NYS tax dept. extends ‘No ID’ option for driver’s license requirement

By CHRIS GAETANO
Trusted Professional Staff

Just in time for the launch of the 2017 tax filing season, the New York State Department of Taxation and Finance (NYSDTF) confirmed, on Dec. 8, that it will continue to allow tax practitioners e-filing returns with the department to click a “No Applicable ID” box, if a client refuses to provide them with driver’s license information when they are preparing the client’s New York state income tax return.

“This is great news for our tax practitioners,” said NYSSCPA President Harold L. Deiters III. “I’d like to thank acting NYSDTF Commissioner Nonie Manion for hearing our concerns and providing some form of relief for the practitioners who want to abide by the rules, but who do not want to risk losing clients.”

The NYSDTF announced in January 2017 that, in the interests of deterring identity theft, the department would require tax practitioners to collect and report their clients’ driver’s license information when e-filing income tax returns for the 2016 tax year. Practitioners complained that the tax department informed practitioners after tax season had already begun. The tax department responded that it normally communicated only with practitioners who want to abide by the rules, but who do not want to risk losing clients.

What sole proprietors and small firms need to know about new peer review law

By COLLEEN LUTOLF
Trusted Professional Staff

On Oct. 23, Gov. Andrew Cuomo signed into law legislation that mandates peer review for firms with two or fewer CPAs that provide attest services to clients and want to continue to provide them. These firms will, like their larger counterparts, need to undergo a peer review every three years.

By eliminating an exemption for firms with two or fewer CPAs, the bill (S6026A/A7895A) aligns New York with the other 49 states, all of which require peer review for all firms that do attest work, regardless of the number of CPAs in the firm. The bill also aligns the language used to describe the process with the rest of the country by using the term “peer review,” as opposed to “mandatory quality review.”

The NYSSCPA advocated for the bill, arguing that it protected the public interest and ensured best practices within the audit community.

While the law went into effect immediately, the State Education Department’s (SED) New York State Board for Public Accountancy, which met on Oct. 25 in Albany, proposed an amendment to Section 70.10 of the regulations, which governs peer review. The Board of Regents adopted the amendment, as an emergency action, on Nov. 14. The amended language regarding notification and enrollment states:

Any firm that begins providing attest services as described in Education Law section 7401-a or otherwise becomes subject to mandatory participation in the peer review program shall:

(i) notify the department of its change in status within 30 days and provide the department with evidence of enrollment in an acceptable peer review program; and (ii) the firm shall have a peer review completed within 18 months of the date such services were first provided.

The SED is thus requiring firms both to notify the SED and to enroll in a peer review program within 30 days of becoming subject to mandatory participation so that they may meet the 18-month requirement.

Timing

Most firms fall into one of two camps:
1. You were in the middle of an attest engagement when the law was signed on Oct. 23. If this is the case, you had 30 days to notify the SED that you needed to have a peer review and also to enroll in a peer review program. That was 30 days from Oct. 23, so you needed to notify the SED by

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Start the New Year Right—FAE’s January 2018 Conferences
nysscpa.org/events

40th Annual Nonprofit Conference—Rochester
1/11/18
40th Annual Nonprofit Conference—NYC
1/18/18
Taxation of Financial Instruments and Transactions Conference
1/23/18
International Taxation Conference
1/30/18
An ambitious advocacy agenda to benefit the profession

When I became NYSSCPA president, I announced that one of my key priorities would be supporting the Society in its advocacy role. During my term, we have been pursuing a wide range of legislation and regulatory initiatives that will benefit the profession and the public.

On the regulatory front, the Society has, once again, worked with the New York State Department of Taxation and Finance (NYSDTF) to support professional entities that may be more flexible in seeking driver’s license information from taxpayers. NYSDTF recently issued a statement that says, “If the taxpayer refuses to provide the [driver’s license or state identification] information, the tax practitioner should mark the check box indicating that they have neither kept and have contemporaneous notes regarding the good faith effort to collect the client information if we were to ask.”

In October, the Society wrote a letter to NYSDTF acting Commissioner Nonie Manion, outlining our concerns about making the driver’s license information mandatory, in light of the July 29, 2017, Equifax security breach, in which 143 million customers’ data was exposed, some of it driver’s license information mandatory.

To NYSDTF acting Commissioner Nonie Manion:

Regarding the good faith effort to collect the client information if we were to ask.

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The New York State Society of CPAs and The Trusted Professional greatly value editor contributions from our members, readers and those affiliated with the accounting profession. Additionally, we are happy to publish pertinent data and notices. To ensure that each article of The Trusted Professional is distributed on a timely basis, we have issued the following deadlines by which such materials must be received:

March/April—Feb. 1

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

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

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Nominations for Society’s Board of Directors due Jan. 2

Are you interested in serving on the NYSSCPA’s Board of Directors? The Society’s 2017–2018 Nominating Committee is accepting submissions of interest by members to fill key leadership positions on the NYSSCPA’s Board of Directors. Terms begin on June 1, 2018. The deadline to submit a nomination is Tuesday, Jan. 2.

Open positions for 2018–2019 are: president-elect, which means serving a one-year term and then automatically becoming president for a one-year term; four posts for vice president, which carry a one-year term; secretary/treasurer, which ordinarily serves two consecutive one-year terms; and five at-large directors who ordinarily serve a three-year term.

Members may nominate themselves or be nominated by another member. Before submitting the name of another member for nomination, please confirm that the candidate is willing and able to serve. We also request that you submit a biography or résumé for yourself or the candidate and an email or letter indicating why you or that person should serve on the Board of Directors as a Society officer.

Please email your nominations and suggestions to the Society’s Nominating Committee, in advance of the Jan. 2 deadline, at nominations@nysscpa.org.

Chapter representatives

In addition, the Nominating Committee will be receiving nominations to fill five chapter representative Board positions from the following chapters: Buffalo, Manhattan/Bronx, Southern Tier, Syracuse and Westchester. For chapter nominations only please contact the respective chapter president to express interest in these chapter Board positions. Their contact information is as follows: Buffalo Chapter: James E. Gramkee, at jgr@gramkееfinancialconsulting.com; Manhattan/Bronx Chapter: Carner Brown, at carnet200@yahoo.com; Southern Tier Chapter: Darcy Aldous, at daldous@darcyaldouscpa.com; Syracuse Chapter: Karen M. Matticco, at kmatti@dblllc.com; Westchester Chapter: Gina Goodenow, at ginagoodenow@yahoo.com.

