Tech promises less drudge work, but will new recruits have the skills firms need?

By CHRIS GAETANO
Trusted Professional Staff

Editors’ note: This is the second of a three-part series on how technology is affecting the accounting profession.

While the CPA profession is certainly no stranger to technological advance, innovations like blockchain technology and artificial intelligence, as well as the increasing automation of routine tasks, promise to radically reshape the industry. It is a change that will affect not only what kind of work firms do, but whom they will hire to do it, something that will be particularly important for recent graduates who are entering an increasingly tech-centered profession.

Talking to the Financial Times last year, Ernst & Young’s chairman and managing partner for the U.K. and Ireland, Steve Varley, said he expects that, “given the rate at which technology is speeding up audit,” the firm could reduce the number of graduates it hires by 50 percent in 2020.

Here in the United States, EisnerAmper LLP CEO Charles Weinstein’s projections aren’t so grim. While he noted that CPA firms are in the process of a technology-fueled paradigm shift that will reshape the profession over the next 10 years, he doesn’t think that it will necessarily translate into the need for fewer new recruits. Instead, Weinstein noted, a certain level of technical proficiencies among those recruits has rapidly shifted from “nice to have” to “have to have.” But more than knowing the technology itself, continued on page 14

Diversity and Inclusion Committee aims to address representation in the profession

By CHRIS GAETANO
Trusted Professional Staff

While the accounting profession has made significant progress in recruiting from traditionally marginalized groups, even in 2017, challenges remain.

According to the Bureau of Labor Statistics, women in accounting and auditing earn 26.5 percent less than their male counterparts. And while more women are graduating with accounting degrees than men, less than a quarter of them are making partner, according to the American Institute of CPAs (AICPA). Among people of color, only 4 percent of CPA partners are black or Latino, according to a Howard University School of Business Center for Accounting Education study, “Attracting Underrepresented Minorities to the Accounting Profession: Insights into Diversifying the Talent Pipeline.” CPAs who identify as Asian-Pacific Islander make up just 5 percent of the partner population.

In response to these ongoing challenges, the Society has formed the Diversity and Inclusion Committee, which is aimed at ensuring that the NYSSCPA and the profession as a whole are positioned to attract and advance aspiring professionals of all types, regardless of race, gender, sexual orientation, religion, disability status or any other aspect of diversity.

As people around the world made preparations to observe International Women’s Day on March 8—celebrating the social, economic, cultural and political achievements of women—the chair of the new committee, Rumbidzai N. Bwerinofa-Petrozzello, and one of its members, Jan C. Herringer, a Society board member, stopped by the NYSSCPA’s offices to discuss the committee’s mission as well as one of its programs, the Women’s Initiative, which is particularly focused on the dearth of women in leadership roles.

The committee started in response to what Bwerinofa-Petrozzello called a “moment of zeitgeist”: an increased interest in diversity and inclusion at all levels of the accounting profession. The committee started in response to what Bwerinofa-Petrozzello called a “moment of zeitgeist”: an increased interest in diversity and inclusion at all levels of the accounting profession. She said that several people had been having separate discussions
Reflections on the Journey

At the start of my year as NYSSCPA president last June, my wife and I discussed canceling our 2016 vacations so that I could totally immerse myself in the duties, tasks and additional workload that come with the role. Well, we made it until the last week of October, when she talked me into taking a couple of days to rest and relax after the AICPA Council meeting in Florida. We decided to drive from Orlando to Key West, where we would spend three days and just focus on nothing but relaxation.

As we walked along the beach that first day, we came upon a guided Jet Ski tour. Neither of us had ever ridden one, but it seemed like fun, so we decided to throw caution to the wind and sign up for the guided tour, which would allow us to explore the Florida coast by sea. Returning at our appointed time, my wife and I donned our rented gear and jumped on our designated craft, my wife behind me, holding on tight.

Heading out into the Gulf of Mexico’s shallow waters, our guide instructed us to follow in the wake of his Jet Ski. In doing so, we were able to get a feel for the sled and how it responded to our shifting weight and movement. Then it was out into open sea, where we were crashed down into the next, powering through one after another, after another, without looking back and without fear, until we reached the calmer waters of the gulf once again.

Reflecting on our Jet Ski adventure, I can’t help but draw a correlation between that ride and my years of service on the NYSSCPA Board. Starting out and following the guide through the shallow waters represented my first three years on the NYSSCPA Board. During those years, I learned so much from listening to the Society’s officers and fellow Board members, and gained and understanding of how one could best maneuver without going off course.

Throughout, my wife was right over my shoulder, supporting me, whispering—maybe shouting—words of advice in my ear to keep me in line. These three years of my statewide Board service were the perfect training ground.

The time I spent roaming and charting my own course on the Jet Ski, all under the watchful eye of our guide, aligns with my two years as secretary/treasurer of both the Society and the Foundation for Accounting Education (FAE). I had direct access to the Society CFO, could influence budgets, and question and approve invoices and contracts, among other tasks. While there was some freedom, this was, again, always under the watchful eye of those who came before me and the membership itself.

Then came the bridge and the wild waters of the Atlantic—my time as president. Those pilings became a metaphor for the controversial topics that needed to be masterfully navigated through the choppy waters of the Atlantic coast: a legislative agenda item, a policy issue, tax law changes, a board or executive committee meeting, the NextGen Conference, the Marijuana Symposium, a president’s commentary for The Trusted Professional, or some other challenge. This section of the journey was the most thrilling and exciting—I had to use every skill and all of the experience I had gained in the years leading up to this challenge, and it was worth every moment.

As I turn over the keys to the incoming president, Harold L. Deiters III, my advice to him is simple: Your past presidents have left a well-marked path for you to follow—use that as your guide. Attack challenges, don’t slow down. Your term is limited, and soon it will be your turn to hand the keys over to your president-elect. Keep in mind that you have your firm and Society family close behind you, encouraging you to do your best for the Society and the profession as a whole. They won’t let you hit the bridge either.

president@nysscpa.org

Formal Notice of the 2017–2018 Annual Election Meeting of the New York State Society of CPAs

Please note that the annual membership meeting of the New York State Society of Certified Public Accountants will be held on Wednesday, May 17, 2017, at 6:30 p.m. (opening reception: 5 p.m.) at The Lighthouse at Chelsea Piers, located at Pier 61, Chelsea Piers, 23rd Street and West Side Highway, New York City.

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

The agenda for the meeting is as follows:
1. Approval of minutes from the May 19, 2016, annual membership meeting.
2. Approval of proposed amendments to NYSSCPA bylaws.
4. Other business.

John J. Laucht, CPA
NYSSCPA Secretary/Treasurer
2016–2017 NYSSCPA NOMINATING COMMITTEE REPORT

JANUARY 17, 2017

OFFICERS: to hold office for one year, from June 1, 2017:

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

PRESIDENT-ELECT
JAN C. HERRINGER to succeed HAROLD L. DEITERS III
BDO USA, LLP
Baker Tilly Virchow Krause, LLP

VICE PRESIDENTS
PAUL E. BECHT to succeed GREGORY J. ALTMAN
Margolin, Winer & Evens LLP
Health Sciences Charter School

JOHN B. HUTTLINGER, JR. to succeed SUSAN M. BAROSSI
Adirondack Audit Company Inc.
PKF O'Connor Davies

MITCHELL J. MERTZ to succeed ANTHONY S. CHAN
Wei Wei & Co., LLP
EisnerAmper LLP

CANDICE R. METH to succeed JOHN S. SHILLINGSFORD
EisnerAmper LLP
Albrecht, Viggiano, Zureck & Company, P.C.

SECRETARY/TREASURER
ANTHONY T. ABBOUD to succeed JOHN J. LAUCHERT
Firley, Moran, Winer & Evens LLP
Horizon CFO LLC

DIRECTORS-AT-LARGE: to hold office for three years, from June 1, 2017:

ANTHONY S. CHAN, to succeed JAN C. HERRINGER
CA Global Consulting Inc.

MARK L. FARBER, to succeed JEAN G. JOSEPH
Mark L. Farber CPA PC
Joseph Tax & Consulting Services LLC

CRAIG T. GOODMAN, to succeed KEVIN MATZ
Marks Paneth LLP
Kevin Matz & Associates PLLC

KIMBERLY G. JOHNSON, to succeed M. JACOB RENICK
KPMG LLP
M. J. Renick & Associates LLC

MARK M. ULRICH, to succeed WARREN RUPPEL
St. John’s University
Marks Paneth LLP

DIRECTOR-AT-LARGE: to serve the remaining one-year term, from June 1, 2017:

JENNIFER R. GEORGE, to succeed MITCHELL J. MERTZ
RBT CPAs, LLP
Wei Wei & Co., LLP

DIRECTORS AS CHAPTER REPRESENTATIVES:
to hold office for three years, from June 1, 2017:

ADIRONDACK
DOUGLAS L. HOFFMAN, to succeed JACQUELINE E. MILLER
Hoffman Eells & Gray CPAs, P.C.
Pinto, Mucenski, Hooper, VanHouse, & Co., CPAs, P.C.

NASSAU
LYNNE M. FUENTES, to succeed ELIZABETH A. HAYNIE
Fuentes & Angel CPAs LLC
Katz, Bernstein & Katz, LLP

ROCHESTER
WILLIAM H. DRESNACK, to succeed DAVID G. YOUNG
Rochester Institute of Technology
Young & Company CPAs, LLP

STATEN ISLAND
DENNIS N. ANNARUMMA, to succeed ROSEMARIE GIOVINAZZO-BARNICKEL
Ernst & Young LLP
Rosemarie Giovannazza-Barnickel, CPA

SUFFOLK
THOMAS S. PIorro, to succeed PAUL E. BECHT
Thomas S. Pirro, CPA, PC
Margolin, Winer & Evens LLP

ALL OF THE NOMINEES HAVE CONSENDED TO SERVE IF ELECTED.
F. Michael Zovistoski automatically becomes Director for one year as Immediate Past President in accordance with Article VI, Paragraph 1 of the Bylaws.

DIRECTORS (provided the above nominees are duly elected):

TERMS EXPIRING IN 2018:
ANTHONY T. ABBoud, Firley, Moran, Freer & Eassa, CPA, P.C.
EDWARD L. ARCAra, Edward L. Arcara, CPA, P.C.
PAUL E. BECHT, Margolin, Winer & Evens LLP
JACK M. CARR, Bailey, Carr CPAs, PC
JENNIFER R. GEORGE, RBT CPAs, LLP
ELLIOt L. HENDLER, Retired
JOHN B. HUTTLINGER, JR., Adirondack Audit Company Inc.
PATRICIA A. JOHNSON, Canisius College
BARBARA A. MARINO, The Hackett Group, Inc.
MITCHELL J. MERTZ, Wei Wei & Co., LLP
CANDICE R. METH, EisnerAmper LLP
IRALMA POZO, Baruch College
STEVEN A. STANEK, Daley LaCombe & Charette P.C.
DENISE M. STEFANO, Mercy College
JANEEN F. SUTRYK, Piaker & Lyons
F. MICHAEL ZOVISTOSKI, UHY LLP

TERMS EXPIRING IN 2019:
SOL S. BASILYAN, PricewaterhouseCoopers LLP
CHRISTOPHER G. CAHILL, Deloitte & Touche LLP
SALvATORE A. COLLEMI, Collemi Consulting & Advisory Services, LLC
MITCHELL A. DAVIS, Grassi & Co.
HAROLD L. DEITERS III, Baker Tilly Virchow Krause, LLP
EDWARD F. ESPOSITO, Edward F. Esposito, CPA/ABV, CFE
TRACEY J. NIEMOTKO, Mount Saint Mary College
KEVIN P. O’LEARY, Marvin and Company
RENEE RAMPULLA, Rampulla Advisory Services, LLC
BRIAN M. REESE, Fitzgerald, DePietro & Wujana CPAs, P.C.
MICHAEL M. TODRES, Todres & Company, LLP

TERMS EXPIRING IN 2020:
DENNIS N. ANNARUMMA, Ernst & Young LLP
ANTHONY S. CHAN, CA Global Consulting Inc.
WILLIAM H. DRESNACK, Rochester Institute of Technology
MARK L. FARBER, Mark L. Farber CPA PC
LYNNE M. FUENTES, Fuentes & Angel CPAs LLC
CRAIG T. GOODMAN, Marks Paneth LLP
JAN C. HERRINGER, BDO USA, LLP
DOUGLAS L. HOFFMAN, Hoffman Eells & Gray CPAs, P.C.
KIMBERLY G. JOHNSON, KPMG LLP
THOMAS S. PIorro, Thomas S. Pirro, CPA, PC
MARK M. ULRICH, St. John’s University

RESPECTFULLY SUBMITTED,
2016–2017 Nominating Committee

MARGARET A. WOOD (Chair)
SCOTT M. ADAIR
EDWARD L. ARCAra
IAN J. BENJAMIN
PETER H. FRANK
LAUREN L. KINCAID
KEVIN MATZ
BARRBARA E. OSTRANDER
RITA M. PIAZZA
TRACY D. TARSIO
ROBERT N. WAXMAN
2017–2018 NOMINEES

OFFICERS: To hold office for one year, from June 1, 2017

PRESIDENT-ELECT
JAN C. HERRINGER, Partner, BDO USA, LLP, Woodbridge, N.J.
Member of the Society since 2005; member of the Manhattan/Bronx Chapter. STATEWIDE: Current Director-at-Large of the Board of Directors. Past member of the Executive Committee. Current member of the Accounting and Auditing Oversight, Diversity and Inclusion, International Accounting and Auditing and Sustainability committees. Past Chair of the Accounting and Auditing Oversight and the Auditing Standards committees. Past member of the Audit, Awards, CPA Exam and Virtual Currency task forces.

VICE PRESIDENT
JOHN B. HUTTLINGER, JR., Partner, Adirondack Audit Company Inc., Saranac Lake, N.Y.
Member of the Society since 1992; member of the Adirondack Chapter. STATEWIDE: Past member of the Board of Directors. Past member of the Executive Committee. Current member of the Small Firms Practice Management Committee. Past member of the Nominating Committee. Past member of the Strategy Task Force. CHAPTER: Current Adirondack Chapter Vice President. Current Adirondack Chapter Executive Board member.

VICE PRESIDENT
CANDICE R. METH, Partner, EisnerAmper LLP, New York, N.Y.
Member of the Society since 2010; member of the Manhattan/Bronx Chapter. STATEWIDE: Current Chair of the Public Sector Oversight Committee. Current member of the Awards and Not-for-Profit committees. Past Chair and Vice Chair of the Not-for-Profit Committee. Past Vice Chair of the Public Sector Oversight Committee. Past member of the Audit Committee. Past member of the Not-for-Profit Task Force.

