo
Cost: $265 early bird until 7/1 member; $315 early bird until 7/1 nonmember; $285 member; $335 nonmember
CPE: 3 (accounting) 5 (auditing)
Course Code: 28101902
Register online or call 800-537-3635

Buffalo Annual Summer Symposium
Days One & Two
When: July 24–25, 8:30 a.m.–4:45 p.m.
Where: Millennium Hotel Cheektowaga, 2040 Walden Ave., Buffalo
Cost: $350 early bird until 7/1 member; $400 early bird until 7/1 nonmember; $400 member; $450 nonmember
CPE: 4 (accounting) 8 (auditing)
Course Code: 28101904
Register online or call 800-537-3635

Buffalo Chapter Young Professionals
Golf Tournament
When: Aug. 3, 6:45 a.m.–5 p.m.
Where: Buffalo Tournament Club, 6431 Genesee St., Lancaster
Cost: $80 per golfer
Course Code: 45010902
Register online via PayPal. For additional information, contact Kevin Penner at kpenner@bonadio.com.

Nassau

Nassau Chapter 17th Annual Ellen Gordon CPAs 4(a) Cause Run/Walk to End Hunger
When: July 12, 4:30–8 p.m.
Where: Eisenhower Park, Field 1 & 2, 1899 Hempstead Turnpike, East Meadow
Cost: TBA
Course Code: 45030901
Register online at elitefeats.com. For additional information, contact Kenneth Rick or Stacy Keyes at 516-542-6300.

Nassau Chapter Annual Golf Outing
When: Aug. 9, 10:30 a.m.–7 p.m.
Where: North Hills Country Club, 200 N. Service Rd., Manhasset
Cost: $425 individual golfer; $1,500 foursome (includes free tee sponsorship); $285 NextGen CPAs discounted rate per golfer; $150 per person dinner
Course Code: 45030902
Register online via PayPal. For additional information, contact Carol Pinto at cpinto@ck-co.com.

Queens/Brooklyn

Queens/Brooklyn Chapter Annual Cyclones Game & Picnic
When: Aug. 9, 6–9 p.m.
Where: MCU Park at Coney Island, 1904 Surf Ave., Brooklyn
Cost: $20
Course Code: 45160901
Register online or call 800-537-3635

Suffolk

Suffolk Chapter 7th Annual Supersized Networking Event
When: Aug. 8, 6–8 p.m.
Where: Woodbury Country Club, 884 Jericho Turnpike, Woodbury
Cost: $60
Course Code: 45080903
Register online via PayPal

Suffolk Chapter Riverboat Tour along the Peconic River
When: Aug. 23, 6–9 p.m.
Where: Long Island Aquarium, 431 E. Main Street, Riverhead
Cost: $55
Course Code: 45080902
Register online via PayPal

Syracuse

Syracuse Chapter CPA, Banker, & Attorney Golf Outing
When: July 9, 1 p.m.
Where: Beaver Meadows Golf & Country Club, 185 Barnard Road, Phoenix
Cost: TBA
Contact: David Herring at dgh@bcpllc.com

Westchester

Westchester Chapter Annual Golf & Networking Event
When: Aug. 13, 11 a.m.–7:30 p.m.
Where: Wykagyl Country Club, 1195 North Ave., New Rochelle
Cost: $375 per golfer ($350 if registered before Dec. 30), $150 for dinner only
Course Code: 45110901
Contact: Jeffrey Schwartz at jschwartz@eba.nyc
Thanks to our Manhattan/Bronx members for a great year

By CARNET A. BROWN
Manhattan/Bronx Chapter Immediate Past President

A s we look back on another eventful year, we would like to take this opportunity to thank you, our attendees and participants, for your continued support of the Manhattan/Bronx Chapter. Without your support, we would not have had such success with our events during this past fiscal year. We are grateful, and hope you continue to support us.

Special thanks should go to all our board members. Without a doubt, your service came at a very high opportunity cost, so we are very grateful for your contribution. Our board members for this past fiscal year were Rekha Chatterjee, Sonia Chopra, Elysia K. Dauerman, Judith I. Epstein, Jordan S. Frey, J. Michael Kirkland, Barbara A. Marino, Colun O. Mohamed, Iralma Pozo, Adam H. Reiss and Alan M. Willinger.