The Nominating Committee will meet Thursday, Jan. 11, to deliberate and interview potential candidates.

To serve on the Board, one must be a CPA member of the NYSSCPA for five continuous years and have at least two years’ service either on a statewide committee, a chapter executive board or a combination of both. For the full criteria members must meet to serve on the Society’s Board, refer to the Society’s bylaws at www.nysscpa.org/bylaws.

In addition to these bylaw requirements, the Nominating Committee is required to operate within the framework of bylaw-permitted, Board-approved protocols that can be found online at www.nysscpa.org/about/about-nysscpa/nomination-center/nominating-committee-protocols.

If you have additional questions about the nominations process, please contact NYSSCPA General Counsel Joanne Thelmo at jthelmo@nysscpa.org or call 212-719-8364.

president@nysscpa.org
When the Public Company Accounting Oversight Board (PCAOB) approved a new standard in June that significantly expanded the auditor’s report, the auditing, investment and corporate communities took notice.

In light of this dramatic change and the controversy it stirred up, the NYSSCPA invited five distinguished auditing experts, including PCAOB member Jeanette M. Franzel and Thomas J. Ray, the board’s former chief auditor, to participate in a Sept. 25 panel discussion about the benefits, challenges and consequences of the new standard. Of primary interest, for auditors and investors alike, is the new requirement to disclose “critical audit matters” (CAMs) in the auditor’s report. These are matters that the PCAOB characterizes as issues that have been—or should have been—communicated to the audit committee; are related to accounts or disclosures that are material to the financial statements; and involve especially challenging, subjective or complex auditor judgment.

Jeff Mahoney, general counsel with the Council of Institutional Investors, which came out strongly in support of the PCAOB’s proposal, said that while investors have found value in the pass/fail audit model for years, they wanted more.

“There’s been a lot of debate for years about what that something more should be,” Mahoney said. “They would like to see some communication, all stakeholders in the process consider the information in the CAMs.”

Jan Herringer, an audit specialist and the New York Society of CPAs’ president-elect, suggested that the new standard could actually encourage better communication between auditors and audit committees.

“[W]hen you’re … communicating about CAMs … that conversation [is] going to start when you’re planning when you’re starting to look at what happened last year, when you anticipate happening in the current year, and you’re going to start planning those discussions and having those discussions throughout the audit,” she said. “So … I think there’s a good chance that good audit committees and good auditors are going to have more robust conversations. And that may be better for the audit and for reporting to investors.”

But Abraham emphasized that, in order for the new standard to facilitate better communication, all stakeholders in the process will need to be educated about it.

“I think that when we implement this standard, we need to talk about training, both at the auditor level and the audit committee level, and I am not saying that the auditor should be training the audit committee,” he said. “I’m saying that we have to be able to be aware that this is a shift in thought processes and how the communications should be held.”

Ray, who is now a distinguished lecturer at Baruch College, raised the possibility that the inclusion of CAMs could lead to a lack of public confidence in the auditor’s report.

“That part of the trade-off, where we’ve got a lot of unknowns out there right now,” he said. “And I was just thinking about was: Is it possible that the disclosure of CAMs will somehow cast doubt on the auditor’s opinion on the financial statements and make people feel less confident? That’s a risk … that the profession is going to have to face as this thing rolls out.”

Franzel argued that any public confidence issue would be attributable to an audit quality problem underlying the pass/fail opinion, apart from the CAMs.

“If we have a situation after a few years where investors start noticing that financial statements and companies are blowing up in those very areas where auditors reported critical audit matters, I think that would be a sign of a much deeper audit quality problem out there, ” she said. “So I think it’s up to auditors to be sure that they’re absolutely rock solid behind that pass/fail opinion. And then the investors can separately consider the information in the CAMs.”

When the panel’s moderator, Trusted Professional Staff Writer Chris Gaetano, asked the panelists how seriously they were taking the increased risk of litigation as a result of CAMs, Abraham said that the investor community really wanted more information, not just an opportunity to see.

“In some of the [PCAOB’s Standing Ad visory Group] transcripts, people have asked some of the investor groups … ‘Is this a real audit?’ ‘Are they disciples of this auditor’s wallet? And they even proposed the concept that a safe harbor is possible. … Would you still want this information? And everybody said ‘yes,’ he said. ‘It gives me some hope … that the investing public wants to have more information, wants to understand what goes behind the pass/fail model.’”

Herringer observed that the United Kingdom’s adoption of a similar standard provides a good precedent for predicting how the standard will operate.

“I think here in the U.S., we’re in a good position because we’re not the first one to do this,” she said. “In the U.K., they’ve been doing this for over a year, and … investors seem to be truly enamored with this new information that they have. In fact, I believe that a lot of audit firms are not doing boilerplate, but they’re almost up another notch to get the best critical audit matter discussion out there.”

The event was also live-streamed on Facebook and is available on the NYSSCPA’s YouTube page at www.youtube.com/user/TheNYSSCPA. After the discussion, panelists responded to questions from both the on-site and Facebook audiences.

““If the taxpayer refuses to provide the [driver’s license or state identification] information, the tax practitioner should mark the check box indicating that they have neither and keep contemporaneous notes regarding the good faith effort to collect the client information if we were to ask,” the department said in a statement.

“On the panel, moderated by Chris Gaetano (far left), were (I-r) Jeanette M. Franzel, Charles V. Abraham, Jan Herringer, Jeff Mahoney and Thomas J. Ray.

“By RUTH SINGLETON
Trusted Professional Staff

Software developers about such changes, but that it chose to communicate with the tax preparer community after finding out that the software developers had not done any outreach on this matter.

After a conference call with NYSSCPA leadership in August, Manion said that, for the first year, the department would allow preparers to check a box that indicated the client had no such ID, if taxpayers refuse to provide their driver’s license information.

In September, credit company Equifax announced that it had been hacked and some client driver’s license information compromised. Concerned about the implications for tax practitioners in New York, the NYSSCPA, in an Oct. 10 letter to Manion, expressed concerns that the department was going to continue its practice of requiring tax practitioners to collect and maintain driver’s license information for the 2017 tax-filing year and requested that compliance with the requirement remain optional until a more secure alternative could be implemented.