VICE PRESIDENT
PAUL E. BECHT, Margolin, Winer & Evens LLP, New York, N.Y.
Member of the Society since 1996; member of the Suffolk Chapter. STATEWIDE: Current Director as Chapter Representative for the Suffolk Chapter on the Board of Directors. Past member of the Nominating Committee. Past member of the Selections Subcommittee. CHAPTER: Current member of the Suffolk Chapter Board of Directors. Current Chair of the Suffolk Chapter Accounting & Auditing Committee. Past Suffolk Chapter President, President-elect, Treasurer and Executive Board member. Past Chair of the Suffolk Chapter Accounting & Auditing, Members in Industry, Nominating and Sponsorship committees.

SECRETARY/TREASURER
ANTHONY T. ABBoud, Principal, Finley, Moran, Freer & Eassa, CPA, P.C., East Syracuse, N.Y.
Member of the Society since 1998; member of the Syracuse Chapter. STATEWIDE: Past member of the SEC and Sustainability committees. Past Chair and Vice Chair of the Accounting and Auditing Oversight and SEC committees. Past member of the Selections Subcommittee. Past member of the Awards and Stock Brokerage committees. Past member of the Networking Technology Task Force. CHAPTER: Current member of the Manhattan/Bronx Chapter Cooperation with Bankers & Other Credit Grantors Committee.

DIRECTORS-AT-LARGE: To hold office for three years, from June 1, 2017

ANTHONY S. CHAN, President, CA Global Consulting Inc., Flushing, N.Y.
Member of the Society since 1989; member of the Manhattan/Bronx Chapter. STATEWIDE: Current Vice President on the Board of Directors. Current member of the Executive Committee. Past Director-at-Large on the Board of Directors. Past member of the Executive Committee. Current member of the Foundation for Accounting Education Board of Trustees. Current Vice Chair of the Chief Financial Officers Committee. Current member of the Internal Audit and SEC committees. Past member of the Nominating Committee. Past member of the Governance and Selections Subcommittee. Past Chair of the Internal Audit, SEC and Young CPAs committees. Past member of the Taxation of Mergers and Acquisitions, Industry Oversight, Accounting and Auditing Oversight, Media and Publishing and Members in Public Practice committees. CHAPTER: Current member of the St. John’s COAP Advisory Board.

CRAIG T. GOODMAN, Partner, Marks Paneth LLP, New York, N.Y.

MARK L. FARBER, Sole Practitioner, Mark L. Farber CPA PC, New York, N.Y.
Member of the Society since 1986; member of the Manhattan/Bronx Chapter. STATEWIDE: Current member of the Bankruptcy and Financial Reorganizations, Internal Taxation and Taxation of Financial Instruments and Transactions committees. Past member of the Banking and Personal Financial Planning committees. CHAPTER: Past member of the Manhattan/Bronx Chapter Cooperation with Bankers & Other Credit Grantors Committee.

KIMBERLY G. JOHNSON, Partner, KPMG LLP, New York, N.Y.
Member of the Society since 2003; member of the Manhattan/Bronx Chapter. STATEWIDE: Past member of the Not-for-Profit Organizations Committee.
MARK M. ULRICH, Director, St. John’s University, New York, N.Y. Member of the Society since 2007; member of the Queens/Brooklyn Chapter. STATEWIDE: Past Director as Chapter Representative for the Queens/Brooklyn Chapter on the Board of Directors. Past member of the Academic Advancement and Higher Education Committee. Past member of the Selections Subcommittee. Past member of the COAP Statewide Advisory Board. CHAPTER: Current Queens/Brooklyn Chapter Executive Board member. Past Queens/Brooklyn Chapter President, President-elect, Vice President and Secretary. Past Chair of the Queens/Brooklyn Chapter Meetings Committee. Current member of the St. John’s COAP Advisory Board.

JENNIFER R. GEORGE, Partner, RBT CPAs, LLP, Newburgh, N.Y. Member of the Society since 2000; member of the Mid Hudson Chapter. STATEWIDE: Past Director-at-Large and Director as Chapter Representative for the Mid Hudson Chapter on the Board of Directors. Past President-elect of the Foundation for Accounting Education Board of Trustees. Past member of the Executive Committee. Current member of the Peer Review Committee. Past member of the Curriculum, Finance, Financial Accounting Standards and Membership committees. CHAPTER: Past Mid Hudson Chapter President, President-elect and Executive Board member. Past Chair of the Mid Hudson Chapter Membership/Revitalization Committee. Past Cochair of the Mid Hudson Chapter Young CPAs/NextGen Committee. Past member of the Mid Hudson Chapter Cooperation with the Bar Committee. Past member of the New Paltz COAP Advisory Board.

ADIRONDACK

DOUGLAS L. HOFFMAN, Partner, Hoffman Eells & Gray CPAs, PC., Lake Placid, N.Y. Member of the Society since 1978; member of the Adirondack Chapter. STATEWIDE: Past Director as Chapter Representative for the Adirondack Chapter on the Board of Directors. Past member of the Foundation for Accounting Education Board of Trustees. Past member of the CPA Political Action Committee. Past member of the Audit Committee. CHAPTER: Current Adirondack Chapter Executive Board member. Past Adirondack Chapter President, President-elect, Vice President and Secretary.

ROCHESTER

WILLIAM H. DRESNACK, Associate Professor, Rochester Institute of Technology, Rochester, N.Y. Member of the Society since 1987; member of the Rochester Chapter. STATEWIDE: Past member of the Foundation for Accounting Education Ambassador Committee. Past member of the COAP Statewide Advisory Board. Past member of the Financial Accounting Standards and the Members in the Field of Education committees. CHAPTER: Past Rochester Chapter President, President-elect and Vice President. Past Chair of the Rochester Chapter World of Accounting Committee. Current member of the Rochester COAP Advisory Board. Past Chair of the Rochester COAP Advisory Board.

SUFFOLK

THOMAS S. PIRRO, Sole Practitioner, Thomas S. Pirro CPA, PC, Bayport, N.Y. Member of the Society since 1988; member of the Suffolk Chapter. STATEWIDE: Past member of the Nominating Committee. CHAPTER: Past Suffolk Chapter Executive Board member. Current Chair of the Suffolk Chapter Sponsorship Committee.

NASSAU

LYNNE M. FUENTES, Partner, Fuentes & Angel CPAs LLC, Bethpage, N.Y. Member of the Society since 2004; member of the Nassau Chapter. CHAPTER: Past Nassau Chapter President, President-elect and Executive Board member. Past Chair and Cochair of the Nassau Chapter Estate & Personal Financial Planning Committee.

STATEN ISLAND

DENNIS N. ANNARUMMA, Executive Director, Ernst & Young LLP, New York, N.Y. Member of the Society since 1985; member of the Staten Island Chapter. STATEWIDE: Current member of the Member Relations Committee. Past member of the Awards and Member Benefits committees. CHAPTER: Past Staten Island Chapter President, President-elect and Vice President. Past member of the Staten Island Chapter Executive Board. Past Cochair of the Staten Island COAP Advisory Board.
Proposed amendments to the Society’s Bylaws

In accordance with Section XIV of the Society's Bylaws, the proposed amendments must be authorized by a two-thirds majority of the votes cast at a meeting of the members of the Society.

ARTICLE I — MEMBERSHIP

3. Associate members—

(a) A person who is not a CPA and meets the requirements of one or more of the following categories shall be eligible to apply to become as associate member of the Society:

(1) Industry/Non-CPA Associate.

(b) Associate members shall not have the right to vote on issues requiring the vote of the Society's membership.

(c) Associate members shall not be eligible to serve in the following capacities:

(1) Director.

(2) Officer.

(3) Member of the nominating committee.

(4) Member of the audit committee.

(5) Chapter officer.

(6) Committee chairperson, unless the Board acts to provide that an associate member may serve as chairperson for a specified committee.

(f) Change in status—An associate member shall become a CPA member when he/she notifies the Society of such change in status and meets all requirements as indicated in Section 4 below, if applicable.

ARTICLE IX — NOMINATING COMMITTEE

5. More than nine nominees—if there are more than nine nominees for members of the nominating committee, other than the two members designated by the Board, a member ballot shall be had. To the extent permitted by law, the ballot may be conducted electronically. If mailed, it shall be done in accordance with the requirements set forth in Article IV, paragraph 3 pertaining to the conduct of a mail canvass; provided,

ARTICLE IX — NOMINATING COMMITTEE

5. More than nine nominees—if there are more than nine nominees for members of the nominating committee, other than the two members designated by the Board, a member ballot shall be had. To the extent permitted by law, the ballot may be conducted electronically. If mailed, it shall be done in accordance with the requirements set forth in Article IV, paragraph 3 pertaining to the conduct of a mail canvass; provided,
ARTICLE VIII – MEMBERSHIP

Section 1. Annual Membership.

(a) The annual membership fee for each member shall be a sum determined by the Executive Committee. In computing the annual membership fee, the cost of maintaining the Society’s Internet website shall be added to the cost of mailing to all members, the Newsletter and the Journal, and the cost of maintaining all other publications of the Society. Where feasible, the membership fee shall be paid in two installments of equal amounts. The first installment shall be paid before December 31, and the second installment shall be paid in or before February 1, of each year. If the first installment is not paid by December 31, or the second installment is not paid by February 1, of each year, such member shall be notified in writing and given sixty days to pay the membership fees. If payment is not received within sixty days, the member shall be dropped from the Society’s membership records.

(b) Any member who has not paid the membership fee within sixty days after the due date shall be deemed to have resigned from the Society and shall be dropped from the Society’s membership records. If a member resigns from the Society, such member shall lose all rights as a member of the Society as of the date of the resignation, except for any claims for damages that such member may have against the Society.”

ARTICLE XI – DISCIPLINARY ACTION

ARTICLE XII – PROFESSIONAL CONDUCT AND DISCIPLINARY PROCEEDINGS

12. Failure to Cooperate or Comply—Violation of these bylaws shall include, but not be limited to, the following:

(a) Failure by a member to cooperate with the AICPA and the Professional Ethics Committee in any disciplinary investigation of the member or a partner or employee of the member’s firm. Such failure shall include, but not be limited to, failing to make a timely, substantive response to interrogatories or to a request for production of documents from the AICPA and the Professional Ethics Committee. A timely response for these purposes means a response within thirty days after the posting of notice of such interrogatories or request for documents to such member’s last known address as shown on the membership’s records.

(b) Failure to comply with the educational and remedial or corrective actions determined to be necessary by the AICPA and/or the Professional Ethics Committee.
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HAROLD L. DEITERS III
NYSSCPA PRESIDENT-ELECT

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Bert N. Mitchell, Founder
and Chairman Emeritus,
Mitchell Titus

DAVID J. MOYNIHAN
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The NYSSCPA thanks its member volunteers

Committee chairs

The NYSSCPA expresses its gratitude to its outgoing 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 will end on May 31, 2017.

Accounting and Review Services
- Louordes Eyer

Anti-Money Laundering and Counter Terrorist Financing
- John J. Liguori

Bankruptcy and Financial Reorganizations
- Geraldine M. Wolk

Business Exit and Succession Planning
- Anthony Citrolo

Chief Financial Officers
- Anthony Cassella

Employee Benefits
- Adam S. Lilling

Entertainment, Arts and Sports
- Peter H. Frank

Estate Planning
- Ruth A. Rafferty

Fashion and Furnishings
- Natalie Kotlyar

Financial Accounting Standards
- Craig T. Goodman

Government Accounting and Auditing
- Robert L. Baldacci

Health Care
- Dorothea A. Russo

Hospitality Industry
- David P. Bakooff

International Accounting and Auditing
- Salvatore A. Collemi

International Taxation
- Carola Knoll

Investment Companies
- Sean D. Matthews

Large and Medium-Sized Firms Practice Management
- Christopher D. Petermann

NextGen
- Ayanna H. Coleman

Partnerships and LLCs
- Steven C. Barranca

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 this busy year. The technical hotline, which exists in order to assist practitioners with their professional issues and questions, has grown into an efficient and 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.

ACCOUNTING AND AUDITING DIVISION

Accounting and Review Services
- Joseph A. Caplan

Auditing Standards
- Fred R. Goldstein

Employee Benefits
- Adam S. Lilling

Financial Accounting Standards
- Joseph Montero

International Accounting and Auditing
- Richard C. Jones

SEC
- Jeffrey M. Brinn

Sustainability
- Renee Mikalopas-Cassidy

Technology Assurance
- Matthew C. Clohessy

Chief Financial Officers
- Anthony Cassella

Employee Benefits
- Adam S. Lilling

Entertainment, Arts and Sports
- Peter H. Frank

Estate Planning
- Ruth A. Rafferty

Fashion and Furnishings
- Natalie Kotlyar

Fashion and Furnishings
- Lori E. Drucker

Hospitality Industry
- Steven B. Chatwin

Internal Audit
- Anthony S. Chan

Real Estate
- Michael A. Benson

Stock Brokerage
- David H. Grumer

PRACTICE MANAGEMENT DIVISION

Large and Medium-Sized Firms Practice Management
- Bernard M. Holand

Small Firms Practice Management
- Jerry J. King

PUBLIC SECTOR DIVISION

Government Accounting and Auditing
- Edward N. Lee

Family Office
- Madelyn R. Miller

Financial Accounting Standards
- Craig T. Goodman

Government Accounting and Auditing
- Robert L. Baldacci

Health Care
- Dorothea A. Russo

Hospitality Industry
- David P. Bakooff

International Accounting and Auditing
- Salvatore A. Collemi

International Taxation
- Carola Knoll

Investment Companies
- Sean D. Matthews

Large and Medium-Sized Firms Practice Management
- Christopher D. Petermann

NextGen
- Ayanna H. Coleman

Partnerships and LLCs
- Steven C. Barranca

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 this busy year. The technical hotline, which exists in order to assist practitioners with their professional issues and questions, has grown into an efficient and 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.

CONSULTING SERVICES DIVISION

Anti-Money Laundering and Counter Terrorist Financing
- Robert L. Goecks

Bankruptcy and Financial Reorganizations
- Michael R. Koepel

Business Exit and Succession Planning
- Bernard Leone

Business Valuation
- Edward F. Esposto

Litigation Services
- Yigal Rechtman

INDUSTRIES DIVISION

Chief Financial Officers
- David M. Rubenstein

Construction Contractors
- Richard A. Romer

Emerging Tech
- Steven Kret

Entertainment, Arts and Sports
- David C. Sobel

Family Office
- Madelyn R. Miller

Financial Accounting Standards
- Craig T. Goodman

Government Accounting and Auditing
- Robert L. Baldacci

Health Care
- Dorothea A. Russo

Hospitality Industry
- David P. Bakooff

International Accounting and Auditing
- Salvatore A. Collemi

International Taxation
- Carola Knoll

Investment Companies
- Sean D. Matthews

Large and Medium-Sized Firms Practice Management
- Christopher D. Petermann

NextGen
- Ayanna H. Coleman

Partnerships and LLCs
- Steven C. Barranca

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PEOPLE DIVISION

Peek Review
- Liren Wei

Professional Ethics
- Renee Rampulla

Real Estate
- Abraham E. Haspel

Relations with the Internal Revenue Service
- Eric J. Engelhardt

SEC
- Charles V. Abraham

Small Firms Practice Management
- Samuel D. Katz

Stock Brokerage
- Jeffrey Abramczyk

Sustainability
- Renee Mikalopas-Cassidy

Technology Assurance
- Matthew C. Clohessy

Trust and Estate Administration
- Melissa A. Abbott

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 sincerest appreciation to the principal drafters listed below, for helping the NYSSCPA issue 26 comment letters during the 2016–2017 fiscal year.