Finally, thanks to all our committee chairs and members for your leadership and participation.

Our chapter hosted 11 events this past fiscal year, with a total attendance of approximately 400. We hosted two Career Days, in the fall and spring. These events are valuable not only to the Manhattan/Bronx Chapter, but to the accounting profession as a whole; they promote the profession to high school students, who will become our next generation of CPAs. Special thanks to Barbara A. Marino for her continued leadership with our Career Days.

In addition, the Manhattan/Bronx Chapter answered "the call" and participated in the Buffalo Moyuian Fund Chapter Challenge. Specifically, we raised in excess of $2,000 for the Moyuian Scholarship Fund, which the Buffalo Chapter matched with another $2,000 donation to the fund. Thanks to all our board members who made this possible, and special thanks to J. Michael Kirkland for his leadership with this chapter challenge.

To close out this fiscal year, on May 17, we hosted a two-hour CPE event, "The Real Estate Industry—The Current State and Career Path." This was a great and engaging event, which resulted in some attendees wanting to join the Real Estate Committee. Thanks to Iralma Pozo for coordinating this event and to the Real Estate Committee for partnering with our chapter. Thanks to the speakers, Maya C. Khan, Don A. Kiamie, Katelyn N. Kogan and Nicholas S. Costagliola for making the time to present at this event. We also held our officer and board of director elections at this event.

Congratulations to Sonia Chopra, our new Manhattan/Bronx Chapter president. We are grateful for your service and will support you in whatever ways possible to make your presidency a success.

Welcome to all our 382 new members! Thank you for becoming a member of our chapter and the NYSSCPA.

Our chapter is continually looking for members to get involved or more involved; with more, we can achieve more. Whether you have an event that you want us to host on a particular topic, or you would like to speak on a particular topic, we will be more than happy to partner with you. Are you ready to make your contribution? If yes, please visit the Manhattan/Bronx Chapter website at www.nysscpa.org/membership/chapters/manhattan-bronx or contact me at the email address below.

carnet1020@yahoo.com

Give back to the community by sharing your knowledge

By MICHAEL R. DURANT
Manhattan/Bronx Chapter NextGen Committee Chair

B usy season is over! So now what? Well, first things first: a little well-deserved relaxation. But as we browse the catalogs of CPE (and, of course, try to understand our newest tax law), giving back to the community is something we should also prioritize.

Sharing knowledge and experience is a great way to give back. As a NextGen leader and millennial, I feel it’s important for me to show students how attractive a career in accounting can be. So the day after the tax deadline, instead of taking the morning off, I visited two local high schools to showcase the profession and our role as trusted professionals to potential recruits. At a Career Day held at Longwood Preparatory Academy and Holcombe L. Rucker School of Community Research, both housed in the same building in the South Bronx, I was lucky enough to sit on a panel with several amazing professionals, including NYSSCPA Vice President Iralma Pozo, a member of the chapter. We spoke about our career paths, the accounting profession and the lessons we have learned along the way.

Speaking to all grade levels, we were able to gauge the interest of the students and answer questions about why we chose to become accountants, why we think it is such an impactful career and how accounting is the language of business.

The following week, Victoria W. Iezzi and Patrick J. Cooney of the Manhattan/Bronx Chapter’s NextGen Committee joined me and other young professionals at the CPA Institute of New York for a speed networking roundtable at New York University. There, we were able to highlight the broad reach our CPA credentials provide us in the workforce, including roles in finance, fund accounting, taxation of merger-and-acquisition deals, and auditing across every sector.

I was grateful to pass on the kind of advice that I wished I had received at that age. Leaving a high school Career Day knowing you may have sparked a student’s interest in business or the profession leaves you with a sense of value far beyond your job. I encourage all members of the NYSSCPA, whether partners or staff, to extend your hand and take the time to explain the benefits of being a CPA to those who may become our next generation of trusted professionals. The NextGen-ers would certainly benefit from lessons offered by more experienced professionals, especially managers on the partner track.