“That CPA firms are already high-value targets for hackers phishing for client data is well documented. … To require tax practitioners to request and maintain their clients’ driver license information increases not only the risk of identity theft for the taxpayer, but it also puts the tax practitioner directly in the crosshairs of sophisticated hackers who see CPA firms as easy targets while, at the same time, increasing the liability of a firm,” said the letter in its entirety to Manion.

“In addition to Deities, the letter was signed by New York, Multistate and Local Taxation Committee Chair Philip J. London and the Society’s Executive Director and CEO Joanna S. Barry.

In response, Manion said on Oct. 16 that she understands the sensitivity surrounding the issue, and assured the Society that the department will take every precaution to store only what is required in a secure environment and will dispose of the information when it is no longer needed. She added that the state will also only collect the first three digits of the document ID number, which can be included to gather the information. The Society, in its reply, asked that the department still consider providing some form of relief for preparers by not assessing penalties for those who have demonstrated substantial compliance with the requirement at a rate that the department may determine.

The NYSSCPA has also called for the inclusion of a driver’s license or state identification number in the form, in the event that they have a client who does not want to share the information.

WHAT’S REQUIRED FOR 2017

☑ For tax year 2017, driver’s license or state identification information is required. For married filing joint returns, information is required for both the primary taxpayer and the non-filing spouse. If a taxpayer has been issued a driver’s license or state identification card, he or she is required to provide that information to be entered into the software.

☑ Taxpayers must provide the ID number, issuing state, issuing date and expiration date for all licenses or identification cards. If the taxpayer license/ID is a New York state driver’s license or non-driver ID, the first three characters of the document number found on the back of the license/ID must also be entered.

☑ In the event that a taxpayer does not have a driver’s license or state-issued ID, the tax preparer will be prompted by the software to indicate this. If the taxpayer does not have either a driver’s license or state-issued ID or is deceased, marking the check box indicating that he or she has neither will fulfill the requirement.

☑ If the taxpayer refuses to provide the driver’s license or state identification information, the tax practitioner should mark the check box indicating that he or she has neither and keep contemporaneous notes regarding the good faith effort to collect the client information, if the NYSSDTF were to ask.

☑ If you have any questions about the driver’s license or state identification information requirements or the new tax-filing requirements, please contact us at rsingleton@nysscpa.org.

On the panel, moderated by Chris Gaetano (far left), were (I-r) Jeanette M. Franzel, Charles V. Abraham, Jan Herringer, Jeff Mahoney and Thomas J. Ray.

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“We were pleased to see that the department is going to continue to allow preparers to check the ‘No Application’ box, in the event that they have a client who does not want to share the information.

“If the taxpayer refuses to provide the [driver’s license or state identification] information, the tax practitioner should mark the check box indicating that they have neither and keep contemporaneous notes regarding the good faith effort to collect the client information if we were to ask,” the department said in a statement.

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New peer review law
Continued from page 1

Nov. 22 that you were currently providing this service, and you had to enroll in a peer review program by that date.

2. You were not in the middle of an attest engagement on Oct. 23 and you have not become engaged between Oct. 23 and today. If you have no intention of doing attest work in the future, you do not have to do anything. In fact, if you issued your audit report on Oct. 22, the day before the bill was signed, you are not captured by the peer review law. What triggers your notification/peer review requirement is the date of a signed engagement letter after Oct. 23, 2017. Once you take on that attest engagement, that’s what sets the 30-day and 18-month clocks ticking (see Regulation 70.10 above). For example, if you are engaged to provide attest services on Dec. 1, 2017, you would have until Dec. 30, 2017, to notify the SED and enroll in a peer review program, and then 18 months from Dec. 1 (May 1, 2019) to have a completed peer review.

How to notify the SED
In order to satisfy the requirement of notifying the SED, a firm only needs to email the office at cpabd@nysed.gov; however, if a firm wishes to notify the SED through a formal letter, it may do so, at the following physical address:

New York State Education Department
Office of the Professions
State Board for Public Accountancy
89 Washington Avenue
Albany, New York 12234-1000
Phone: 518-474-3817, ext. 160
Fax: 518-474-6375

How to enroll in a peer review
Firms looking to enroll in peer review should visit the AICPA’s PRIMA (Peer Review Integrated Management Application) page at www.aicpa.org/InterestAreas/PeerReview/PRIMA.html. On that page, click on the link “Getting Started in PRIMA,” for instructions on how to create an account and enroll. By enrolling, a firm agrees to have a peer review of its accounting and auditing practice once every three years.

Definitions
If a firm only does compilations, New York state does not require the firm to be peer reviewed. The following definitions are encoded in New York State’s Education Law, Section 7401-a [emphasis added]:

“Compilation” means providing a service that presents, in the form of financial statements, information that is the representation of the management or owners of the client without undertaking to express any assurance of the accuracy of the information in the statements, to be performed in accordance with standards, developed by a federal governmental agency, commission or board or a recognized international or national professional accounting organization, that are acceptable to the department in accordance with the commissioner’s regulations;

“Attent” means providing the following public accounting services which all require the independence of licenses:

1. any audit to be performed in accordance with generally accepted auditing standards or other similar standards, developed by a federal governmental agency, commission or board or a recognized international or national professional accounting organization, that are acceptable to the department in accordance with the commissioner’s regulations;

2. any review of a financial statement to be performed in accordance with standards, developed by a federal governmental agency, commission or board or a recognized international or national professional accounting organization, that are acceptable to the department in accordance with the commissioner’s regulations;

3. any examination to be performed in accordance with attestation standards developed by a federal governmental agency, commission or board or a recognized international or national professional accounting organization, that are acceptable to the department in accordance with the commissioner’s regulations; or

4. any engagement to be performed in accordance with the auditing standards of the public company accounting oversight board.

Questions?
The NYSSCPA also has an entire staff dedicated to Peer Review Administration. If you have questions about enrolling in a peer review or want further clarification, call 212-719-8300 and ask to be connected to the Peer Review Department. If you have specific questions about your situation, the best course of action is to call the number above or to contact the State Board for Public Accountancy at 518-474-3817, ext. 160, or email cpabd@nysed.gov.
The NYSSCPA held an information session for firms subject to the new law on Nov. 20 that is available for 1 free credit of CPE for members through the self-study CPE library at https://cpe.nysscpa.org/product/28933e.
calof@nysscpa.org
Society to transfer peer review administration to Pennsylvania Institute in March

By RUTH SINGLETON
Trusted Professional Staff

On March 15, 2018, the NYSSCPA will hand off its peer review administration responsibilities to the Pennsylvania Institute of CPAs (PICPA). As of that date, the PICPA will become the administering entity (AE) for New York state CPA firms that are required to undergo peer review, meaning all firms that perform attest services, as well as firms that include members of the American Institute of CPAs (AICPA) and perform work for which that organization requires peer review.