—NYSSCPA 2016–2017 President F. Michael Zovistoski, CPA

ANDREW MULHSTOCK, Teaneck, N.J., was suspended from membership in the NYSSCPA for one year, effective Nov. 29, 2016, as a result of a decision by the hearing panel of the Joint Trial Board. The hearing panel found that Muhlstock violated Rule 101–Independence, as supported by Interpretation 505–2–Application of Rules of Conduct to Members Who Own a Separate Business and Interpretation 101–3–Nonattest Services of the Code of Professional Conduct. While Muhlstock was a partner in the accounting firm that provided audit and review services to mutual clients of a separately owned business which he controlled, he impaired the firm’s independence because clients of the separately owned business wired payroll funds from their bank account directly to the separately owned business bank account, giving the separately owned business custody of clients’ funds. Muhlstock also failed to obtain sufficient competent evidential matter for management’s assertions regarding the fair value of the Alaska assets.

MINDY EISENBERG-STARK, Scarsdale, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program, effective Dec. 14, 2016, as a result of an investigation alleging potential disciplinary matters with respect to her performance of professional services on the audit of a housing cooperative. Based on a review of the auditor’s report, financial statements and other relevant documents, there appeared to be prima facie evidence of violations of the following rules of the Code of Professional Conduct: Rule 201–General Standards, A. Professional Competence; Rule 202–Compliance Standards; and Rule 203–Accounting Principles. Without admitting or denying the alleged violations, Stark agreed to forgo any further investigation of the matter, waived her rights to a hearing and agreed to her suspension from membership in the NYSSCPA for two years. She agreed to immediately comply with professional standards applicable to the professional services she performs and to complete 32 hours of specified CPE.

To comply with the directives outlined in the settlement agreement, Stark agrees to hire an outside party to perform a preissuance review of the reports, financial statements and other relevant documents on five engagements performed by her during the year after a reviewer has been approved. Thirty days after the effective date of the agreement, she must submit a list of the highest level of engagements (audits, reviews, compilations with note disclosures) on which she expects to issue reports in the upcoming 12 months. Five engagements will be selected for preissuance review. The outside party will report on her progress in complying with the agreement on a quarterly basis.

Stark agrees to report any changes in the composition of her practice during the period she is subject to the preissuance reviews, and if she is no longer involved with audits, reviews or compilations with note disclosures, or no longer acts in a supervisory capacity on such engagements, she may be required to complete at least six months for three years as the nature of her practice. If during the three-year period after the initial six months she continues to perform such engagements, she must provide that information and undergo the preissuance reviews.

Six months after completion of the preissuance reviews and CPE, she will be required to submit a list of the highest level of engagements (audits, reviews and compilations with note disclosures) that she performed in the period between the date of completion of those preissuance reviews and CPE, and the end of the six-month period following the completion of the preissuance reviews and CPE. One will be selected for review. Stark will be prohibited from serving on any ethics or peer review committees of the NYSSCPA, participating in peer reviews in any capacity or teaching CPE in the areas of accounting and auditing, until all directives in the settlement agreement have been met.

MARK J. SUDRAN, Plainview, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program, effective Jan. 17, 2017, as a result of an investigation alleging potential disciplinary matters with respect to his failure to ensure that his firm obtained a peer review and in the performance of professional services in connection with the audit of the financial statements of a client’s employee benefit plan. The Ethics Charging Authority (ECA), comprising the AICPA Professional Ethics Executive Committee and the NYSSCPA Professional Ethics Committee, found prima facie evidence of violations of Rule 201–General Standards, A. Professional Competence; Rule 202–Compliance Standards; Rule 203–Accounting Principles; and Rule 501, Interpretation 501-5–Failure to follow requirements of governmental boards, commissions, or other regulatory agencies of the Code of Professional Conduct. Without admitting or denying the alleged violations, Sudran agreed to forgo any further investigation of the matter, waived his rights to a hearing and agreed to his suspension from membership in the NYSSCPA for a period of two years.

To comply with the directives outlined in the settlement agreement, Sudran agrees to provide an attestation every six months for a period of three years that he is no longer performing audit or review engagements. If he returns to performing such work, he agrees to complete 41.5 hours of specified CPE prior to commencing an audit or review engagement, of which 12 hours of specified CPE are required only if he returns to performing audits of employee benefit plans. Sudran agrees to hire an outside party to perform a preissuance review of the reports, financial statements and working papers on all audit and review engagements performed by him for one year from the date a reviewer has been approved. The outside party will report quarterly on his progress in complying with the agreement. Six months after completion of the preissuance review, he must submit a list of the highest level of engagements (audits, reviews and compilations with note disclosures) that he performed in the period between the date of completion of those preissuance reviews and the end of the six-month period following the completion of the preissuance reviews. One engagement will be selected for review. Thirty days after resuming audits of employee benefit plans, he must provide evidence that his firm has submitted an application to join the AICPA Employee Benefit Plan Audit Quality Center. Sudran will be prohibited from participating in peer reviews in any capacity or serving on any ethics or peer review committees of the NYSSCPA, performing peer reviews in any capacity, or teaching CPE in the areas of accounting and auditing and employee benefit plans, until all directives in the settlement agreement have been met.

MARK HOLZWANGER, Forest Hills, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program, effective Feb. 14, 2017, as a result of an investigation by the Ethics Charging Authority (ECA) comprising the NYSSCPA Professional Ethics Committee. Holzwanger was suspended from membership in the NYSSCPA for one year.

Based on Holzwanger’s responses to interrogatories posed by the ECA, including documents he submitted to support his responses, the ECA found Holzwanger in violation of Rule 101–Independence, as supported by Interpretation 505–2–Application of Rules of Conduct to Members Who Own a Separately Owned Business and Interpretation 101–3–Nonattest Services of the Code of Professional Conduct. While Holzwanger was a partner in the accounting firm that provided audit and review services to mutual clients of a separately owned business, which he collectively controlled, he impaired the firm’s independence because clients of the separately owned business wired payroll funds from their bank account directly to the separately owned business bank account, giving the separately owned business custody of clients’ funds. Holzwanger waived his rights to further investigation and to a hearing under NYSSCPA bylaws, and he neither admitted nor denied the specified charges. He agreed to provide an attestation immediately, then every six months for a period of three years, that he is no longer performing any attest work. If he returns to performing such work, he agrees to successfully complete the CPE course entitled, Professional Ethics: The AICPA’s Comprehensive Ethics Course, with a grade of 90 percent or above.

DAVID A. JOHNSON, Latham, N.Y., was admonished under the automatic disciplinary provisions of NYSSCPA bylaws Article XII–Professional Conduct and Disciplinary Proceedings, Section 5. Automatic Discipline, effective March 15, 2017, in connection with the disciplinary action taken by the New York State Education Department, Office of Professional Discipline, State Board for Public Accountancy. The State Board suspended Johnson’s license for one year, execution of said suspension was stayed, and he was placed on probation for one year and was fined $500. Johnson did not contest the disciplinary proceedings, which charged him with being convicted of committing an act constituting a crime under New York state law (Attempted Patronizing a Prostitute in the Third Degree).
Eunjung Choi was appointed to the New York City Office of the Taxpayer Advocate in June, becoming the second person to hold this position. An attorney who specialized in tax controversies, she has been working with and advocating for low-income taxpayers and immigrant communities. She sat down with The Trusted Professional to talk a bit about her background, her priorities and what the taxpayer advocate can do for the people and businesses of New York.

What does the New York City Office of the Taxpayer Advocate do?

Our mission is to help New York City taxpayers resolve their issues with the Department of Finance. Our office deals with two different issues: New York City property tax and business tax issues. New York City has one of the most complex property tax systems probably anywhere in the world. There are different tax rates, depending on what kind of property you own. Currently, you have four tax class systems, and [depending on what class] you're in, you need someone to help you sort out or maybe even explain that there is what class you're in, you need someone to help you sort out or maybe even explain that there is.

What have been your main priorities since coming into the New York City Office of the Taxpayer Advocate?

Under the last taxpayer advocate, [the office] became the centralized Tax Bill of Rights for New York City, and it's similar to the one that is currently in place at the national level. I want to make sure that this Taxpayer Bill of Rights is being respected and we don’t have violations of things like the rights that are informed, or the right to challenge, the right to be heard. Occasionally, the taxpayers would tell us, and even practitioners would tell us, that it's very hard to get through to the Department of Finance, that they spend more time chasing information than working on the problem. The issues are different, but [how we address them is] basically the same in that we are the navigators, you take a position and advocate for your taxpayers.

Drawing on your own experience as an attorney, when do you think people tend to disproportionately affect immigrants in New York City that others may not face as much?

It’s been my experience that you often see ESL communities having problems with getting information. They’re usually the last to know about certain programs, and to the extent they're getting information, sometimes there’s a lot of misinformation going on in the community because, first, there’s a language barrier for some, and then that to talk to the tax lawyer, the term is complex, even for laypeople—you're asking immigrants to absorb the terms and the complex uses of certain tax languages we as lawyers and accountants [are trained for]. When they do get and do what the tax lawyer is telling them to do, sometimes they don’t get the right information. So because they don’t get the right information, that is where they run into problems.

Do you mean just in general, or in terms of how do you see the impact?

Both. I do see this as a city issue. … I was in the southeastern Asian community, and one gentleman told me he bought a building and qualified for some exemptions. He said it was not a building in use; it was under construction, and the way the city made assessments on his tax bill, he didn’t agree. So he didn't know where to go. Friends of friends said it’s better to just pay [the bill], because you're going to have accruing interest and penalties, and he did, but he didn’t know there were certain deadlines where you can make a request, so he thought, “I’ll just pay it, and maybe can appeal it later.” Well, yeah, technically, it’s appealable, but you need to fund an appeal, and sometimes it has to happen quickly, but you really can’t address it.

So even for sophisticated taxpayers, they have those issues because they're getting misinformation. They need to be educated as to what their rights are, and how to go about qualifying, and to the extent they deserve or are entitled to a refund, how to claim it. In certain communities, they’re not used to asking for certain things, and I think a lot of their leaders and people they rely on are not well versed in different programs and how they are administered.

What have been some things your office has been doing to help them reach this point of understanding?

That’s part of my outreach, to go out there and network within the ESL community, the leaders, the practitioners, whether attorneys or CPAs; we need to go out and educate them on the different programs and how to make it easier for them to access. Also, within an ESL community can be a challenge, especially if you're not of that community, but once you get in, they're very welcoming, and in fact, they want you to come in and talk to them.

You also observe overall how the New York City tax system works and will sometimes make suggestions for improvements. What have been some improvements you would like to see happen?

One of the big things we are advocating for, [as I mentioned earlier, [is] ways to improve communication. Part of that is making notices and letters clair and user-friendly, and [to use] simple language. Second, practitioners have told me [that] accessing the Department of Finance’s policies and guidelines [is hard]. They don’t know what the Department of Finance is looking for. So one thing we’re asking is to make more available. I’m hoping it’s [going to happen] sooner rather than later.

Taxpayer data security is becoming an increasingly important issue at all levels. Is there anything the Taxpayer Advocate’s Office is doing, or can do, regarding this issue?

Just like every tax authority and agency, we don’t disclose taxpayer information, so in that way we do safeguard. The Department of Finance recently launched an E-service [for business taxpayers to check their tax information], and in order to obtain it, you need to have both the tax account number [and] the taxpayer has not been explained correctly. So it all comes down to a big picture lack of communication, or finding a better way to communicate with taxpayers.

How do you envision your relationship with the preparer community? What can they do for you, and what can you do for them?

Especially when it comes to business tax issues, oftentimes we work with CPAs or attorneys, because they are the ones representing their business clients and they come to us, sometimes because they are not able to connect with the right person … sometimes even as practitioners who have lot of experience dealing with certain issues. Sometimes, they run into a wall, so they need someone who can just open the door for them—sometimes, we are that [person]. So you can get in and talk to the right people to get their tax issues resolved for their clients. I am working to create a cheat sheet for practitioners who may not be as familiar with certain programs; you need to give them tools they can work with.

You have extensive experience advocating for taxpayers, particularly low-income taxpayers.

What’s the difference between doing taxpayer advocacy as a private citizen and doing so as taxpayer advocate?

The main difference is [that] there is no income threshold we need to monitor. When I [provided] legal services in Washington University [School of Law’s] low-income taxpayer clinic, the program wasn’t insured and who knows how many so they required you to have the taxpayers meet certain requirements, [including] an income requirement; they have to be truly low income. Whereas the taxpayer advocate, our office, we help all New York City taxpayers, whether their income is high or low; they just need to meet our case criteria, meaning [they] have a legitimate tax issue relating to property tax or business tax issues, and [they] tried to resolve the problems with the Department of Finance but got nowhere. So it could be that if [the taxpayer does] not get help, it will cause irreparable harm and [we] have to make quickly to help those taxpayers. That’s what I really like, being able to help everyone.

When I worked at the low-income tax clinic, most of my clients were very poor. Some used to be very productive and had a lot of bad things happen to them and lost everything. The issues are a little different, but [how we address them is] basically the same in that we are the navigator, you take a position and advocate for your taxpayers.

What have been some things your office has been doing to help them reach this point of understanding?

That’s part of my outreach, to go out there and network within the ESL community, the leaders, the practitioners, whether attorneys or CPAs; we need to go out and educate them on the different programs and how to make it easier for them to access. Also, within an ESL community can be a challenge, especially if you’re not of that community, but once you get in, they’re very welcoming, and in fact, they want you to come in and talk to them.
RISK MANAGEMENT

Assessing risk in litigation support engagements

By RON KLEIN, J.D., CFE

If you are an experienced CPA, you may have received calls from attorneys in need of an expert witness. Occasionally an attorney will need to designate an expert by the next day, or soon after that. You might not know the attorney well, perhaps by name only. Sometimes the attorney’s case “was on the verge of settling, but it all blew up.” Your first inclination may be to take the case, but these engagements come with some risks. Taking action to identify, assess and reduce those risks prior to and during the engagement will help protect you and your practice from future claims.