No matter where we are on the career ladder, though, we all have knowledge that we can share. Just before I wrote this article, a young partner at my firm told me that joining a committee at the NYSSCPA not only helped him build his book of business, but also allowed him to become more knowledgeable in his specialty.

We all can give back a little—to our firms, to the Society, to our alma maters, to our communities. Let’s take just a few hours out of our less hectic schedules this summer and find a way to give thanks and give back for all that we have.

mdurant@cpa.com
Working toward the goal of greater participation in the Mid Hudson Chapter

By MARIA PETROLIESE
Mid Hudson Chapter President

As incoming president of the Mid Hudson Chapter, I look forward to an exciting year with a full calendar. We have two main objectives: providing value to our charter members by offering CPE and social/networking events, and reaching out to high school students to promote the accounting profession.

I would like to take this opportunity to thank our current and past board members, committee chairs and committee members for the time and effort they devote to our chapter. Their legacy and leadership are critical to its success. I would also like to thank Lelia Dickenson, many past and present members, and our new members for their contributions—“teamwork makes the dream work.” I would also like to thank Jennifer R. George for giving me an opportunity in the accounting profession 13 years ago, for believing in me and for encouraging me to become an active member of the NYSSCPA.

For those who don’t know me, I am originally from Argentina, and I moved to New York in 2002. I am married and have three beautiful boys. I graduated in 2007 with a bachelor’s degree in accounting, passed the CPA exam in 2009, and obtained my MBA in 2013. I worked in public accounting and government, and for the past three years have been with Central Hudson Gas & Electric’s financial reporting group. I also teaching as an adjunct at SUNY New Paltz and Mount Saint Mary College. I also serve on the board of Nora Cronin Presentation Academy, a private Catholic girls’ school in Newburgh for low-income families. I have a busy life, but I am grateful for every opportunity to give back to my community.

My goal for this year is to encourage member participation. Our members are the lifeblood of the chapter, and the chapters are the lifeblood of the Society. Prime Minister Benjamin Disraeli said, “History is made by those who show up.” I encourage every member to become active. We can get better only with the contributions of our members. If you have any suggestions about how we can serve you better, please don’t hesitate to contact me or any other board member.

Looking ahead, we have the Ellen Gordon Run/Walk to End Hunger on July 12 and the NYSSCPA’s golf outing on Aug. 9. We also received the Sam Traum Award, which is given to an individual who promotes education and advancement of young people. We also bestowed our Appreciation Award to Vivian Levy, who works tirelessly for the chapter by putting together our newsletter and organizing the efforts for the sponsorship, the journal and other important aspects of the Installation Dinner every year.

Looking ahead, we have the Ellen Gordon Run/Walk to End Hunger on July 12 and our annual golf outing on Aug. 9. We also had some sad news recently, in that another of my longtime friends, colleague and fellow Hofstra professor Harold Finkelstein, passed away. Harold was a very successful tax attorney who spent many years at the IRS as chief of the Long Island Appeals office before retiring to practice. He was a fixture at many Nassau Chapter events and will be missed by many who were blessed not just to be in his circle, but also to be his friend.

Thank you for the honor and opportunity to serve as the Nassau Chapter’s 64th president. Looking back, I tried to make changes for the long-term benefit of the chapter, particularly to make it a more inviting place for younger professionals. I tried to attend as many chapter events and committee meetings as I could. In the end, I did what I came here to do: I started the discussion about the disconnect that I saw between the profession and universities, and sought to build a bridge between the two. We now have a Student Night and Job Fair with almost 140 students and 16 firm recruiters, a seat at the board for student chapters, a new student chapter in the works and some ideas that the Society is taking up as it relates to the college student. I was asked to fill a seat on the New York State Board for Public Accountancy and will be considered that as the next way to best serve the profession that has been so good to me.

I made a promise at my installation dinner that I would not let you down, and I hope that I fulfilled that promise.

Looking back on a busy and productive year

By ANTHONY BASILE
Nassau Chapter Immediate Past President

It’s hard to believe that this is my final message as president of the Nassau Chapter. It has been a very busy year with a lot of new initiatives. One year is not a long time in this job, so new ideas and projects must be conceived early, moved forward quickly, and carried on by others when a president leaves office.