“The administration of the PRP [Peer Review Program] requires a significant investment of Society resources, particularly going forward to meet the requirements of the new AICPA administrative proposals,” wrote NYSSCPA Executive Director and CEO Joanne S. Barry and Brenda K. Santoro, chair of the Society’s Peer Review Committee, in a Sept. 25 letter to firms and peer reviewers.

Instead of expending resources on an administrative function that could be absorbed by another state society executing the same program, they added, eliminating the peer review program will allow the NYSSCPA to increase its educational and peer review resources to firms undergoing peer review.

The Society’s decision was the result of a two-year process of analysis and discussion undertaken by its Board of Directors, Executive Committee and staff about the demands of the administrative process.

As stated in the Sept. 25 letter, the NYSSCPA selected the PICPA as the new AE based on a number of factors, including the comparability of the size of the firms they administer to New York firms and that they have dedicated, experienced full-time staff who can offer the kind of assistance to New York firms that you have come to expect.”

The NYSSCPA chose March 15 as the date of transition because it tends to be a slower time for peer reviews, when the inventory of reviews is lower, which will allow the transition to be as smooth as possible.

At whatever stage of peer review the firms and reviewers are in on March 15—from notification that a peer review is due through filling out the information form, selecting a reviewer, selecting a date, the peer review itself, the AE’s technical review, and the ultimate decision by the RABs—the PICPA will begin to take over all responsibilities of the AE from the NYSSCPA.

At least a dozen members of the NYSSCPA’s Peer Review Committee have already committed to participating in the PICPA Peer Review Committee’s RABs. In fact, the PICPA will be holding some RAB meetings in locations in New York state. A blended complement of NYSSCPA and PICPA Peer Review Committee members will conduct the RAB process.

Among the benefits of the new arrangement is that an out-of-state AE can provide New York firms with a broader perspective. In addition, the presence of Pennsylvania CPAs on the RABs can mitigate concerns about reviews being looked at by local competitors.

There will be a few exceptions to the transition set to take place on March 15. The NYSSCPA will retain a degree of responsibility for a very small number of peer reviews that are undergoing appeals.

Firms or reviewers with questions about the transition process can contact the NYSSCPA peer review team at peerreview@nysscpa.org or 212-719-8300, or they can contact Allison M. Henry, vice president—professional and technical standards at the PICPA, at ahenny@picpa.org or 215-972-6187.

ringleton@nysscpa.org

Eliminating the peer review program will allow the NYSSCPA to increase its educational and peer review resources to firms undergoing peer review.

What that means for New York CPA firms and reviewers is that there will ultimately be more resources available for the administration of the AICPA’s PRP, as the PICPA will have the benefit of its own resources and those of the NYSSCPA’s Peer Review Committee, which will continue its work after the transition. Members of the NYSSCPA’s Peer Review Committee will work with the PICPA Peer Review Committee and participate on that committee’s Report Acceptance Bodies (RAB).

The AICPA set forth its administrative proposals in a publication titled, “Proposed Evolution of Peer Review Administration,” released in January 2017. In it, the AICPA lays out benchmarks that AEs must meet, many of them new and formidable. Complying with these new benchmarks would have meant ramping up the NYSSCPA’s Peer Review administrative function through additional staff and other investments. It might also have required the NYSSCPA to absorb another AE in order to amass additional resources.

Complying with the new AICPA benchmarks would have significantly raised the costs to the Society of administering peer review. Further, the NYSSCPA’s peer review function has its own budget and is required to break even. Because the pool of New York firms needing peer review has been shrinking, if the Society continued to serve as an AE, that would have meant that fewer firms would have had to bear the burden of the rising cost of the annual administrative fee.

As stated in the Sept. 25 letter, the NYSSCPA selected the PICPA as the new AE based on “a number of factors, including the comparability of the size of the firms they administer to New York firms and that they have dedicated, experienced full-time staff who can offer the kind of assistance to New York firms that you have come to expect.”

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ringleton@nysscpa.org
NYC housing agency makes changes to CPA’s report at Society’s urging

By CHRIS GAETANO
Trusted Professional Staff

A
fter three years of negotiations, the New York City Department of Housing Preservation and Development (HPD) has agreed to implement changes suggested by the NYSSCPA’s Real Estate Committee that bring a CPAs report used in a tax exemption and abatement program known as J-51 into compliance with professional standards.

J-51 is a long-standing incentive program that applies when a property owner renovates a residential apartment building or converts that property into multifamily housing. It allows a property owner to be exempted for a set number of years from certain increases in property taxes resulting from the work, and to be granted an abatement that is related to the cost of the improvements, with the size of the benefit varying, depending on the building’s location and the type of improvements done. A property owner applies for the J-51 credit using, among other forms, HPD Form J-2, an itemized list of the improvements made, along with the cost of each area in the building where an improvement was made, along with the cost of each improvement. The program’s certification of cost requirements was problematic because the application required the inclusion of a substandard opinion letter from an independent CPA, which certified the property owner’s claimed allowable costs for the rehabilitation of the property. Abraham E. Haspel, a member of the Real Estate Committee Task Force that negotiated with the city, said that this put CPAs in an awkward spot because the letter that the city required contradicted itself and did not conform to professional standards.

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Haspel pointed out that one paragraph required CPAs to say that they examined all cancelled checks and original contracts, invoices or bills related to the improvements. But then a second paragraph required CPAs to say that they conducted tests of transactions in accordance with generally accepted auditing standards (GAAS), and to comply with GAAS, which increases the scope of the audit to include risk assessment procedures and would not necessarily require examining all contracts and invoices in support of the improvements stated on the Form J-2. “Obviously, the two paragraphs cannot exist together,” said Haspel.

He elaborated on the quandary facing CPAs at his firm who were representing a real estate client: “The attorneys retained by our client insisted that no modification be made to the HPD required report because it would be rejected by HPD, causing the application of housing incentives at HPD, Miriam Colon, and her staff. Haspel said that at their first meeting, in September, it soon became apparent that the city was not actually looking for an audit opinion as CPAs traditionally understand it, but for more of a set of agreed-upon procedures.