Settlements—regrettably that the attorney either accepted one or turned one down—and billing disputes are cited as the two main reasons leading to forensic and litigation support claims against CPAs. Therefore, it is imperative for you to identify and assess the risks before entering into these types of engagements.

The most important determining factor in assessing risk is the attorney you work for. Depending on the circumstances of the engagement, the attorney may be the only person directly communicating with the primary client. The attorney will also be instrumental in making sure that the client understands the risks and rewards associated with the case, especially in advising the client on whether or not to settle.

When it comes to billing disputes, it isn’t always disputes over your bill that can cause problems. The attorney and client may have a fee dispute, and that can easily turn into a dispute with you. It is not unusual for the client to be used for fees by the attorney and respond by claiming that you, the CPA, and the attorney committed malpractice. Of course, the idea is to trade their lawsuit for the attorney’s receivable. This is especially prevalent in family law matters.

So how do you decide? Here are some factors to consider:

• It is best to have a working relationship with the attorney even before the engagement. Of course, much of the time this is not feasible. Probing for CPAs or attorneys you both know is a good place to start.
• How and when the attorney contacts you are also important. It’s best to enter into this type of engagement with no looming deadlines and to secure an understanding of the case before accepting it. A looming deadline and the reason for it should give you pause. Be careful. Some attorneys have been known to shop for forensic accountants solely to argue that your conversation with them means you would have a conflict if the opposing side’s attorney wants to hire you for the same case.
• Can the attorney “protect” you on fees? Can the client supply a retainer sufficient to cover your risk? Retainers are meant to be retained until the end of the engagement. Matters of family law often present difficult fee and retainer issues, especially if you are working for the “out” spouse. Again, an attorney willing to protect you on fees can be crucial.
• Once you accept an engagement as a designated expert and the time to designate an expert has passed, it becomes difficult to resign. You need to protect yourself in your engagement agreement. Consider a clause stipulating that your bills must be current, in addition to a retainer, before you are to testify, and that you may resign if the bills are not current. This doesn’t necessarily mean you have to turn down the case. At the very least, it puts you in a better bargaining position.
• Always maintain open lines of communication among all parties—the attorney and the client. Otherwise, your communications intended for the client may never get there or may not be honored by the attorney. Many a “regrets over settlement” claim has revolved around whether the CPAs concerns were ever communicated to the client and, if not, whether the CPA is liable for not communicating the concerns directly to the client.
• Make sure the attorney has malpractice insurance in the event things “blow up.” If the attorney is not collectible, the client will be forced to concentrate on you as the culprit. Almost all large law firms have insurance, but a sole practitioner may not. Do your due diligence.
• As with all claims, there are two immutable truths: Bad client results often lead to allegations of negligence, and forensic or litigation support claims do not get better with age. Whenever you get nervous during an engagement, it is time to reassess the risks and rewards, and to seek the advice of your risk management adviser. If you get nervous about the competency of the attorney, reassess and seek advice. If you get nervous because you cannot communicate directly with the client, reassess and seek advice. No matter what the reason, when you get nervous about the engagement, reassess and seek advice. Remember, it is always cheaper to clean up milk before you spill it.

With all of these concerns, you might get discouraged, but you can be heartened by the fact that forensic or litigation support engagements are not usually considered high-risk engagements. Of course, those are just statistics. If it happens to you, statistics will provide little comfort, so stay alert and look for warning signs.

Ron Klein, J.D., CFE, is risk management counsel with Camico (www.camico.com). He has been with Camico since its inception in 1986 and managed the claims department for 20 years. In his current role, he leverages his extensive knowledge and expertise of CPA professional liability issues to help Camico policyholders practice sound risk management, which can help them avoid or mitigate claims.

High school seniors get early introduction to IRS through VITA

By CHRIS GAETANO

Trusted Professional Staff

You’re never too young to learn how to file a tax return—something the high school seniors at the Academy of Finance in Monticello, N.Y., have demonstrated through their participation in their local Volunteer Income Tax Assistance program (VITA). While VITA is more typically seen on college campuses, Susan Bahnenburg, who teaches financial accounting, decision making and international business at the school, thought the program would be a good experience for high school students as well. That was 10 years ago. Since then, the program has been a resounding success. Bahnenburg said that every senior participates as part of his or her financial decision-making class. In that class, students are trained on the IRS-provided software and then, between February and April, help people in the community to file their taxes. Because participation is calculated into their final grade, the students need to put at least 15 hours into the program.

Before serving as VITA accountants, the students are also marketers: As part of their business communications class, they create and distribute fliers, secure advertising on local cable channels, and even set up phone campaigns, all to promote the program and let people know it’s available to them.

Last year, said Bahnenburg, the class had completed 175 tax returns—the highest number to date—though she added that the students hoped to break that record this year. As of early April, she reported, the class of 23 high school seniors had prepared 139 returns, saving the public more than $32,000 in tax preparation fees. While she and a colleague supervise the students, she said it’s rare that they need to intervene, as the students are able to handle the vast majority of situations themselves.

Rachel Rivera, one of the students, admitted that she was a little nervous preparing the first few returns, but was able to quickly find her feet.

“At first, I was a little terrified I might mess it up, something like that, but after a while, I understood it wasn’t as complex as it might have seemed, and people are just really great to interact with,” she said.

Another student, Patrick Sikorski, said he was also “up for the challenge.” He also appreciated how the program expands access to tax preparation services to people who might not have been able to afford them.

“It’s great to keep those tax prep fees in our clients’ pockets, and have that money left in our community,” he said.

Bahnenburg said that the people who use the VITA service have very positive experiences, noting that a large percentage of their clients are repeat customers, and the ones who aren’t are usually referrals from those who are. While they can’t pay for the services that the VITA students provide—despite some clients’ attempts to try—clients donate morale boosters instead, such as doughnuts, cookies or pizza, which the students always welcome. And although these students are much younger than the average tax preparer, Bahnenburg said that she can count on one hand the number of times anyone has expressed skepticism about whether they were mature enough to do the work. The rest saw what she sees: “They’re really wonderfully mature young professionals. They respect people’s financial information and confidentiality, they know this is not a dinner table conversation, and that’s one of the things I’m most proud about—the students respect and understand and portray that when sitting with a client working on a return with them,” she said.

Klein is with Camico (www.camico.com). He has been with Camico since its inception in 1986 and managed the claims department for 20 years. In his current role, he leverages his extensive knowledge and expertise of CPA professional liability issues to help Camico policyholders practice sound risk management, which can help them avoid or mitigate claims.

For information on the Camico program, call Camico directly at 800-652-1772, or contact: (Upstate) Reggie DeJean, Lawley Service, Inc., 716-849-8618, and (Downstate) Dan Hudson, Chesapeake Professional Liability Brokers, Inc., 410-757-1932.
Society Board approves changes to standing rules

On March 22, the New York State Society of Certified Public Accountants Board of Directors approved revisions to the Board’s Standing Rule 2 and Standing Rule 8.

SR-2. Selection of Board-designated members of the Nominating Committee—Pursuant to Bylaws Article IX, paragraph 1, the Board is to designate two of its members to serve on the Nominating Committee each year. This standing rule sets forth the procedure to be used by the Board in complying with this provision of the Bylaws.

a. The selections subcommittee of the Board shall propose the names of four or more Board members for formal designation by the Board.

b. The subcommittee shall present its recommendation at a meeting of the full Board no later than November 1.

c. The Board shall receive the report of the selections subcommittee and, during the discussion of the report, the President shall solicit additional names from the Board. A secret ballot shall be held of the Board members, with each director permitted to cast two votes; however, each director may cast no more than one vote for any candidate. The two directors receiving the most votes shall be the Board-designated Nominating Committee members. Of the remaining candidates, the two with the next highest number of votes shall be elected as alternates, and ranked in the order of number of votes received, in the event that one or more of the persons so selected to serve on the Nominating Committee later withdraws. Should there be a tie, then a re-vote will take place to determine the alternate(s).

SR-8. Selection of Board-designated members of the FAE Trustees—Pursuant to FAE Bylaws Article II, paragraphs 3 and 4(b), the Board may designate up to a total of three NYSSCPA members to serve on the FAE Board of Trustees, for a one-, two-, or three-year term, pursuant to any vacancies on the FAE Board of Trustees in the NYSSCPA Board-appointed positions. This standing rule sets forth the procedure to be used by the Board in complying with this provision of the FAE Bylaws.

a. The selections subcommittee of the NYSSCPA Board shall propose the names of three or more NYSSCPA Board members who have at least one year remaining on their Board term for formal designation by the Board to serve as FAE Trustees. Reference shall be made to the NYSSCPA/FAE Affiliation Agreement which may require that the NYSSCPA Secretary/Treasurer serve as the Treasurer of FAE. If such a clause appears in the Affiliation Agreement, the NYSSCPA Secretary/Treasurer shall automatically be designated as one of the three NYSSCPA Board-appointed positions on the FAE Board of Trustees.

b. The subcommittee shall present its recommendation at a meeting of the full Board no later than the last Board meeting of the fiscal year prior to the final fiscal year meeting of the FAE Board of Trustees. The subcommittee report shall detail how many vacancies are being filled and the recommended term (one, two, or three years) for each proposed candidate.

c. The Board shall receive the report of the selections subcommittee and, during the discussion of the report, the President shall solicit additional names from the Board members who have at least one year remaining on their Board terms. A secret ballot shall be held of the Board members, with each director permitted to cast one vote for each open position; however, each director may cast no more than one vote for any candidate. The members receiving the most votes shall be the Board-designated FAE Trustees. In the event that one or more of the persons so selected to serve on the FAE Board of Trustees later withdraws from such NYSSCPA Board service, or is unable to fulfill the duties as a FAE Trustee, the vacancy shall be filled pursuant to FAE Bylaws Article II, paragraph 4(b), and this standing rule.
Weinstein said that the next generation of CPAs will need to be able to leverage it in creating new processes and using different tools. “I think it’s the concept of having a vision of how to process information,” Weinstein said. “So the skill set is going to be very different. The skill set is going to be … less gathering data, because that will all be done electronically, and more interpreting data.”

But the CPA, he said, will remain in demand. “What do CPAs do? he asked. “We try to make things that are complex simple. We try to make the difficult understandable, and now we’re going to do that with all kinds of data and information provided by AI [artificial intelligence],” he said. “So the skill set is going to be very different.”

What kind of world will graduates face? Traditionally, the first few years of an accounting graduate’s career consisted largely of what could be called drudgery work. Whether it was inventory counts, comparing documents or chasing down work. Whether it was inventory counts, comparing documents or chasing down work. Whether it was inventory counts, comparing documents or chasing down work. Whether it was inventory counts, comparing documents or chasing down work. Whether it was inventory counts, comparing documents or chasing down work. Whether it was inventory counts, comparing documents or chasing down work. Whether it was inventory counts, comparing documents or chasing down work. Whether it was inventory counts, comparing documents or chasing down work. The CPA, he said, will remain in demand. Fewer firms will recruit from them. In this more analytical world, you want to develop a deep bench of professionals who can guide the firm through these changes.

Brennan said that AI will be able to handle the more rote tasks. “AI can, instead of just taking samples, take more data—perhaps PDFs of sales invoices. Sometimes, though, these images might not scan correctly. They could be blurry or off-center, or the file itself could just be corrupted and unreadable. ‘Now, audit comes along and, using AI, they’ll do a reasonable check. ‘This doesn’t look right, I’ll look at the evidence,’ and [they’ll] go to the underlying evidence that supports their test and look at it and say, ‘Wait, this is wrong because it was blurry, that image was blurry.’ The AI made a mistake,’ he said. With this growing emphasis on judgment, however, will firms need fewer people overall? If work that used to take dozens of first-years can now be done with a single computer program, what happens to those dozens of first-years? Brennan thinks that they’ll likely be reassigned. Auditors, for example, might be deployed into, say, business valuation, internal audit or consulting, all of which demand the same high level of skepticism and attention to detail that auditors need today. People redeploy all the time, he said, not just in reaction to technological change but simply because they want to do something else.

He was frank, however, in admitting that efficiencies introduced by technology could affect hiring. “I’d be lying to say it won’t be impacting headcount. … When companies put in higher-speed equipment on their production line, inevitably, that will rationalize their people,” he said. Today, though, he said that PricewaterhouseCoopers is hiring more people than ever—12 percent of them coming not from finance but from STEM (Science, Technology, Engineering, and Mathematics) backgrounds—because the firm wants to develop a deep bench of professionals who can guide the firm through these changes.

Thomas J. Ray, former chief auditor of the Public Company Accounting Oversight Board (PCAOB), said that he is reassigned. Auditors, for example, might be deployed into, say, business valuation, internal audit or consulting, all of which demand the same high level of skepticism and attention to detail that auditors need today. People redeploy all the time, he said, not just in reaction to technological change but simply because they want to do something else.

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Ray pointed out that another issue is that programs are already bumping up against the limits of what they can hold. Even the 150 credit hours required today, he said, “seem[es] like an awful lot,” and adding even more to that may not be feasible, unless the plan is for students’ college experience to consist solely of accounting classes.

“We have a very rigorous set of accounting and auditing requirements and information system-type requirements for an accounting person. You don’t want to flood them with just these technical things, but you’ve got to teach them to be thoughtful and to be able to solve problems and exercise judgment, so it’s a real challenge,” he said.

Franklin believes that the traditional accounting program is unlikely to remain in place for long. The accounting curriculum of five years from now, he said, will look very different in order to meet the demand from firms that don’t want to have to train new graduates on the job about how their software works. Schools that don’t make these kinds of adjustments will begin failing, Franklin said, as fewer and fewer firms will recruit from them. In this regard, he said, “there are no guarantees” about the future of accounting programs because it’s a race: Schools that can adjust their curricula fast enough can make a bigger impact than they have in the past. Le Moyne College, for example, has already launched a joint program covering both accounting and management information systems.
Change is on Baruch College’s radar screen as well, according to Robert H. Colson, a distinguished lecturer there, where he also directs the M.S. in Accountancy program. His school, he said, will soon begin offering undergrads a five-year program that will give them the option of getting a master’s degree in computer information systems while, at the same time, allowing them to take enough classes to qualify for CPA licensure.

Gerald S. Silberstein, an accountancy professor at Sage College of Albany, is unconvinced, however, that firms will require a great degree of technological proficiency in most of their new hires. He noted that professionals don’t have to know exactly how a tool works in order to use that tool. To illustrate, Silberstein said that there’s sophisticated auditing software today, but auditors don’t necessarily need to code, Silberstein thinks he said. While the CPA of the future may not need to know exactly how to code, that person will still need to know how to communicate with and understand those who do.