This year, with the board’s support, we re instituted the Sponsorship Committee as a more formal way of bringing sponsorship to the chapter for its committees and events. We also obtained new member lists from the NYSSCPA so we can reach out to the newly joined and see if they’d like to become more involved. We are in the process of planning a member appreciation event to draw even more members to active involvement in the chapter, as well as a membership survey to help us determine how to improve chapter activities and leadership.

The Society has indicated that it will bring our ideas forward about the concept of internship credits for fifth-year accounting students; a dual membership structure for non-CPAs in a firm, and a higher fee for non-CPAs not affiliated with the profession; new data analytics topics to be offered by the Foundation for Accounting Education (FAE); and a rethinking of the new ethics course fee model.

It took a few years, but we’ve finally organized our events and finances with new systems and software. It has significantly improved attendance at events and is now an invaluable resource for our chapter. It took a lot of work from the committee chairs, board members and chapter members Vivian Levy and Kathleen Becker to get us to where we are now, and for that I am grateful. Also, among many firsts this year, we used video to record tax seminars for rebroadcast at the chapter.

Over the past year, our 22 committees have held over 35 education meetings. In addition, we held numerous social and fundraising events. I am privileged and honored to have been able to serve with so many dedicated and caring individuals as executive board members, directors, committee chairs, volunteers, speakers and others who help the chapter do what we do.

On May 30, at the Crest Hollow Country Club, Alex Resnick was installed as the 65th president of the Nassau Chapter. It was a great night of celebration, networking and fun. Alex will be busy this next year fulfilling many new initiatives that our executive board has approved. I hope you will be as supportive to him as I am. We also installed our other new officers, whose names can be found on the chapter web page. I want to thank Nanette Watts, Kenneth H. Rick and Kenneth Hauptman, who served as directors for the past two years, as well as the President’s Advisory Committee: Past Presidents Scott Sanders and Elizabeth “Lisa” Haynie.

At the dinner, Rita J. Buttermilch received the Sam Traum Award, which is given to an individual who promotes education and advancement of young people. We also bestowed our Appreciation Award to Vivian Levy, who works tirelessly for the chapter by putting together our newsletter and organizing the efforts for the sponsorship, the journal and other important aspects of the Installation Dinner every year.

Looking ahead, we have the Ellen Gordon Run/Walk to End Hunger on July 12 and our annual golf outing on Aug. 9. We also had some sad news recently, in that another of my longtime friends, colleague and fellow Hofstra professor Harold Finkelstein, passed away. Harold was a very successful tax attorney who spent many years at www.nysscpa.org/membership/chapters/mid-hudson.
CHAPTER NEWS

Great CPE and more to come in Queens/Brooklyn

By MATTHEW G. GALLAGHER
Queens/Brooklyn Chapter President

The Queens/Brooklyn Chapter is eager to begin a new year, and I am looking forward to guiding the chapter in meeting its objectives. One of my goals for my presidency is to expand our CPE offerings and events.

We currently offer our accounting and auditing CPE each May and a tax conference in November. With the new tax law that recently passed, the tax conference will help members become fully educated about the new law before next tax season begins.

I want to thank our outgoing president, Brian J. Gordon, for his exceptional work on this conference each year and for his work as president this past year. I look forward to his help during my presidency as he continues on the chapter board as immediate past president.

We held our all-day annual accounting and auditing conference at St. John's University on May 22. As in years past, we had a number of great speakers present on a variety of topics relevant to the profession. We also held our installation dinner on June 20 to kick off the new year, which was a great opportunity to network with fellow chapter members and other professionals.