“The CPAs were faced with a choice of signing the substandard report/certification or possibly losing their client.”

—Abraham E. Haspel, member of the Real Estate Committee Task Force

The process resulted in a formal proposal in September, followed by a public hearing in October. In an Oct. 31 comment letter, the Society attached its proposed template for the independent accountant’s report. The principal drafters were Della Valle, Goldman, Haspel, Marletta and Singer. The measure was approved and went into effect on Nov. 23.

The new letter focuses solely on the mutually agreed-upon procedures and any exceptions noted in the examination. While the Society had pushed for a materiality threshold for what documents the CPA would need to examine, he said that the city would not compromise on that point. Still, the negotiations have resulted in a new letter that CPAs can sign without worrying whether they’re going to fail peer review, as they will no longer be using a substandard report.

“We’re glad to have it behind us,” said Singer. “I’m thrilled to have an [agreed-upon procedures report], that we have something to follow, because [the previous report] did not meet either our needs or [those] of HPD. [HPD was] giving them something that would not comply with professional standards, and now we have something that will comply with peer review standards, and we can service our clients and be in compliance.”

Katelyn N. Kogan
Ahava Z. Goldman
Grace G. Marletta
Evan J. Singer

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NYSSCPA launches Toastmasters club

The NYSSCPA Women’s Initiative of the Diversity and Inclusion Committee has launched a club within Toastmasters International, which focuses on improving public speaking, communication and leadership skills. The Toastmasters meetings are open to all members. NextGen members, in particular, are encouraged to participate, as regularly giving speeches and getting feedback in a supportive atmosphere is a great way to enhance communication skills and boost career opportunities.

The club meets at the NYSSCPA’s offices at 14 Wall Street every other Tuesday, from 6:15 to 7:30 p.m. The next two meetings are scheduled for Jan. 9 and Jan. 23.

For more information, email events@nysscpa.org.
NYSSCPA introduces 3 new committees

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his fall, the NYSSCPA introduced three new committees: the Cannabis Industry Committee, the CPA Careers Committee and the Career Transitions Committee.

The Cannabis Industry Committee, approved by the Executive Committee at its Nov. 1 meeting, is focused on various aspects of compliance, regulation and taxation that affect the cannabis industry. Chaired by Zachary Gordon, the committee will support the Society in identifying and addressing emerging technical or professional issues; it will also present continuously professional education (CPE) technical sessions and sponsor an annual conference. The Society hosted its first-ever Cannabis Symposium in December 2016, featuring industry professionals and New York state legislators. The Cannabis Industry Committee held its first meeting on Nov. 30.

The CPA Careers Committee, introduced at the NYSSCPA’s Governance Forum in September, is devoted to encouraging young people to become CPAs. Chaired by Denise M. Stefano, this committee will engage in outreach to high school students—also working with their parents and guidance counselors—to encourage them to enter college accounting programs. The committee will also develop initiatives to encourage college students to sit for the CPA exam. The committee held its first meeting on Dec. 1.

The Career Transitions Committee, approved by the Executive Committee at its Nov. 1 meeting, is focused on midcareer professionals who find themselves in transition, whether due to a career break or a desire to reshape or revalue an existing career. The committee, chaired by Sandra M. Gentle, will establish programs and resources geared toward career services, create networking opportunities and offer opportunities for CPAs to obtain or enhance in-demand skills. The Career Transitions Committee held its first meeting on Nov. 30.

NYSSCPA members interested in joining any of these committees can fill out an online application at www.nysscpa.org/membership/committees/committee-application. Members with questions can contact Committees Manager Nereida Gomez at 212-719-8358 or ngomez@nysscpa.org.

By SUZANNE M. HOLL, CPA

RISK MANAGEMENT

Essentials for drafting effective engagement letters

By SUZANNE M. HOLL, CPA

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ngagement letters help CPA firms improve communication with clients, document engagements more effectively, and protect the firms from litigation. Letters should be as detailed as possible in describing the nature and extent of the services that a firm is being retained to perform, as well as the services that are outside the scope of the engagement.

Similarly, engagement letters should be as detailed as possible regarding the client’s responsibilities and obligations that will facilitate the engagement (e.g., providing necessary documents and accurate information in a timely manner). The following guidelines of dos and don’ts are provided to assist you in writing effective engagement letters.

What engagement letters should do

• State the purpose of the engagement.
• Define the scope and limits of the engagement (specifically, what the firm will and won’t do).
• Specify known negative conditions or adverse situations.
• Note client instructions, responsibilities, deliverables and dates.
• Note reliance on facts provided by the client.
• Outline the terms of the firm’s fee collection along with the consequences of late payment.
• Include a stop-work clause.
• Indicate the firm’s record-retention policy.
• Include third-party service provider language, if applicable.
• Confirm the client’s acknowledgement of the terms of the agreement, and request the client’s signature.

Additional considerations

• Include warnings regarding inadequate internal controls.
• Explain limitations regarding financial statement distribution.
• Include alternative dispute resolution language (i.e., mediation for all disputes, and an arbitration clause for fee disputes only).
• Verify the efficacy of limitation-of-liability clauses.
• Consult your risk adviser or lawyer to confirm the enforceability of the engagement letter.

What engagement letters should not include

• Marketing information. Defer promotional information and other forms of marketing to other documents. You should view the engagement letter as a contract and compose it accordingly. It is not the place to convince a client that your firm is the answer to all their problems. An engagement letter limits, rather than sells, your services. Wording such as “We are particularly suited for this type of work,” may be appropriate for a proposal letter, but not for an engagement letter.
• All-encompassing language. Because an engagement letter limits the scope of your firm’s work, avoid superlatives and absolutes. For example, use words such as “notice, examine, follow, observe, study, investigate, test, watch and comment on.” However, avoid words and terms such as “all,” every, analysis, any, absolute, complete, confirm, judge, determine, totally, thorough, validate and verify.
• Legal jargon or ambiguity. Make the engagement letter easy for the client to understand. Don’t use abbreviations or words that only a CPA would understand. Any ambiguity in the engagement letter will most likely be decided in the client’s favor in a court of law, so keep the language simple and clear.

Additional areas to consider

• Avoid evergreen letters—update letters annually to reflect changes in the scope of the engagement.
• Avoid excessive interest charges. Instead, assess a “late fee” for unpaid balances.