So what should accounting students do? Keeping all of this in mind, what should accounting students be doing today so that they can best prepare for the jobs of tomorrow? The general consensus seemed to be that students should supplement their accounting curricula with additional classes outside the program to build a strong technical base and stand out from the crowd. “I would say someone in that position would try to take some IT courses in college and immerse themselves in the subject matter relating to it, understanding how companies integrate these systems in their business and how these controls are designed and how they’re supposed to operate,” said Salvatore A. Collemi, a consultant who specializes in corporate governance and risk management.

Taking these steps, he said, will greatly raise the bar in terms of complexity.”

While these types of classes could be available in other programs, he feared that they might be watered down. Similarly, he said that students should also make sure they take intermediate and advanced statistics courses, warning that introductory classes are “insufficient.” On top of this, he advised that students should seek out introductory courses on data science and database structure, once again, taking care to enroll in the ones given to computer science majors.

”You’ll still have to develop relationships, you’ll still have client or customer service, you’ll still have to talk to one another, and then there’s also a whole set of things related to audits that you really can’t tell from looking at a dump of all the transactions,” he said.

Priscilla Z. “Penny” Wightman, an accounting professor at Hartwick College, said that the next five years, she predicts this type of skill set will be part of the minimum competencies that firms require of their first-years.

“It will be] just like knowing debits and credits,” she said, “You’ll have to be able to understand databases, to create them, to know how to ensure their quality and protect that information.”

—Priscilla Z. “Penny” Wightman, Hartwick College

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FINANCIAL REPORTING AND AUDITING WORLD; TO EFFECTIVELY COMBINE THE TWO, HE SAID, WOULD MAKE FOR A “VERY FORINMABLE” PROFESSIONAL. Neuron made a similar suggestion, but added that these IT classes should have the same academic rigor as those that are presented to computer science majors.

“[It will be] just like knowing debits and credits,” she said. “You’ll have to be able to understand databases, to create them, to know how to ensure their quality and protect that information, and so this notion of big data, of information in the cloud, has raised the bar in terms of complexity.”

The data, though, Colson said, is really only one part of the work. What comes first, he said, is a CPAs ability to communicate.

“You’ll still have to develop relationships, you’ll still have client or customer service, you’ll still have to talk to one another, and then there’s also a whole set of things related to audits that you really can’t tell from looking at a dump of all the transactions,” he said.
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Diversity and Inclusion Committee

Continued from page 1

within the Society about the need for such a group; the discussions reached a critical mass, leading to the committee’s formation.

Herringer was one of the people having these conversations. She said she’d often wonder why it was that the Society didn’t have a committee addressing issues involving diversity, because it’s a very important matter for the profession to face, even from just a purely business perspective.

“I think in order for firms to really reach their own potential, you have to embrace the total population of your firm, which is comprised of women, men, people of color; all different walks of life come into your firm, and those are your resources. Especially in a service world like accounting, these people are how you are going to be profitable,” she said.

The committee held its first meeting in February, and already, its members have formed subcommittees—including the Women’s Initiative—and held a breakfast panel on diversity, Herringer added.

Bwerinofa-Petrozzello also mentioned that she has “grand hopes and dreams” for the committee, but for now, it is mainly concerned with listening.

“We’re trying to work with our membership and talk to various people about what their challenges are, either on the path to becoming a CPA or when they’re in the workplace and navigating their careers and getting through promotions, or just being happy when working,” she said. “One of the things we’re really trying not to do is just do [the] things we think are important; [instead, we are] looking at our membership and seeing what their needs are and addressing them,” she said.

Bwerinofa-Petrozzello also mentioned that the committee can serve as a bridge to the Society’s Career Opportunities in the Profession (COAP) program, which was also formed as a way to increase racial diversity within the profession in New York state and among aspiring professionals at all stages in their careers, not just in college.

With COAP, we do very important work with students, and after that, we release them into the world, and then we wonder where they disappear to when we haven’t really kept in touch with them,” she said.

Mentoring is a topic that has come up frequently, so far.

Bwerinofa-Petrozzello noted that it can sometimes be a challenge for people to envision themselves as leaders because they don’t see anyone else who looks like them at the leadership level. Mentorship can be a valuable component in addressing this problem.

“I’ve had conversations with even part-time at firms who maybe had seen a woman who was doing well and felt [she] would succeed, but she didn’t see herself as a partner and left, because no one had that conversation with her about success, and she wasn’t seeing anyone who looked like her in leadership. So, it wouldn’t cross her mind that this is something that could be achieved,” she said.

Bwerinofa-Petrozzello added that it’s also important that the committee be a place where all stakeholders sit at the table—she noted that firms leadership still tends to be mostly white and mostly male, and so efforts to improve diversity cannot succeed if they are not on board, too.

“In order for anyone to move up or be promoted, they have to be promoted by that very leadership, and if that leadership does not believe in any of the stances we take, any of the conversations we have about diversity or inclusion, if it’s not something they buy into, it’s never going to happen. So, it’s important for everyone to be involved in this conversation where we’re all understanding where we’re coming from and get to a place where we’re all successful,” she said.

Room for improvement

So how is the profession doing, in terms of getting to this place? Both Herringer and Bwerinofa-Petrozzello said that circumstances are better than they were, but there’s still a lot of room for improvement.

Bwerinofa-Petrozzello noted, for instance, that at a certain point the profession was less than 1 percent black. Today, the National Association of Black Accountants says that this number is closer to 9 percent.

While this is certainly an improvement, she said that this is “nowhere near representative of American society.”

“I know [the numbers] have improved, but we have definitely not reached a goal of seeing the profession that looks like the community in which we live,” she said.

Herringer, meanwhile, noted that while women make up about 50 percent of entry-level accountants, firm leadership is still dominated by men. She said that it’s important to have discussions about these kinds of issues. What’s really important, she said, is to set concrete, specific goals, such as increasing female representation in firm leadership by 5 percent.

“We can have a lot of discussions and programs and events, but we need to have some measurable goals, and that is something I’d like to look forward to, something to move toward so we can have some achievements… Without a plan, you’re going to waver,” she said.

Bwerinofa-Petrozzello agreed, noting that it’s important not to make the perfect the enemy of the good when assessing progress.

“We have moved forward, and just because we’re not in an ideal space doesn’t mean it’s not going to happen,” she said. “But if we don’t believe in the ideal and don’t set that goal, it’s never going to happen. I think this is one of the biggest challenges: to keep the faith and keep plugging away, as difficult as it is, as challenging as it is, as uncomfortable as it can be.”

NYSSCPA President F. Michael Zovistoski said, “The CPA profession has come a long way in terms of racial and gender diversity, but we’re still not seeing growth at the corporate or firm leadership level. This committee, which everyone is encouraged to join, seeks to address that and other issues surrounding the representation of women and persons of color in the profession as a whole, in the NYSSCPA and in leadership positions.”

Herringer pointed out that this year’s International Women’s Day hashtag for social media, #BeBoldForChange, can be applied to the work of the Society’s new committee as well as for the broader diversity initiatives of the profession.

“So, be bold. I think that means be bold yourself, challenge yourself and move forward. But also for everyone around us, for people who want diversity and inclusion to succeed: Be bold and help others achieve that,” she said.

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New Society committee focuses on accounting education for next generation

By CHRIS GAETANO
Trusted Professional Staff

From new technology to shifting client demands, the accounting profession has found itself in a period of rapid change, and accounting education has to change with it. In order to meet the challenges that come with these changes, the NYSSCPA has formed a new Academic Advancement and Higher Education Committee, which aims to bring together all stakeholders in the education of the next generation of CPAs.

Chair Cynthia A. Scarinci, an accounting professor at the College of Staten Island, said that with the launching of the new CPA exam—which emphasizes task-based simulations over multiple choice questions—she thought it was important that there be a Society-level committee devoted to looking at issues relating to how students prepare to transition into the workplace. Similarly, she has heard employers that new graduates often lack the face-to-face skills that are needed to do in order to help them.

The committee will have a broad focus, encompassing not just accounting educators but also what potential employers expect from the students they teach, and so Scarinci hopes the committee will attract a diverse array of members from across the profession. The committee structure reflects this, as it’s organized to include several sub-committees devoted to particular areas, such as high school students, college students, licensure requirements, exam preparation and employer needs.

Scarinci said that these groups can be sounding boards to discuss issues relevant to accounting education, as well as bases for further collaboration: What are employers looking for in their new hires, and how can educators help their students meet these expectations?

For example, she said many firm leaders have reported a need for new hires with soft skills. While technology has done much to facilitate communication, Scarinci said firms are finding that new graduates often lack the face-to-face interpersonal skills they need to be effective in the workplace. Similarly, she has heard employers lament a lack of writing skills among new graduates, and ask that education include more preparation for things like preparing workpapers or professional emails.

“In years past, you had to think about it, you had to put pen to paper and write it out, so there’s a little more cognitive effort. Nowadays not as much, and students need to be reminded of that,” she said. “They’re also used to jargon [when] they’re texting each other, and you can’t use jargon in a professional environment.”

At the same time, the committee also will establish communication channels with firms so that they can let firms know about the issue they’re facing in educating their future employees.

NYSSCPA President F. Michael Zovistoski said, “This committee has a very different mission than the Higher Education Committee of the past. The committee will tackle some of the most critical issues facing accounting education right now, most notably, how technology is dramatically shifting what firms need from new recruits. With these changes will come necessary amendments to the law and accounting regulations, and the committee will play a large role in recommending to the Society Board what those changes should be.”

While Scarinci anticipates that, at first, the committee will have a largely academic focus, she hopes that it will eventually contain members from public accounting firms, government agencies, not-for-profit organizations and other employers.

“I think we are the representatives for both the students and the employers, so I think it’s important for us to be available to hear what employers have to say and what they’re looking for in students, to hear from students about what they think they need, and to try to make the two match so they can better prepare for the workplace and become CPAs,” she said.

The Academic Advancement and Higher Education Committee held its first meeting on April 28. NYSSCPA members interested in joining the committee can contact Nereida Gomez at ngomez@nysscpa.org.

Equity crowdfunding panel

Continued from page 16

Mollick also noted that crowdfunding has traditionally been good at spotting bad investments and frauds. The failure rate of crowdsourced projects is about 9 percent, he said, observing that it is “amazing” that 91 percent of projects end up delivering. Fraud rates, meanwhile, appear to be low, with less than 1 percent of money going to projects that he said are outright frauds.

Schimpp said that this “wisdom of the crowd” can do much to “derisk the riskiest space for investors.” That sense of stability, in turn, might serve to attract bigger investors who have stayed away from the crowdfunding world due to the perception that it’s particularly risky.

“So some of the value add is using crowdfunding approaches to derisk what has traditionally been a more risky area using the traditional investment paradigm,” she said.

However, Mollick noted that this de-risking isn’t automatic. The wisdom of the crowd requires an actual crowd. For example, he said that crowdfunding approaches to derisk what has traditionally been a more risky area using the traditional investment paradigm, “isn’t automatic. The wisdom of the crowd requires an actual crowd.”

Beyond just the crowd, though, Ellenoff pointed out that the regulations do much to protect investors; these rules were put in place because of concerns about unsophisticated people being taken in by fraudsters.

The rules say that equity crowdfunding can take place only through approved portals, and these portals are heavily regulated. These regulations, on top of the already stringent requirements for issuers, have served to set many people’s minds at ease over their initial concerns.

This environment has translated into a lot of early enthusiasm for equity crowdfunding. Ellenoff said that, as of today, there have been 235 campaigns posted to 22 approved platforms that have, in turn, raised almost $25 million, with the average investment being under $1,000. On average, he said, each campaign raises about a quarter of a million dollars to fund startups with valuations averaging about $5.5 million.

“We have the beginnings of a marketplace a lot of naysayers did not believe would ever come to fruition. And it’s working… If it’s working, then it’s doing what it’s supposed to do and funding small business in a healthy and positive way,” he said.
By CHRIS GAETANO
Trusted Professional Staff

The time John J. Kearney, the winner of this year’s Distinguished Service Award, became NYSSCPA president in 2004, he had already had more than a decade of dedicated Society activity behind him. He had served as a member of the Board of Directors, the Foundation for Accounting Education (FAE) Board of Trustees, the Benevolent Fund, 10 committees and three task forces. No slouch at the chapter level, he had also served as treasurer, vice president and, eventually, president of the Nassau Chapter. Kearney, a partner at Jaeckle Kearney & Lepselter, became the Society president at a time when the wounds of Arthur Andersen were still fresh in the profession’s mind. Kearney’s tenure as president was marked by efforts to raise the bar for accounting professionals.

“We were always advocating for an update of the profession’s laws, so that the public was better protected. CPAs—99.9 percent of them—are trying to do the right thing. We needed to just kind of help them along and protect them and educate them and work with them so they would be able to do their job and do it well. That’s the kind of stuff we looked at there,” he said.

Years before the enactment of a reform law in 2009 encompassing all three changes, Kearney advocated for mandatory peer review, universal CPE requirements and an expansion of professional experience requirements for certification. He also worked with the AICPA and the New York State Education Department (NYSED) on implementing changes to the peer review program based on recommendations outlined in an earlier NYSSCPA report. During his 2004–2005 term as president, the Society also collaborated with the Office of the State Comptroller on the state’s society also collaborated with the Office of the State Comptroller on the state’s school district expertise.

“We need to get back to the basics, reinforce our core values and continue to improve our skills set. We need to work together to promote our profession as honest, hardworking and competent. Over time, these steps will help us reclaim our role as the trusted professional,” said Kearney in his inaugural president’s message in the June 2004 issue of The Trusted Professional.

Kearney also saw significant changes in the NYSSCPA itself. His term saw by-laws changes that toughened ethics requirements by automatically disciplining members sanctioned by the Public Company Accounting Oversight Board or other regulatory bodies and made peer review a requirement for membership.

Kearney also advocated for the Society to expand its vision beyond public accounting firms; during his presidency, the Society undertook an initiative called “CPAs on Boards” to match nonprofit organizations with competent CPAs who could advise them on financial integrity. He also said that the Society could do more to support members in industry—who, he noted, have different circumstances and needs than those who work in public accounting firms—launching an extension education program specifically targeted to industry members’ professional responsibilities and areas of expertise and interest.

Kearney remained an active member after his term as president was over, continuing to serve on numerous Society committees and task forces, including the Board of Directors and the Executive, the Quality Enhancement Policy and the Political Action Committee. Needless to say, he was—and remains—a busy guy. But while he acknowledged that he has given much to the Society, he said that a big part of his motivation for being so involved is how much the Society has, in turn, given him.

“I’ve always felt, in my mind, that whenever you gave something, you always seemed to get more out of it—you know, whether it was involvement in the tax committees or lecturing, it enhanced and improved your skill set, because if you had to speak on something, you had to be better prepared than anyone listening to you. So, it helped from that standpoint. And, hey, if it helps things get better for everyone else [too], then I’m willing to help out and pitch in, and that’s the way I’ve always done a lot of things,” he said.