One new offering as of this past year is our sole practitioner forum. It was very popular among our members as an opportunity to come together and discuss issues and concerns relevant to sole practitioners. With the help of board members Akshay T. Shri, Rumbi Bwerinofa-Petrozello, and Felix Rozenbaum, our current president-elect, as he begins his apprenticeship for his presidency next year. We have a great board and an amazing slate of officers, but we are always looking for more members to get involved in the chapter and with the board. There is no effort that is too large or too small. If you have any suggestions or wish to help us with some of our events and goals for the new year, please do not hesitate to contact me. I understand that we all have tight schedules, and time is such a precious commodity, but any help goes a long way. Enjoy your summer.

gallaghm@stjohns.edu

Proud to have served with my Suffolk Chapter family and friends

By AMANDA SEXTON
Suffolk Chapter Immediate Past President

This past year as president of the Suffolk Chapter has gone by so quickly! Stepping into my new role and following in Past President Brian Michels' shoes at first seemed like an enormous mission. And in many ways it was—we have a very active chapter with intelligent people who have great ideas and passions, which led to a lot of dialogue throughout my term. I also fielded many questions and requests from nonmembers interested in the NYSSCPA, becoming a member of our chapter, or who were interested in sponsoring events.

This past fiscal year saw many changes. Joel Schleifer became our Long Island Political Action Committee representative. Jointly with the Nassau Chapter, we held two three-hour CPE sessions on the new tax law in February, and rolled out a new two-hour CPE session at our Chapter Town Hall on the state of the accounting profession. Sadly, we also lost our founder and first Suffolk Chapter president, Samuel Person, who passed away on Nov. 11, 2017. The passion and energy he brought into the creation of our chapter still lives with us today. I am proud to have followed in his and all of our chapter’s past presidents’ footsteps.

While there were certain challenges and unexpected events over the past year, there were also plenty of successes and rewards. Among other things, we saw nearly doubled attendance for our July “Nine & Dine” in Riverhead, which was co-hosted by the Forensic and Valuation Services and East End committees; we held another large and successful NextGen supersized networking event in August. We added two active Suffolk Chapter members to our board of directors effective June 1; they are Robert J. Huetther of our NextGen Committee and Sean M. Kelly of our East End Committee.

I have watched both of them grow within their roles at the committee levels and am confident that they will both bring great value to our chapter board. At the NYSSCPA’s President-Elect Workshop back in September 2016, Anthony Basile (the Nassau Chapter immediate past president) and I agreed to work together to create a stronger bond between our neighboring Long Island chapters. We arranged for our chapters to meet on several occasions to introduce board members and committee leaders, and share our concerns, issues and best practices.

We also planned joint events and coordinated certain event topics to avoid duplication of the same topic within the same time frame. While working on co-chapter report was not one of my initial objectives as chapter president, it became very important to me.

The best part of that initiative was watching our committee leaders follow through by coordinating with their counterparts in Nassau and working together as a team. As chapter president, I attended many of our chapter’s committee organizational meetings, which allowed me to meet more chapter members and learn more about committees I hadn’t known much about, including our Employee Benefits, Members in Industry, Accounting & Auditing, Cooperation with Attorneys and General Tax committees.

All in all, it has been such a pleasure serving as the Suffolk Chapter president this past year. I am looking forward to serving as immediate past president. The Suffolk Chapter is what I like to call a “well-oiled machine,” with great leaders who are passionate and know what they are doing. I am proud to call them my family and friends.

asexton@mfbcpa.com
For July 1, 2018, through August 31, 2018

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**EXECUTIVE EDUCATION, INC.**

**ADVISORY SERVICES**

Executive Education, Inc.

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This is a new course for 2018. Leave those manual budget traps. It will look at ways to improve the budgeting process behind and move into the new world of government and nonprofit accounting and reporting topics in conjunction with an overview of recent revenue recognition built around the core principle that is applied in a five-step process.

8/14 Revenue Recognition: Mastering the New FASB Requirements

This effect date of the new accounting standard for revenue recognition is fast approaching! With the issuance of FASB Accounting Standards Update (ASU) 2014-09, revenue from Contracts with Customers, FASB has completed a convergence project with the IASB to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and IFRS. This course will provide you with an in-depth understanding of the framework for revenue recognition built around the core principle that is applied in a five-step process.

AC/8  32109911

FAE Learning Center

ACPA

$279/$379/$249/$349

8/15 U.S. GAAP: Review for Business and Industry

This FASB Accounting Standards Updates (ASU) become effective in the next year and beyond! How should the new guidance be applied? This course helps to answer those questions by addressing GAAP financial accounting and reporting topics in conjunction with an overview of recent FASB pronouncements. Applicable to a broad cross-section of CPAs, this course is most for those in business and industry.