General engagement letter tips

• Every engagement letter should include the full or exact name of the client, the entity type, the specific state names and tax years for tax engagements, and the purpose of the engagement.
• Review the letter with the client and get an agreement regarding the terms and conditions before beginning the work.
• Update engagement letters whenever engagements change.
• The best way to improve client communications and manage risk is to use a detailed engagement letter that the client understands and signs. A well-documented engagement—and a strong defense—begin with an effective engagement letter.

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

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

DISCIPLINARY MATTERS

ELLEN KERA-GEIGER, Tarzytown, N.Y., entered into a settlement agreement under the Joint Ethics Enforcement Program as a result of an investigation alleging a potential disciplinary matter with respect to her failure to ensure that her firm obtained an appropriate peer review and based on her performance of professional services on the audit of the financial statements of an employee benefit plan. In reviewing relevant documents, there appeared to be evidence of violations of the following rules of the Code of Professional Conduct: Rule 203—Accounting Principles, and Rule 501, Interpretation 5—Failure to Follow Requirements of Governmental Bodies, Commissions, or Other Regulatory Agencies. Without admitting or denying the alleged violations, Kera-Geiger 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 a period of two years, effective May 23, 2017.

In accordance with the directives outlined in the settlement agreement, Kera-Geiger agrees to immediately comply with professional conduct by not responding to interrogatories and the request for documents.

JEFFREY R. PEARLMAN, New City, N.Y., was expelled from membership, effective May 31, 2017, as a result of acceptance of a guilty plea by the Joint Trial Board, in lieu of a disciplinary hearing. Pearlman pleaded guilty to violating NYSSCPA bylaws Article XII—Professional Conduct and Disciplinary Proceedings, Section 12. Failure to Cooperate or Comply. Pearlman failed to cooperate with the Ethics Charging Authority in its investigation of his professional conduct by not responding to interrogatories and the request for documents.
Don’t become the next Equifax: 7 steps to take now to minimize the impact of a breach

By JOEL LANZ, CPA/CITP, CFF, CIAA, CISM, CISP, CFE

Recent events, such as the Equifax attack, have caused financial executives to consider what their organizations would do if breached. Preparing to respond to a breach by minimizing damage, whether financial or reputational, is a critical management responsibility and, in some cases, integral to the eventual survival of the business. Many executives now realize that preventive controls alone may not suffice in reducing risk to an acceptable business level. Although response activities have always focused on internal stakeholders, an ever-increasing expectation exists from external parties—whether suppliers, customers, law enforcement or, in certain industries, regulators—that businesses respond in a prescribed manner to protect the public interest.

Below is a list of seven good practices that can help jump-start your business response in case of a breach:

1. Audit your breach response program today. As with any business-improvement initiatives, just reading and talking about an opportunity is not sufficient. The organization must understand and take action to narrow the gaps and residual risks.

2. Understand what, if any, regulatory requirements apply. For some industries, especially health care and financial services, integral to the eventual survival of the organization to narrow the gaps and residual risks. The same holds true for breach response.

3. Have a plan. Financial executives are already familiar with the concept of business continuity planning. The same idea applies to incident response: A written plan with adequate guidance can facilitate employee actions during a breach. A business continuity plan, developed during calmer periods, describes potential disaster scenarios and actions that management chooses to take during a crisis. An incident response plan provides a similar role in the case of a breach. Frequently, it takes the form of a “playbook” that provides guidance to the management team to help them contain the damage of the breach by specifying what to do, whom to notify, how to respond to media, how to initiate system restoration processes and how to get the business back on track.

4. Test the plan with realistic scenarios. Having a plan, although a good start, will not help unless it is tested periodically. Testing the plan allows the organization to identify potential gaps that can be remedied prior to an actual breach. The test should be conducted using historical breach scenarios that allow the organization to benchmark its plan against real-world attacks. Often, testing using production systems—live systems on which the business relies—will not be practical. Instead, a “desktop” walk-through is performed, whereby testers reconfirm their ability to perform each plan requirement. As appropriate, testers make updates to the incident response plan based on lessons learned.

5. Consider and coordinate plans with relevant third-party service providers. With the increasing use of the cloud and other services outsourced to third-party service providers, the potential for a breach is no longer limited to the data maintained internally by the organization. Especially in small to midsize organizations, there may not be a sufficient awareness of how data entrusted to the business may be shared with service providers. Incident response plans should be coordinated to ensure that any breaches occurring at the service provider will be appropriately managed and communicated with relevant stakeholders.

6. Coordinate with your insurance carrier. Not every organization purchases cybersecurity insurance. These policies continue to generate debate among risk managers regarding their cost-effectiveness. If your organization does have such policies, the contents of the incident response plan should reflect any insurance requirements. If cost is not an issue, a business will generally be determined by the regulations governing that specific industry.

7. Plan in advance for accounting and budgeting. Often overlooked are the financial management issues related to the breach. Many organizations do account for the costs not covered by insurance—because of deductibles—that the organization may incur. However, they may not adequately plan for the costs of the systems restoration or for the engagement of legal, computer forensic and media consultants. Additional costs may include, but are not limited to, the rental of equipment, software and network consultants, and, of course, any potential loss of business. As part of its budget considerations, an organization should ensure that employees are sufficiently trained to handle reasonable incident response expectations.

Financial executives are already familiar with the concept of business continuity planning. The same idea applies to incident response: A written plan with adequate guidance can facilitate employee actions during a breach.
NYSSCPA member Samuel Person, the founder and first president of the Society’s Suffolk Chapter, died on Nov. 11 at the age of 86. A passionate educator, Person spent decades as an accounting professor, eventually leveraging this experience to co-found the Person/Wolinsky CPA Review Courses. He was known for his enthusiasm, his warmth and his wicked sense of humor.

Person began his educational career at C.W. Post College (now known as LIU Post) in 1961, having been inspired by one of his own accounting teachers, Philip Wolitzer. His connection to many of whom went on to have accomplished accounting careers of their own, remember him not just as a teacher of technical rules and principles, but as a mentor interested in cultivating the kind of character and professionalism that would help them thrive in the business world.

“In 1961, I was part of a group of bright-eyed and bushy-tailed students starting at C.W. Post College at the same time Sam Person started teaching,” said Alexander L. Cover, who was one of Person’s first students. “Sam somehow successfully straddled the line of teacher and friend.”