Kearney was humble about the Distinguished Service Award, noting that he’s not the kind of person to chase the spotlight, though he said that it was nice to be acknowledged for the work he’s put into the Society.

“I really appreciate it, because I put in a lot of time and effort over the years, but I’m not really looking for accolades—it’s not in my personality. As long as [the Society’s] successful, I’m happy. I’m not big on taking the bows,” he said.

He remains an active voice in the profession today—as a member of the New York State Board for Public Accountancy, he advises the NYSED on matters relevant to the state’s CPA profession, ensuring that the state’s rules and regulations continue to protect the public and meet the needs of an evolving profession in a state that hosts the nation’s financial capital. As was the case during his presidency, Kearney is doing this at a time when the profession is undergoing rapid transformation and finding numerous challenges in adapting to business changes. However these changes play out, though, he is confident that the Society’s close relationship with the board will help the profession to meet them.

“The involvement of the Society and the good working relationship they’ve always had with the state board and the legislature [helps the Society with] working on things that are good for the profession and public. There’s always been that good working relationship. … What we’ve always advocated to the legislature and to the state board are the things that improve and enhance the profession. That’s the mantra of a profession looking out for the public,” he said.

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NYSSCPA AWARD WINNERS FOR 2017

Distinguished Service Award winner pressed profession to raise the bar

By CHRIS GAETANO
Trusted Professional Staff

With 32 years of experience under his belt, NYSSCPA member Edward J. Torres, the recipient of this year’s Outstanding CPA in Government Award, knows more than most about both how gratifying and how frustrating working for New York City can really be.

He made a name for himself in City Hall while still a student at Baruch College, securing a job at the Fire Department of New York (FDNY) through the school’s placement office—mainly, said Torres, because he’d just moved out of his parents’ home and needed a job to avoid going back.

Within a year, he had written a book-length report on the FDNY’s internal controls that impressed high up the chain, with staff members of the Office of the New York City Comptroller saying that it was the best internal control report they’d seen that year.

The report also served him well when he made the move to the New York City Board of Education (now the New York City Department of Education). He had been with the FDNY for about six years at that point, having stayed on after graduation, when he decided he needed a more permanent position. After he took the exams to be either a management auditor or a tax auditor, and ranked No. 20 and 21, respectively, out of about 5,000 other exam takers, the Board of Education asked him to come in for an interview. He brought a copy of his report.

“There were five people in my interview, like the Spanish Inquisition!” he joked. But he said they really liked both him and the report, and offered him the job.

The job, which involved certifying financial reports from the board’s TV station, was what enabled Torres to then get his license, as he was working under the direct supervision of a CPA. After passing the exam, he became the person who signed the certifications. As at the FDNY, he moved up the ranks, going from, in his words, “assistant post to the post,” before, eventually, becoming auditor general, where he stayed for 20 years.

“When I was auditor general, we had a $20 billion-a-year budget that I oversaw and audited, and the thing is, that’s bigger than a lot of countries,” he said.

Outstanding CPA in Government award reflects on 32 years serving NYC

By CHRIS GAETANO
Trusted Professional Staff

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Continued on page 20
Denise M. Stefano, the recipient of this year’s Dr. Emanuel Saxe Outstanding CPA in Education Award, had no intention of becoming a CPA. Growing up in south Yonkers, she left high school ready to pursue a career in music, and even had a recording contract with a small company. But circumstances changed, and the contract fell through, leaving Stefano to reflect on what it was she wanted to do with her life. After thinking about it for a few years, Stefano went back to school at 27 and pursued a career in accounting education.

Since that time, she has been intensely involved in fostering the next generation of CPAs. While her initial goal was getting a job in one of the big accounting firms, as she advanced in her college career, she found herself increasingly inspired by her professors—more and more, she pictured herself in front of a classroom and found that it made perfect sense.

“I was very inspired by those who were teaching me—I always sat there in class and said, ‘Someday, I’m going to get up there and be like them and impart my knowledge to someone else,’” she said.

In particular, Rita M. Piazza, an assistant professor at Iona College at the time, as one of the teachers who inspired her, though Piazza herself noted that Stefano’s growth and success have, in turn, inspired so many more.

“Teachers are the best way to recruit dedicated professionals. They do this when they show an enthusiasm for the profession and a sincere interest in their students. It is also no great surprise that she was an introductory class of accounting. I impressed Denise with this, and she, in turn, has impressed her students,” said Piazza.

Stefano, who worked full-time, first as a sitting government, he said, is more challenging than most private individuals could ever imagine, and even the best of intentions can go astray.

“What winds up happening is, sometimes, [with] all these controls and all the

For instance, he was able to take big-picture concepts to people who may not be aware of all the thought going into a particular government initiative, which helped when advising clients on how they could improve their businesses, as well as figuring out how to improve his own.

“When you’re a small guy, you just say, ‘Oh, it would be great to implement a million dollars,’” he said.

He also said that Stefano was a struggle containing with apathy and inefficiency within the government, like a stereotypical government employee [where] they don’t really care," but he added that it meant he never got bored.

Not only does Stefano bring that same level of pragmatic focus to her own lessons. Stefano tries to bring that same level of pragmatic focus to her own experience.

“The practical flavor they brought to the classroom, I thought, was just key,” she said. “When I began to teach, that’s what I think students now see in me—come from all walks of life. I’ve worked in public accounting, private accounting, been a controller, a CPA. I bring a lot of practical experience to the classroom. They get it, and say, ‘Oh, that’s why you do that.’ And that’s the same thing I said when I was a student.”

She’s known among both students and colleagues for her inestimable energy reserve, earning the nickname Energizer Bunny. It’s obvious from her activity. Beyond teaching classes in every subject but taxation, Stefano is also intensely involved in CPA exam prep. Not only does she teach the entire course herself, but the major exam prep companies have tapped her expertise numerous times over the years. While maintaining a full teaching schedule, she also worked first as a consultant and richly productive of product development with SmartPros Ltd. for 10 years, as well as edited materials for John Wiley & Sons for one year. She has checked question banks for errors and inconsistencies, mapped questions against the CPA exam blueprint, and streamlined presentation materials to make them more accessible.

“Being able to give my insight, looking at the materials from a student’s perspective, saying, ‘There’s a redundancy there,’ this is presented at the end of the chapter but should be put up here—that kind of thing was very attractive to me,” she said.

Through all of this activity, she has also found the time to write five books on the CPA exam. The first four, each of which focuses on one of the four sections of the exam, were published in 2014, while the fifth, 2,000 Review Questions for the CMA Exam, was released just this past October. Stefano said that the books, which she co-wrote with a colleague, came about through her experiences in the CPA exam prep world. While other test prep materials will have plenty of practice questions, her own book was intended to explore the concepts behind the questions, as well.

“We like to explain every one of the answers. … We try to explain on why one answer is right and why others are not,” she said.

Stefano is also deeply committed to encouraging diversity within the profession, being involved in both her chapter’s local

Career Opportunities in the Accounting Profession (COAP) program as well as in establishing campus chapters of the National Association of Black Accountants and the Association of Latino Professionals for America. She said that many students at Mercy College are the first ones in their families to go college, which means that they don’t have family members who have gone through what they’re going through and can put them on the right track. Stefano said that this is why it’s important, as both a faculty member and department chair, to make this available and help guide them through their college careers and beyond.

“I have students all the time [who] don’t know where to go in their career; they may not know the different opportunities afforded to students, so I spend an inordinate amount of my time on this—working with students to get them prepared, to be able to interview appropriately and know what to say in an interview and get them jobs. [Many of those students] come back to me and say, ‘If not for you, I would never be where I am in my career right now,’ she said.

Westchester Chapter President Catherine M. Censullo pointed to Stefano’s dedication and her students as the reason why she nominated her for the award.

“I have known Denise personally for the past six years, and her incredible level of engagement and enthusiasm in working on every aspect of education and student development continues to amaze me,” said Censullo.

Gwendolyn Horn, who also nominated Stefano and is the secretary of the Westchester Chapter, said that Stefano exemplifies the NYSSCPA member who has the end-life time devotion to accounting education.

“Through community outreach, college curriculum planning, teaching, mentoring, special event programming and Society leadership, she has inspired, encouraged and educated students and professionals at all stages of their careers,” said Horn.

Stefano said she appreciated the recognition brought to her through the award, though she added that, in the end, the interests of the students are paramount.

“It’s about the students. That’s what this award is for: making students successful and being able to impart knowledge [to] students and have them grow in their careers,” she said.
15 years after Enron, Arthur Andersen brand resurges

By CHRIS GAETANO
Trusted Professional Staff

Fifteen years after the collapse of Arthur Andersen, two firms are now battling in court over which is the true heir to its brand name, despite its associations with the Enron scandal, one of the largest accounting frauds of all time.

Arthur Andersen had, before its spectacular fall, been one of the largest and most successful CPA firms in the world, and its ultimate end as a functioning business reduced what previously had been the Big Five into the Big Four that people know today. The melt-down came about due to the role played by some of Arthur Andersen’s leaders in Enron’s multibillion-dollar accounting fraud, which led to the firm’s 2002 conviction on charges of obstruction of justice for shredding documents related to the scandal. While the U.S. Supreme Court overruled the conviction in 2005, the firm’s association with Enron had already severely damaged the brand, and it carried on as a holding company mainly to oversee lawsuits and its own orderly dissolution. It appeared that this was the end of the Arthur Andersen brand.

In 2014, however, the tax firm WTAS, which included many Andersen alumni, decided to change its name to Andersen Tax LLC, directly referencing the former Big Five firm. Then, this year, a Paris-based firm announced its own formation under the name Arthur Andersen International. The March disclosure, however, sparked off a legal battle between the two entities over which firm should get to use the name as a trademark. In March, Andersen Tax sued the French firm in France and in federal court in San Francisco. Statements released by both firms at the time indicated that neither intended to stand aside on the matter. However, on April 19, Andersen Tax announced that a settlement had been reached with MolHa Enterprises, which was running the French firm’s U.S. offices. MolHa Enterprises agreed never to use the terms “Andersen” or “Arthur Andersen” to propose its professional services consultancy. It also agreed to withdraw its membership as an affiliate of the French organization and to dissolve Arthur Andersen LLP, a California limited liability partnership that it had previously formed for the purpose of serving as an affiliate of the French organization. Litigation against other firms affiliated with the French firm over the name is ongoing.

Arthur Andersen International did not respond to a request for comment.

Resilience of the brand stems from its long-standing positive reputation

Given the Arthur Andersen brand’s association with a major accounting fraud, one might think the name would have too much baggage to be something a company would want to take on, let alone fight for in court. And for a while, it was, according to Mark L. Vorsatz, CEO of Andersen Tax and an alumnus of the original Arthur Andersen firm.

Vorsatz had been running WTAS, a firm founded by 23 former Arthur Andersen tax partners, since the former Big Five firm collapsed. He said that, in 2006, former Arthur Andersen CEO Duane Kullberg approached him about buying the name and reviving the firm. Although the U.S. Supreme Court had overturned Arthur Andersen’s criminal conviction the previous year, Vorsatz said that he and the firm’s partners thought it was still too soon to do this, despite former clients and retired partners willing to put up $100 million for the effort. Vorsatz was blunt in saying that he thought it was a bad idea.

“At the time, in 2006, the scars are still too recent. I don’t think there’s enough interest there,” he said.

It would take another seven years, until 2013, before the firm would revisit the question. Many things had happened in the meantime. WTAS began expanding internationally, and, as it did, it kept on recruiting former Arthur Andersen partners. Vorsatz said that, around this time, he asked a colleague what he thought about naming the firm Andersen, admitting that no one really liked WTAS anyway.

“He started laughing because he didn’t think I was serious,” Vorsatz said. “And then he had a bemused look on his face and said to me, ‘That would be a bold move.’ And I said, ‘Yes, the kind of move we would have made at Arthur Andersen.’

At this point, it had been 11 years since Andersen fell. Vorsatz said that switching the name still was not an easy choice. He knew that, even then, the name still had at least some association with the scandal, and so he wasn’t entirely sure it was a good idea to adopt it.

“Because, at first, when you think about it, the first thing you think of is Enron and the audit problems,” he said. Although the Supreme Court did overturn the conviction, “I’m not sure the firm was vindicated by the Supreme Court decision,” he said. “It was like the wake of the Enron scandal was so heavy. She noted, however, that there were a number of factors at play that kept it from being forever tarnished. The main thing, she said, is that Enron is not the whole story of Arthur Andersen—the firm was founded in 1913 and had almost a century of history behind it. And Andersen has been around since 1913, so this is a long-standing heritage. And Andersen was the gold standard of public accounting firms. Everyone wanted to be Andersen.”

While Enron was a significant hit to the name’s reputation, she said it was not enough to overcome its image as a high-quality CPA firm, at least among business professionals who were familiar with its work prior to the scandal.

Mark Gandy, the Global Brand Director for blue marlin, a leading brand consulting firm, said that another reason why the Andersen name still has value is that, frankly, the Enron scandal happened a long time ago, and there’s a whole new crop of corporate scandals taking up space in people’s memories. As compared to say, the collapse of Lehman Brothers or the massive AIG bailout, the Enron scandal and Arthur Andersen’s role in it just aren’t as fresh in people’s minds any more, letting the brand’s more positive aspects come to the fore.

“When we ask millennials, they’re generally not aware of Arthur Andersen as having any toxicity, so there’s an absence of negativity—and when there’s an absence of negativity, there’s scope to build up a positive brand story. However, when you mention Enron to them, everyone is aware of Enron, so this is a long-standing heritage. And Andersen was the gold standard of public accounting firms. Everyone wanted to be Andersen.”

—Jean Caragher, president, Capstone Marketing

“Anderson has been around since 1913, so this is a long-standing heritage. And Andersen was the gold standard of public accounting firms. Everyone wanted to be Andersen.”

While Enron was a significant hit to the name’s reputation, she said it was not enough to overcome its image as a high-quality CPA firm, at least among business professionals who were familiar with its work prior to the scandal. So, the firm is able to use a brand that already has established recognition, while, at the same time, distancing itself from what made the brand controversial in the first place.

Vorsatz raised similar points when speaking of the thought process that went into the name change. While Andersen Tax does view itself as a continuation of the Arthur Andersen legacy, it distances itself from the aspects that triggered the scandal through its name and the practice behind it.

“Yes, I knew Enron would come up; we’re not naive. That’s why we called it Andersen tax, to make it clear that we don’t have an audit practice,” he said.

Gandy added that people’s understanding of brands has changed over the years. Consumers, he said, have become more realistic about flaws and mistakes that companies make and are more interested in how those companies handle them. If businesses deal with a mistake with integrity, rather than deceit, then they will regain respect.

“There is a human aspect to brands. If we are able to forgive humans, then we are also able to forgive brands,” he said.