AC/8  32109911

FAE Learning Center

ACPA

$279/$379/$249/$349

8/17 Latest Developments in Government and Nonprofit Accounting and Auditing

This year is indeed another year of significant change in the world of government and nonprofit accounting and auditing. The course materials utilize a highly illustrative and innovative format. Over 30 focused exercises are included to provide an enhanced working knowledge of the latest developments in government and nonprofit accounting and auditing.

AC/4, AU/4  33119911

FAE Learning Center

Surgent McCoy CPE LLC

$279/$379

8/28 CFO Series: Budgets and Projections 2018

This course will examine budgeting pitfalls and ways to avoid budget traps. It will look at ways to improve the budgeting process through better measurement and reporting.

AC/8  34119911

FAE Learning Center

Executive Education, Inc.

$279/$379

**ADVISORY SERVICES**

7/26 K2's Excel Data Magic, Including Advanced PivotTables and Power Pivot

This is a new course for 2018. Leave those manual reporting processes behind and move into the new world of automatically linking data into Excel for analyzing, reporting and preparing visualizations. Many of the concepts taught in this course depend upon access to Power Pivot, Power Query and Power View, available only in the Windows based products. New editions of Excel 2013 and Excel 2016.

AU/8  32117911

FAE Learning Center

K2 Enterprises Inc.

$279/$379

AUDITING

7/27 K2's Small Business Internal Controls, Security, and Fraud Prevention and Detection

Internal controls are more important than ever, and their importance increases seemingly on a daily basis. However, internal controls present a challenge for many smaller organizations. In this program, you will learn how to evaluate, develop, and implement an effective internal control structure in a small business environment. You will identify how to assess risks in smaller organizations and how to implement preventive, detective, deterrent and compensating controls to mitigate these risks, even in the absence of proper segregation of duties.

AU/8  34109911

FAE Learning Center

K2 Enterprises Inc.

$279/$379

8/16 Winning the Fraud Battle in the Digital Age: Prevention and Detection

Our focus is to reduce the overall risk of fraud. To that end, this course focuses on what factors contribute to turning honest employees into fraudsters. Our discussion will include integrity and ethics, as well as how people may react in certain situations.

AU/8  33119911

FAE Learning Center

Surgent McCoy CPE LLC

$279/$379

8/17 Latest Developments in Government and Nonprofit Accounting and Auditing

See course listing under Accounting.

AU/8  32119911

FAE Learning Center

K2 Enterprises Inc.

$279/$379/$249/$349

8/21 AICPA Peer Review Program Advanced Course

This one-day, advanced course is designed for experienced reviewers who want to heighten their peer review skills. It includes an analysis of the latest AICPA Peer Review Program standards as well as materials on the areas of peer review guidance that reviewers find the most problematic.

AU/8  32114911

FAE Learning Center

AICPA

$279/$379/$249/$349

8/22 Upcoming Peer Review: Is Your Firm Ready?

What does it take to have an effective quality-control system that leads you to a clean, unmodified peer review report? Find out how to prepare for your next review and what can be done on a daily basis to create a strong quality-control environment for your firm. Identify the most common significant deficiencies that peer reviewers uncover and what you can do to prevent them from occurring in your firm.

AU/8  32109911

FAE Learning Center

Foundation for Accounting Education

$169/$269

SPECIALIZED KNOWLEDGE

7/18 Social Security Benefits: Advising Clients

According to New York State Regulations, courses may only be categorized as the following fields of study for CPE accreditation:

Accounting: AC

Advisory Services: AD

Auditing: AU

Ethics: E

Specialized Knowledge: SK

Taxation: T

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

This program will prepare accountants for client questions regarding Social Security, including advanced planning strategies. A 50-year veteran of the Social Security Administration will teach participants how to help their clients develop a plan to maximize Social Security benefits. This course not only increases an accountant’s value to baby boomer clients, but it instills confidence that the accountant can be proactive in helping clients make these very important decisions.

8/1 Ethics and Quality Control in Tax Practice

This course will examine budgeting pitfalls and ways to avoid them. It will look at ways to improve the budgeting process through better measurement and reporting.