Bob Donnelly, another of his old students, recalled that Person “seemed to be on a mission to make his students not only learn, but also improve themselves as people, not just as students.” Donnelly excelled in Person’s class, averaging 90s on assignment after assignment. It was to his shock, then, that Person ultimately awarded him a mere B for the entire course. Insulted, he confronted his professor about “the obvious mathematical error, on his part,” only to be told that attendance was a part of the grade, too, and that his own was abysmal. He told Donnelly that he could have given him an F and asked whether that’s what he’d prefer.

“It seems that Sam had the innate ability to figure out how to hit the right button to make me change course. I begrudgingly accepted the B,” said Donnelly.

Person would also maintain relationships with students long after graduation, serving as a mentor, not just in school, but throughout their careers.

He maintained a strong friendship over the years with Cover, in particular. “You drove through a blizzard to attend my marriage to Rose Mary, attended our first son’s baptism and wedding (and would have attended the other two boys’ weddings if not in conflict with the Jewish holidays),” Cover wrote in an email to Person last February.

Person taught at C.W. Post from 1961 to 1969, at which point he left to start the accounting program at Dowling College (now closed) and act as the first director of the school’s business program. He also served as the comptroller of the Town of Brookhaven from 1968 to 1969, when he went into private practice in Port Jefferson Station, a hamlet within Brookhaven. It was around this time that he worked to start a separate Suffolk Chapter of the NYSSCPA.

“The Nassau/Suffolk Chapter did not really service our needs,” he said in a 1987 interview in the Suffolk Chapter’s newsletter. “Back then, some of the members did not even know that Suffolk County existed and there were no programs here,” he added.

Howard L. Levy met Person for the first time in 1971, when the professor gathered 35 CPAs at Dowling College to present his vision for a separate Society chapter, devoted specifically to Suffolk County. Levy agreed that the combined chapter was not doing well in serving Suffolk County CPAs, who were starting to grow in number as more practitioners moved east and set up shop.

He remembered the night Person made his case for a new chapter.

“He observed that the Society’s then-Nassau/Suffolk Chapter was dominated by older, deeply entrenched practitioners and that it afforded little or no opportunities for younger CPAs based in Suffolk County to network with colleagues, develop themselves and serve the profession,” Levy said.

The then-president of the combined chapter, Arthur G. Reid, was sympathetic to this view and was very helpful in getting the new chapter started. Person, in the 1987 newsletter interview, said that Reid was instrumental in getting the state board’s support on the idea. Once this was secured, the CPAs who would later go on to become the first Suffolk Chapter members petitioned then-Executive Director Robert L. Gray, who Person said was extremely helpful in this effort.

Before the end of that year, Suffolk County CPAs had their own chapter—back then, it was called the Eastern Long Island Chapter, but eventually came to simply be known as the Suffolk Chapter—and Person was its first president.

“My favorite memory of Sam is from the day I met him on May 12, 1971,” said Levy. “I was one of 35 CPAs present that Sam gathered that evening at Dowling College to present his vision for a separate chapter of the Society for Suffolk County. At a Past President Dinner in 2012, Sam said, It was an idea whose time had come. After obtaining unanimous support for his idea from the group gathered, Sam’s strong leadership and sharp wit were apparent in his next few words. He said, ‘Now, who wants to be vice president?’”

During this same time, he was also helping to develop what would eventually become the Person/Wolinsky CPA Review Courses, which are still being taught to this very day. They were so successful that he left Dowling in 1972 in order to give more focus to co-found the Person/Wolinsky CPA Review Courses. He was known for his enthusiasm, his warmth and his wicked sense of humor.

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NYSSCPA Board approves legislative and regulatory agenda

A t its Dec. 7 meeting, the Board of Directors of the NYSSCPA approved the legislative and regulatory agenda presented by the Society’s staff and leadership, which appears below. The Society has embraced these initiatives in order to elevate the professional practice and further promote the CPA brand and expertise to legislators, the business community, the media and the general public in New York state.

Legislative and Regulatory Agenda

A. Non-CPA Ownership

In today’s world, firms want to provide the best quality professional services including audits and other accounting-related services. This very often requires the skills of non-CPAs, such as systems engineers and other IT professionals, valuation specialists, actuaries, industry experts and others. Clients have come to expect that these specialists will participate in the CPA firm’s work and the audit work product is better because of it.

For the last three years, NYSSCPA has supported the efforts of The Accountants Coalition (TAC) in advocating for this legislation initially sponsored by Assemblyman Ortiz and Sen. LaValle. New York, Delaware and Hawaii are the only remaining states in the country that prohibit non-CPA ownership of firms.

Prior years: In 2015, language allowing Non-CPA firm ownership was included in both the Senate and Executive budget proposals. However, the Executive, Assembly and Senate could not come to an agreement to include it in the final joint budget bill. In 2016, a bill passed the Senate but did not advance from the Higher Education Committee in the Assembly.

B. Estate Tax Reform

Current law provides an extremely steep slope that phases out the applicable credit amount for New York taxable estates that are between 100 and 105 percent of the basic exclusion amount altogether for the estate of any decedent whose New York taxable estate exceeds 105 percent of the basic exclusion amount. The unfairness of this legislation will only increase as the exclusion amount increases over the next few years, and it is likely to cause many wealthy New Yorkers to leave New York state in favor of other states that do not have a confiscatory component to their estate tax structure.

The NYSSCPA’s Estate Planning Chair Kevin Matz, working with NYSSCPA’s lobbyists and in partnership with the New York City Bar Association, has advocated for an elimination of the cliff in New York. Unfortunately, due to the fiscal impact to New York state revenues that a change in the tax code would effect, the executive branch and the Legislature collectively have not been willing to address this problem by passing legislation sponsored by Assemblyman Edward C. Braunstein and supported by NYSSCPA and NYC Bar Association.

NYSSCPA has offered an alternative proposal in meetings with NYS Department of Taxation and Finance (which is supportive of our efforts), executive staff and legislators of “extending the runway” for the phase-out of the applicable credit amount so that the combined federal and New York state marginal estate tax rates will at no point be in excess of 100 percent.

To date, neither house of the Legislature has been amenable to this proposal as it is viewed by many legislators as a problem for only affluent New Yorkers.

C. Reform of Municipal Contingent Fee Audits

State and local jurisdictions have supplemented their audit activities by engaging independent third-party tax auditors. In some cases, the third-party auditors are paid via contingent fee arrangements (i.e., a fee in exchange for a percentage of the increased taxes, fees, or other amounts collected).