There’s also an international aspect to the brand’s enduring value. While Vorsatz acknowledged that the brand was tarnished in the United States, he said that it retains positive associations in other countries. To illustrate, he said that a private practice his firm had recently acquired was getting about two or three résumés a month; after the firm rebranded to Andersen Tax, however, it received over 600 résumés from people who wanted to work there. “That reaction has been unbelievable; both [staff] and clients are so excited about what we’re doing, it’s been a fascinating exercise, by any measure,” he said. The name change, overall—despite some initial hesitation and misgivings—has been a great decision, according to Vorsatz, who said that it creates immediate recognition around the world and helps the firm establish an image of professionalism and quality.

cgaetano@nysscpa.org
A New York State Board for Public Accountancy audit of 2016 continuing education compliance found that half of N.Y. CPAs failed to earn their ethics CPE last year. The Trusted Professional asked NYSSCPA members: How would you improve ethics CPE?

PHILIP H. KANYUK | Partner | Garden City

Having effective ethics education, I think, is very important for us. There’s a need to remind us what to do and what not to do and the impact of our actions, particularly where it concerns our role in maintaining public trust. As a litigation services accountant, I find that when I do a CPE program and interject real-life scenarios into my presentation, I go from a boring old accountant to a real storyteller. It tends to be interesting, that storytelling aspect, where we share war stories that really bring out the issues we’re discussing, and it helps the audience understand what’s going on. In the same regard, with ethics CPE, I would rather hear a story about what happened with practitioner Smith or Jones, how they handled it, what the ramifications were and how they could have done things better if they had wanted to avoid the problem entirely.

MICHAEL D. DESMOND | Partner | Rochester

It has to be engaging. Yes, we all need to take ethics CPE, but if a speaker is just standing in front of a screen and reading off PowerPoint slides, I don’t get as much from it. I could do that on my own. In discussions with other CPAs, I’ve seen too many people see this requirement more as a formality, something they’re not going to be able to apply to their own work because it doesn’t speak to their actual experience. In contrast, I’ve seen some great speakers who use case studies to engage their audience and relate what they say to real-life experience, making things more interesting and impressing upon people why this is important and why it’s not always easy. There are situations where you thought something was OK, but then when you think about it more, you realize there could be some issues. You try to always take the high road, but you’re competing for business against other CPA firms in the area and sometimes might be tempted to take on clients who, while lucrative, are somewhat questionable. You have to ask yourself, “Are these the types of clients we want to work with?” These are the sort of real-life situations where ethics courses could help. It needs to speak to your actual experience—to sit for four hours in classes that have nothing to do with you isn’t productive.

DENISE A. COLLINS | Senior Analyst | Pearl River

One of the first things I think of are more real-life examples, vs. just going over the latest regulations from this or that entity. In this respect, I think ethics CPE could benefit from highlighting some of the smaller and more mundane ethical dilemmas. OK, we go to a CPE course and hear a talk about someone who embezzled millions of dollars from their company and, yes, I know that’s unethical. Easy enough. But it’s also a situation that I have a lot of trouble seeing myself in. On the other hand, there are tons of smaller, everyday ethical challenges that many people wouldn’t even register. Instead of considering the ethics of a multimillion-dollar theft, maybe highlight things like giving a contract to your brother-in-law without any bidding process whatsoever—the more down-to-earth situations that people might encounter during their careers.

KENNETH J. GRALAK | Principal | Manhattan

Our firm has people from both New York and New Jersey, and so I’ve seen the different approaches both states take to ethics requirements. In New Jersey, you are required to physically go to the class. On the other hand, people in New York have other options. They can physically go to the site, they can do it remotely over the Web or—if they’ve got a big enough office—they can have someone come in and give a talk to their firm. While many New Yorkers may appreciate this flexibility, I feel like, when it comes to ethics, there should be a requirement that you need to be there in person—no more remote viewing. Ethics is an important topic, and I think we’ve all seen how watching a webcast doesn’t have quite the same impact as being there in person. Another thing that comes to mind is that, when you sit in on a four-hour ethics session, you have to talk about the AICPA standards and the state standards, and they both cover a lot of items and a lot of rules. Maybe it would be better to have more question-and-answer type examples involving real-life scenarios—so for instance, imagine I’ve got a guy who’s doing a financial statement, but he’s also a 50 percent owner of the company. There need to be more examples of things that have gone wrong or could go wrong, and have people think about it, instead of just reading out the standards, because there can be a lot of gray areas.
### Southern Tier

**Southern Tier Officer Installation Night**  
**When:** May 16, 5:30–8 p.m.  
**Where:** Number 5, 33 South Washington Street, Binghamton  
**Cost:** $36 per person  
**Course Code:** 45060706  
**Contact:** Dany Ridos at daldous@daryaldousscpa.com

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### Nassau

**Proposed Income & Estate Tax Law Changes and Tax Panel**  
**When:** May 10, 6:00–8:30 p.m.  
**Where:** Chris and Tony’s, 352 Jericho Tpke., Syosset  
**Cost:** CPE only, free; CPE & dinner, $35 per person  
**Course Code:** 2 (taxation)  
**Contact:** 45070270  
**Contact Email:** Rosemarie Giolinasco-Barnickel at rbarnickel@mail.com

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### Stony Brook

**65th Anniversary Annual Installation Dinner**  
**When:** May 31, 6:00 p.m.  
**Where:** La Fontana, 2879 Amboy Road  
**Cost:** $65 per person  
**Course Code:** 45070070  
**Contact:** Rosemarie Giolinasco-Barnickel at rbarnickel@mail.com

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### Suffolk

**Suffolk Chapter 46th Annual Golf Outing**  
**When:** May 15, 10 a.m.–8 p.m.  
**Where:** Southward Ho Country Club, 601 W Montauk Hwy., Bay Shore  
**Cost:** $500 golf/dinner; $225 dinner only  
**Course Code:** 45080711  
**Contact:** Irene Howell at ihowell@uwz.com or 631-434-9500

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### Annual Employment Law Update**  
**When:** May 18, 8–10 a.m.  
**Where:** Empire National Bank, 1707 Veterans Highway, Islandia  
**Cost:** Free  
**CPE:** 2 (general ethics)  
**Course Code:** 29085720  
**Contact:** Jay Schwartz at jschwartz@eba.nyc

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### Annual Golf Outing Event**  
**When:** Jun. 12, 11:00 a.m.–7:30 p.m.  
**Where:** Willow Ridge Country Club, 122 North Street, Harrison  
**Cost:** Lunch, golf, cocktail hour, buffet & dessert $350; cocktail hour, buffet and dessert only $150  
**Course Code:** 45107070  
**Contact:** Jeffrey Schwartz at jschwartz@eba.nyc

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### Queens/Elmont

**Queens/Elmont Chapter Accounting & Auditing Conference**  
**When:** May 23, 8:30–5:00 p.m. (8 a.m. registration and check-in)  
**Where:** St. John’s University  
**Cost:** $150 per person; $300 foursome; $500 dinner only  
**CPE:** 8 (4 accounting; 4 auditing)  
**Course Code:** 28167722  
**Register online or call 800-537-3635

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### Buffalo

**Buffalo Chapter 14th Annual Summer Symposium**  
**When:** July 25–26, 8:30 a.m.–4:45 p.m.  
**Where:** Millennium Airport Hotel, 2040 Walden Ave., Buffalo  
**Contact:** Gregory Altman at GAltman@somerset1.com

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### Rochester

**5th Annual Rochester NextGen Golf Tournament**  
**When:** June 9, 1–5:30 p.m. (11:45 a.m.–12:45 p.m. registration)  
**Where:** Eagle Vale Golf Course, 4344 Nine Mile Point Road, Fairport  
**Cost:** $65 per golfer, $260 team of four  
**Course Code:** 45050801  
**Contact:** Riley Carhart at rcarhart@fs-cpa.com or 585-397-1309

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### Westchester

**Planning Options for the Transfer of a Primary Residence**  
**When:** May 17, 7:45–9:00 a.m.  
**Where:** Skadden Arps Slate Meagher & Flom, LLP, 360 Hamilton Avenue, 3-234, White Plains  
**Cost:** Free  
**CPE:** 1 (specialized knowledge)  
**Course Code:** 29115790  
**Contact:** Michael Herz at michaelherz@gmail.com

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### NYSSCPA Westchester Chapter Networking Event and BBQ**  
**When:** May 18, 5:30–8:30 p.m.  
**Where:** Willow Ridge Country Club, 123 North Street, Harrison  
**Cost:** TBD  
**Contact:** TBD

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### NYSSCPA Westchester Chapter Annual President’s Dinner/Reception**  
**When:** June 8, 6–9 p.m.  
**Where:** Willow Ridge Country Club, 123 North Street, Harrison  
**Cost:** TBD  
**Contact:** Licia Vizzarrella at licia.colamussi@cmcensullocpa.com

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### Annual Estate, Tax and Financial Planning Conference**  
**When:** June 9, 8:50 a.m.–5 p.m.  
**Where:** Doral Arrowwood, 975 Anderson Hill Road, Rye Brook  
**CPE:** 8 (taxation)  
**Course Code:** 28611833  
**Cost:** $150 members, $175 nonmembers  
**Register online or call 800-537-3635

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### NYSSCPA Westchester Chapter Annual President’s Installation Dinner**  
**When:** May 17, 8–10 a.m.  
**Where:** Willow Ridge Country Club, 123 North Street, Harrison  
**Cost:** $100 per person; $950 table of 10  
**Course Code:** 45080711  
**Contact:** Jay Schwartz at jschwartz@eba.nyc

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### NYSSCPA Westchester Chapter Annual President’s Installation Dinner**  
**When:** June 8, 6–9 p.m.  
**Where:** Willow Ridge Country Club, 123 North Street, Harrison  
**Cost:** TBD  
**Contact:** Licia Vizzarrella at licia.colamussi@cmcensullocpa.com
Honoring future CPAs at Education Night

By BRUCE M. ZGODA
Buffalo Chapter Co-President

I have often written about making a difference. I have said that we must always be willing to serve others, and by doing so, we will have an impact on the people we touch. This was ever so evident on Education Night on April 18, as our chapter honored our CPAs of the future. Not only did we honor our top undergraduate and graduate students—we had the privilege of presenting awards to a couple of our past presidents.

In March, we honored a very dedicated and knowledgeable past member, who was always there for others. The late Peter X. Bellanti was everything a person should stand for: a man of integrity who gave all to the lives he touched; a top CPA, a loyal partner and a distinguished speaker; a man who spoke the truth and did it with humor. He had a way of always making you feel better. It is for these reasons that we named, in honor of Peter, the annual award given to a local student with the highest CPA; and it was only recently that the person who presented this award on Education Night was Gregory J. Altman, a past president and very active member of our chapter. It was Peter who gave this award to Gregory upon his graduation from college.

Our Distinguished Service Award went to Sherry L. DelleBovi, another past president and a still-active member at the state level. Past NYSSCPA president and past chapter president Joseph M. Falbo, Jr. was the one who a while back encouraged me to get involved—and she did, with a vengeance.

I am not sure that either Peter or Joe could have ever imagined the impact they were to make on these two great individuals, Greg and Sherry. We never know, and that is why we should always do what is right and pass our knowledge to others.

We must thank Dan Welcham, our vice president, for another outstanding job of putting together a great evening together with our future CPAs. Our own Raymond N. Nowicki was our presenter, and again he made learning fun.

As Matthew Kelly, a writer, author and speaker, said, “Life is a pilgrimage, but sometimes you need a pilgrimage to discover life.” As another reason has passed, it is time to refocus and determine what is important to us. We must find that balance of work and play, as our gift to the world is found in both. Do not let it pass us by. Live each day as if it is your last. Laugh a lot, smile at someone and be kind to all.

Get involved, young CPAs, and make a difference in both your professional and personal journey.

A year ago, I passed my business over to my son so I could watch the fruit of my labor continue and grow. What a wonderful feeling it is to give and be thankful for all of our gifts. We need to focus on what we have, and not what we do not have. We must plant seeds and allow them to produce more growth. All of us seasoned veterans must give back our knowledge and wisdom. That will provide opportunities to others to experience the same wonderful things we did. We must also teach the young that everything worthwhile must be worked for. Nothing comes easy, but the rewards can be endless.

Take care of your relationships. Be respectful of your family and friends. We need them, and without them, we can become empty. Let us all make a deliberate attempt to be aware of kindness as we move through our day. We may be surprised how much of this virtue we find and experience. A simple word can generate kindness. It costs you nothing but a moment of your time. “Thank you,” “I did not mean it,” “it is OK,” “I forgive you” and “I love you” are phrases we should treasure. Let us all make a deliberate attempt to do this. I am not sure that either Peter or Joe could have ever imagined the impact they were to make on these two in the upcoming years. They and the committee are our future leaders.

After the banquet, we had the privilege of hearing our keynote speaker, Chris Hogan, speak about his book, “If I had it to do over.” Chris was a very engaging speaker and the chapter is very grateful for his time.

As I mentioned, it takes a village, or a chapter, to support members, upon whom we can call for professional or personal assistance at almost any time of the day or night. I wanted the NextGen Committee chair to see what I saw in our profession; my goal was to get more of these Next Gen members involved with the Society and the Nassau Chapter and to show them how beneficial it could be to them, their firms and this great city.

Our NextGen Committee chair, Wei Xu, stepped up to the plate and took the reins, along with her new committee co-chair, Jean David Chen, and resurrected our NextGen Committee. Because of their hard work, this committee is flourishing, and I see great things happening for these two in the upcoming years. They and their committee are our future leaders.

This resurrection would not have come to fruition if it were not for the assistance of the chapter’s officers, directors and president’s advisory board. This is truly a team effort. They take it as a village; well, for the NYSSCPA, maybe it’s a chapter. I thank Philip H. Kamuyk, Anthony Basile, Alexander Resnick, Natalie Israel Verbanac, Jon Altman, Bill Martinez, Kenneth Hauptman, Nannette Watts, Kenneth H. Rick, Pasquale Rafanelli, Wei Xu, James N. Kinney, Scott Sanders and Elizabeth A. “Lisa” Haynie. It is the collaborative efforts of the NextGen, and dare I say the “CPE Gen,” that made this successful. We all have the same goal: to see the success of our profession, and when we come together, it happens.

As I mentioned, it takes a village, or a chapter, so I extend a thank you to all of the firms that encouraged their millennials to get involved with the NYSSCPA, who saw the value in their involvement, not only to their firms’ and their clients’ benefit, but also to the benefit of their new staff members, who gain the opportunity to grow professionally and personally.

My next title is “Immediate Past President” of the Nassau Chapter, but I have been nominated to serve the Nassau Chapter as your representative to the NYSSCPA Board of Directors. Wherever you are, if you are interested, you will be able to attend the state board all the good work we do in Nassau and also bring back to the chapter information about what is going on at the NYSSCPA at the state level. I am going to miss being the Nassau Chapter president. I really did love it. I met a lot of great people, I learned so much from all of them and look forward to maintaining that relationship with them and taking that knowledge with me as their representative at the state level.