AC/8  32109911

FAE Learning Center

Locatelli Associates

$279/$379

8/15 FAE’s Ethics Update for Members in Business

This course not only increases an accountant's value to baby boomer clients, but it instills confidence that the accountant can be proactive in helping clients make these very important decisions.

8/13 Ethics and Quality Control in Tax Practice

This program will prepare accountants for client questions regarding Social Security, including advanced planning strategies. A 50-year veteran of the Social Security Administration will teach participants how to help their clients develop a plan to maximize Social Security benefits. This course not only increases an accountant’s value to baby boomer clients, but it instills confidence that the accountant can be proactive in helping clients make these very important decisions.

8/18 Ethics and Quality Control in Tax Practice

This program will prepare accountants for client questions regarding Social Security, including advanced planning strategies. A 50-year veteran of the Social Security Administration will teach participants how to help their clients develop a plan to maximize Social Security benefits. This course not only increases an accountant’s value to baby boomer clients, but it instills confidence that the accountant can be proactive in helping clients make these very important decisions.

8/24 Hot IRS Tax Examination Issues for Individuals and Businesses

Recently, the IRS has dramatically ramped up its examination of specific individuals and small business taxpayers. Now, more than ever, CPAs need clients to understand the need for documentation and procedures to substantiate what IRS auditors are pursuing. Learn the high audit-risk areas and ways to help clients survive an IRS audit with little or no change. It is critical for CPAs in public accounting to understand the risk to clients and to themselves in tax return preparation and planning.

T/8  33609911

FAE Learning Center

Surgent McCoy CPE LLC

$279/$379

8/9 Practical Planning Boot Camp: S Corporations and LLCs

Business clients seek practical solutions to their tax issues, and this course provides advisors with effective tax planning strategies for the closely held business. Include in your advisory attitude case the amnesties that will assist businesses in dealing with employee-related issues, depreciation, related parties, buy-sell agreements, fringe benefits and so on. Providing sound advice will be a must for many clients and the firm.

T/8  33609911

FAE Learning Center

Surgent McCoy CPE LLC

$279/$379

8/24 This Year’s Best Income Tax, Estate Tax, and Financial-Planning Ideas

With different rates for individuals and trusts, tax planning takes on more importance. This course explores practical tax planning ideas that practitioners can use to assist clients with their needs. This course is crucial for CPAs who are looking for good ideas that work, and work well!

T/8  33609911

FAE Learning Center

Surgent McCoy CPE LLC

$279/$379
2/7 Current Federal Tax Developments
This fast-paced, one-day course covers the latest developments in federal taxation, updated biweekly, with emphasis on real-world applications. This program is always applauded for its relevance and coverage of practical issues. Emphasis on current issues, planning and strategy keeps attendees interested all day. Learn how to avoid penalties, how to use IRS “Frequently Asked Questions” to answer tough questions relating to new laws, how to plan regulations and other guidance to be issued on the Tax Cuts and Jobs Act, how to change over 150 accounting methods automatically with no user fee, and much more.
T/B 34609911
FAE Learning Center
Loscalzo Associates
$279/$379

2/8 Income Taxation of Trusts and Estates: Planning and Preparation of Form 1041
The taxation of estates and trusts has numerous special rules, regulations and professional customs. Form 1041 is unique to any other income tax return. This program explains the unique tax rules and provides a framework for the knowledgeable tax advisor to provide valuable tax services to fiduciaries—from special tax accounting to options for reporting trust income and expenses.
T/B 34610911
FAE Learning Center
Loscalzo Associates
$279/$379

27
PENALTIES? ASSESSMENTS?

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

Do You Have Any of These Issues?  
Can Help!

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

US DOL WAGE & HOUR DIVISION – Distributor assessed in excess of $575K for alleged wage and hour violations. Arnold Standard results: Assessment lowered significantly. Savings in excess of $300,000.

NYS WCB – Homeowner with Domestic Worker assessed penalty of $50,000. Arnold Standard results:
Settled for $2,500.  
Savings of $47,500.

NYS WCB – Construction firm assessed penalty of $83,000. Arnold Standard results:
Settled for $3,500.  
Savings of $79,500.

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