To the millenial Gen involved—it really is a great profession and organization to be a part of. It can only benefit you.

bmz4848@aol.com

Promoting the CPA profession at Career Day events

By CARINET A. BROWN
Manhattan/Bronx Chapter President-elect

One of the many ways that the Manhattan/Bronx Chapter promotes our CPA profession is through our Career Day events. These events are organized and hosted by one of our most valued members, Past President Barbara A. Marino. An event of this nature is very important to any organization or profession because it fosters continuity of the organization or profession.

Our Promoting CPA Careers Committee’s primary responsibility is to develop programs to promote our CPA profession. This is achieved by hosting at least two events each fiscal year at our Society’s office located at 14 Wall Street, to educate high school students and their teachers about our profession. These events normally run from 8 a.m. to 2 p.m. and feature members with different specializations who come and present. If you are available to present at one of our up coming Career Day events to help promote our prestigious profession, please contact Barbara A. Marino at bmz4848@thehackettggroup.com.

On another note, on May 4, we hosted a two-hour CPE event at 14 Wall Street. The topic for this event was “Executive Impersonation Fraud,” which was presented by David S. Zweighaft from DSZ Forensic Accounting & Consulting Services LLC. We thank you, Iralma Pozo, for coordinating this event.

In closing, we have received responses from members who have read our recent announcement, that love only grow. What a great organization we have; we are surrounded by knowledgeable, supportive members, upon whom we can call for professional or personal assistance at almost any time of the day or night. I wanted the NextGen Committee chair to see what I saw in our profession; my goal was to get more of these Next Gen members involved with the Society and the Nassau Chapter and to show them how beneficial it could be to them, their firms and this great city.

Our NextGen Committee chair, Wei Xu, stepped up to the plate and took the reins, along with her new committee co-chair, Jean David Chen, and resurrected our NextGen Committee. Because of their hard work, this committee is flourishing, and I see great things happening for these two in the upcoming years. They and their committee are our future leaders.

This resurrection would not have come to fruition if it were not for the assistance of the chapter’s officers, directors and president’s advisory board. This is truly a team effort. They take it as a village; well, for the NYSSCPA, maybe it’s a chapter. I thank Philip H. Kamuyk, Anthony Basile, Alexander Resnick, Natalie Israel Verbanac, Jon Altman, Bill Martinez, Kenneth Hauptman, Nannette Watts, Kenneth H. Rick, Pasquale Rafanelli, Wei Xu, James N. Kinney, Scott Sanders and Elizabeth A. “Lisa” Haynie. It is the collaborative efforts of the NextGen, and dare I say the “CPE Gen,” that made this successful. We all have the same goal: to see the success of our profession, and when we come together, it happens.

As I mentioned, it takes a village, or a chapter, so I extend a thank you to all of the firms that encouraged their millennials to get involved with the NYSSCPA, who saw the value in their involvement, not only to their firms’ and their clients’ benefit, but also to the benefit of their new staff members, who gain the opportunity to grow professionally and personally.

My next title is “Immediate Past President” of the Nassau Chapter, but I have been nominated to serve the Nassau Chapter as your representative to the NYSSCPA Board of Directors. Wherever you are, if you are interested, you will be able to attend the state board all the good work we do in Nassau and also bring back to the chapter information about what is going on at the NYSSCPA at the state level. I am going to miss being the Nassau Chapter president. I really did love it. I met a lot of great people, I learned so much from all of them and look forward to maintaining that relationship with them and taking that knowledge with me as their representative at the state level.

To the millenial Gen involved—it really is a great profession and organization to be a part of. It can only benefit you.

Our revived NextGen Committee is now flourishing

By LYNNE FUENTES
Nassau Chapter President

I love being a CPA! When I was installed as the Nassau Chapter’s 63rd president last year, that is how I started my speech, and I meant it. I truly love what I do and couldn’t wait to be president of the chapter. As this past year progressed,
Several new programs add up to a successful year

By TIM DOYLE
North East Chapter President

I can't believe how quickly the year has passed. It has been an honor to work with the Northeast Chapter officers and board on continuing the growth of our programs and participation this year. This year, we added several new programs, including a clambake, an evening out at the ballpark in July and a recent game night with the Albany Devils. We saw increased participation from our NextGen folks, present and future, through our Career Opportunities in the Accounting Professions (COAP) program, students' night and the continued growth of our NextGen group. The successes we experienced this year could not have happened without the assistance of our officers, board and committee members.

In early February, our NextGen Committee hosted a networking event at an Albany Devils hockey game. Twenty of our young profession- als and their guests attended the game, which included a networking happy hour prior to the game with drinks and pizza. Committee mem- ber Bethany Metzgar even got to ride on the Zamboni! The event was a lot of fun and a great success, and we hope to carry the success on to future events. The annual Northeast Chapter Golf Outing will be held on May 15, at Pinehaven Country Club. The outing will have a 12:30 p.m. shotgun start, followed by cocktails, dinner and awards. We anticipate having about 100 participants. The tournament benefits the Sponsor-a-Scholar program in Albany, and we have raised over $5,000 for college scholarships for students in the Capital region.

I want to give a special thank you to Christopher M. Cannucciari, our past president, for all of his assistance in my transition to president. Last, I want to note that the continued success of our chapter is in great hands, as Jennifer Pickett, our incoming president, has been an officer with the chapter for several years now and has put together another strong board. I look forward to seeing what the next year brings. Thank you, all!

Looking back, from the home stretch, on a very productive year

By JORDAN FRITZ
Rochester Chapter President

When I sat down to write this article, I realized that this would be my last during my term as president. It was around this time two years ago when I got a call from our then-president-elect, Matthew P. Bryant, asking me if I would be interested in joining the board as president-elect for the next board year starting in June, and then staying on as president for the following year. I gave it some thought and then said yes, not really knowing what I was getting myself into and also not knowing that I would be having a baby within the year. At times, I felt a bit out of place, overwhelmed and as if I wasn’t making as much progress as I had hoped; but when I look back at the past couple of years, I realize that our chapter has done a number of great things and even held some new events—keeping in mind that this is all on a volunteer basis. I have also gotten to know some of our chapter board and committee members better, and I recognize that we have a number of great people who are very dedicated to helping us have events and opportunities for our members.

Some of the events that we had just over the past few months include: an industry CPE event and a legislative breakfast with Assembly Member Brian Kolb in December, a night out at Dinosaur BBQ, an Amerks hockey game and the NextGen Volleyball Tournament in January; and Outstanding Accounting Student Award Night in April. We also have our Fifth Annual NextGen Golf Tournament on June 9 (go to https://cpe.nyscpa.org and search for 28010, for more information and to register).

I would like to thank all of this year’s board officers, executive board members and committee members for all of the work that you have done. You are putting in a great amount of effort and passion into our chapter, and it shows! I greatly appreciate all the help and guidance that many of you have given me over the past couple of years.

Also, as you know, Rochester had some severe weather affecting our area in March, from a major nor’easter to a major windstorm one week to a major snowstorm the next. These weather events left many without power or a way to get tax work done that was soon coming due. I want to thank our board members for helping come up with suggestions on ways to help our chapter members, and also the state headquarters for petitioning the New York State Department of Taxation and Finance to extend the March 15 tax filing deadline. I am glad the NYSSCPA was able to do this to assist our chapter members.

As a reminder, we are always looking for any members who are interested in being more involved in the chapter; just reach out and let us know. We welcome new members, new volunteers and new ideas! Thank you, and I look forward to continuing to be involved in our wonderful Rochester Chapter.

Celebrating the chapter's history of giving back

By DOREEN M. INSERRA
Staten Island Chapter President-elect

After almost 30 years of membership in the NYSSCPA, I am glad to say I have the privilege of serving the Staten Island Chapter as president. I am also happy to say the chapter has not only brought great insight into the CPA profession, but it has also provided me long-lasting friendships with colleagues, many practicing in and around Staten Island. The most interesting part is that we work in varying capacities—as auditors, tax managers, compliance officers, controllers, forensic accountants, financial planners, academics, and much more—yet we all have one common core: the profession. As active members, we know our strength as a team focuses on enhancing our skills, networking with our peers and learning from each other, as well as giving back to the community, either by volunteering at a local not-for-profit board, attending a job fair, or participating in our joint effort at the World of Accounting or Education Night. We also give back by contributing to the Foundation for Accounting Education’s (FAE) Excellence in Accounting Scholarship Program promoted by our former president, Sharon Sica-Costanzo. I would like to congratulate Sharon, as she has provided a goal for all Staten Island Chapter members to contribute to providing scholarships through the Mohynihan Fund.

As the NYSSCPA explains, “The Mohynihan Fund seeks to honor the memory of our past President David J. Mohynihan, who was a champion of providing educational opportunities to young adults—whether in high school, college or just starting out in their careers—and has been directly responsible for helping hundreds of young people enroll in college and, even more, to become licensed certified public accountants.” We as a chapter promote this goal and focus our efforts on bringing the profession to the younger generation whenever we get a chance—either individually as members or as a group.

This is why my goal as president will be not only to support the chapter’s efforts in reaching out to the next generation of CPAs, but also to celebrate and recognize our chapter members. This will be our first year to present the Chapter Hall of Fame Awards. Honorees shall be awarded at our 65th Anniversary Annual Installation Dinner on May 31, which will include a celebration of the chapter’s past presidents. We would like to invite all Staten Island Chapter members and new members to participate in our events, so that we can recognize their years of membership in the chapter, and just give them a congratulatory “thank you” for being part of our chapter.

Right now, I am writing this article during tax season, when we get buried in the details of our clients, but I have to say it was nice to think about May, when the warmer weather is upon us and we are able to enjoy each other’s company at monthly technical sessions, and share our experiences at chapter breakfast meetings and special educational events. The All-Day Tax Seminar in November comes to mind. No, I don’t want to think that far out because that would mean tax season would be right around the corner again. But I just would like to use this opportunity to thank all our members for the efforts they provide in supporting the chapter, even if it is just the comradeship of attending a technical session or two or maybe a legislative breakfast, which I would like to initiate this year for the chapter. Either way, we look forward to having you, and I hope that you can join us because, as I see it, the members make our chapters and our chapters make the Society.

Here is to a happy 65th anniversary to the Staten Island Chapter of the NYSSCPA, and to many more years to come!
### FAE LISTINGS

**MANHATTAN/BRONX**

#### ACCOUNTING

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<td>Strengthen your abilities as a controller and help you manage your team.</td>
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<td>The key objective of this highly interactive workshop is to discuss the current state of audit quality and focus on what CPA firm leaders and others can do to strengthen both private and public company auditors.</td>
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#### ADVISORY SERVICES

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**FOR MAY 1, 2017 THROUGH JUNE 30, 2017**
the latest trends in accounting, finance, human resources, and management team understand current economic issues through Strengthen your abilities as a controller and help your man

Annual Update for Controllers

5/10

$335
$460

Foundation for Accounting Education

SK/8 35558711

5/4

Employee Benefits Conference

 Admiralty

6/8

5/18

Controller/CFO Update: Hot Topics Facing Today's Financial Professional

In today’s rapidly changing world, finance professionals are required to wear many hats and are often the keys to the success of the organization. On one hand, they need to stay abreast of the latest proven financial skills for making the best decisions, and on the other hand, they need the best skills to motivate, manage, and lead people. We’ll cover the latest issues that all CFOs and controllers need to know about and provide how-to guidance to allow for immediate use in their organizations.

SK/4 35445712

Surgent McCoy CPE LLC

$139/5184

5/19

Winning the Fraud Battle in the Digital Age: Prevention and Detection

The focus of this course is to reduce the overall risk of fraud. It will focus on what factors contribute to turning honest employees into fraudsters. The discussion will include integrity and ethics, and how people may react in certain situations.

AICPA

$249/374/$219/344

5/15

19th Annual Business Valuation Conference

AD/4 (NYSED), SK/8 (NASBA) 35278712

Foundation for Accounting Education

$285/5410

ADVISORY SERVICES

5/18

Controller/CFO Update: Hot Topics Facing Today’s Financial Professional

In today’s rapidly changing world, finance professionals are required to wear many hats and are often the keys to the success of the organization. On one hand, they need to stay abreast of the latest proven financial skills for making the best decisions, and on the other hand, they need the best skills to motivate, manage, and lead people. We’ll cover the latest issues that all CFOs and controllers need to know about and provide how-to guidance to allow for immediate use in their organizations.

SK/4 35445712

Surgent McCoy CPE LLC

$139/5184

5/23

Forensic Accounting and Litigation Services Conference

SK/4 35175812

Foundation for Accounting Education

$310/5385

5/25

Estate Planning Conference

T/8 35697711

Foundation for Accounting Education

$285/5360

5/30

Handbook for Mastering Basis, Distributions, and Partnerships

The most difficult concepts to master when completing this course, you will be able to assist your organization in making key decisions affecting critical aspects of the business, such as enterprise risk management, financial risk, cash decisions. Become the “financial hero” of your organization, and make a positive impact on the bottom line.

SK/4 35475613

Surgent McCoy CPE LLC

$139/5184

6/1

Fraud Update: Detecting and Preventing the Top Ten Fraud Schemes

Why do fraudulent schemes succeed? This course will provide descriptions of how major frauds are perpetrated and the types of cost-effective controls that can identify and prevent these deceptive acts.

AICPA

$249/374/$219/344

6/5

Government Accounting and Auditing Conference

See course listing under Accounting.

6/6

Government Accounting and Auditing Conference

See course listing under Accounting.

ETHICS

6/5

Government Accounting and Auditing Conference

See course listing under Accounting.

SPECIALIZED KNOWLEDGE

5/4

Broker/Dealer Conference

SK/8 35558711

Foundation for Accounting Education

$335/5460

5/10

Annual Update for Controllers

Strengthen your abilities as a controller and help your management team understand current economic issues through the latest trends in accounting, finance, human resources, treasury management, and business systems.

SK/8 35503714

AICPA

$249/374/$219/344

5/15

19th Annual Business Valuation Conference

See course listing under Advisory Services.

FAEVP

Visit nysscpa.org/eb17 or call 800-537-3635 to Register!

Key Industry Knowledge to Help You Stay Current

Wednesday, June 7, 2017 (Workshop)
14 Wall Street, New York City

Thursday, June 8, 2017 (Conference)
Citi Executive Conference Center

• DOL Update: The DOL Will Share Its Insights, Including Details About the Department’s Ongoing Audit Quality Enforcement Program

• Audit Documentation: Understand the Professional Requirements for Supervision, Review, and Audit Documentation

• Peer Review Update: Address New and Recent Changes to Peer Review Guidance Related to the Reviews of Employee Benefit Plan Engagements
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