The use of third-party tax auditors is commonly used in the area of unclaimed property or escheated property. State and local jurisdictions also utilize third-party tax auditors with respect to local property tax audits, sales and use tax audits, and transfer pricing audits. A contingent fee audit arrangement raises a number of concerns for taxpayers. This type of arrangement creates an incentive for the contract auditor to assess the highest amount of tax and to interpret the statutes and regulations in an aggressive manner in favor of the jurisdiction. In addition, the contract auditor does not have an incentive to inform the taxpayer of potential overpayments, missed deductions, tax credits or refund claims. Data security also a concern.

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In addition, taxpayers have challenged the use of contract auditors in judicial proceedings. For example, in DC, taxpayers have challenged the ability of contract auditors to use specific transfer pricing methods at audit. North Carolina, Arizona, South Carolina and Pennsylvania have enacted legislation against this practice.

D. Flexibility for NY State CPAs to Voluntarily Surrender Their License

NYSSCPA wishes to explore the idea of allowing more flexibility for New York CPAs to voluntarily surrender their license and become inactive. Under existing law that was amended in the 2009 Accountancy Reform Act, CPAs may not surrender their licenses. The law allows a CPA to go “inactive,” which requires a CPA to submit and obtain written permission from New York State Education Department (SED) that the CPA is no longer practicing public accounting; however, because of the broad scope of “public practice,” even a CPA preparing tax returns for family members is captured by the scope, putting the CPA at risk of violating their “inactive” status. The alternative is to remain registered with the New York SED and maintain compliance with the state’s CPE requirements.

Current state Education Law, §7409. Mandatory continuing education, states:

i. Certified public accountants or public accountants not engaged in practice as defined in §75101 of this Article shall be exempt from the mandatory continuing education requirement upon the filing of a written statement with the department declaring such status pursuant to subdivision four of section sixty-five hundred two of this title. Any certified public accountant or public accountant who resumes practice during the triennial registration period shall notify the department prior to resuming practice and shall pay the current mandatory continuing education fee and shall meet such mandatory continuing education requirements as shall be prescribed by regulations of the commissioner.

NYSSCPA wishes to remove or reduce the three-year CPE exemption for newly licensed CPAs. Existing state Education Law, §7409. Mandatory continuing education, states:

b. Certified public accountants and public accountants shall be exempt from the mandatory continuing education requirement for the triennial registration period during which they are first licensed by the New York SED. NYSSCPA wishes to remove or reduce the three-year CPE exemption for newly licensed CPAs.

E. Mandatory Continuing Education for CPAs

Under existing law, CPAs and public accountants are exempt from the mandatory continuing education requirement for the triennial registration period during which they are first licensed by the New York SED. NYSSCPA wishes to remove or reduce the three-year CPE exemption for newly licensed CPAs.

Existing state Education Law, §7409. Mandatory continuing education, states:

b. Certified public accountants and public accountants shall be exempt from the mandatory continuing education requirement for the triennial registration period during which they are first licensed by the department. In accordance with the intent of this section, adjustments to the mandatory continuing education requirement may be granted by the department for reasons of health certified by a physician, for extended active duty with armed forces of the United States, or for other good cause acceptable to the department which may prevent compliance.

F. Ability to Solicit Newly Licensed CPAs

The SED currently shares with the NYSSCPA on a regular basis the names and contact information of newly licensed CPAs in New York State. Currently, the Society is limited by SED from soliciting newly licensed CPAs unless the solicitation is limited to CPE marketing. The NYSSCPA seeks to broaden the content of its solicitations to this population beyond CPE marketing.

G. CPE Ethics

An internal review conducted by the New York State Board for Public Accountancy found that only 50 percent of New York-licensed CPAs were in compliance with the state’s professional ethics CPE requirement in 2016. To streamline the requirement and limit confusion around the standard, the State Board voted to recommend to the New York State Board of Regents to amend the professional ethics CPE requirement, from four credits every three years to six credits every three years. If adopted, CPAs would have to earn those six credits at a rate of two ethics credits per year; however, they would be able to take a wider variety of ethics courses to fulfill four of those six credits, including behavioral ethics and other non–New York-focused courses.

The Board, based on the LTF’s [Legislative Task Force] recommendation, voted at its September meeting to support the proposal overall, but to communicate to the State Board for Public Accountancy that the NYSSCPA [supports] amending the proposal to provide for more flexibility in the number of ethics credits a New York-licensed CPA may take and be credited for in any given year.

New York State Department of Taxation & Finance (NYSDTF)

• Pro Forma Data Requirements

New York is only one of three states that do not allow tax software providers to transfer pro forma data including driver license and tax withholding ID information from one tax year to the next.

• Accepting E-Signatures on Certain NYSDTF Authorization Forms

Currently, clients need to physically sign the NYS TR-579, E-file Signature Authorization for Forms IT-201, IT-201X, IT-203, IT-214, NYC-208 and NYC-210, creating a burden for tax professionals.

• Refund Delays

The NYSSCPA has learned of multiple instances of delayed tax refunds when the tax department requests additional information from a client.

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Baseball, apple pie—and fraud? Author details America’s unique history with the art of deception

By CHRIS GAETANO
Trusted Professional Staff

In his book Fraud: An American History from Barnum to Madoff, Duke University history professor Edward J. Balleisen talks about how changing American attitudes toward business have influenced both the practice of fraud and the measures taken in response to it. He describes a country that, on the one hand, recognizes the corrosive impact that fraud can have, but on the other, remains deeply ambivalent about how business regulations that could potentially stifle innovative enterprise as well. Balleisen talked with The Trusted Professional about how this dialectic both shaped and was shaped by prevailing historical conditions, and what this means for America’s particular approach to capital. The Q&A has been edited for length and clarity.

In your book, you talk about how U.S. culture has, historically, been particularly fertile ground for fraud. Could you give a summary explanation as to why this is? Well, the economic culture of the U.S. has always had, at least from the Revolution onward, a healthy respect for innovation and an embrace of it as socially beneficial, and so what has gone along with that is a certain degree of permissiveness about not just the capacity to try out new ideas, but also the promotional aspect of getting the word out about these new approaches. It could be new technology; it could be a new mode of business organization; it could be a new mode of financing or a new approach to some other form of organizing economic activity; it could be about a product or a service or a type of investment. And so, that degree of permissiveness has always created openings for what I refer to as “creative deception.”

Are there types of scams particular to the United States? Are there types that are rarely seen here, but are more common in other regions? I don’t think so. What I would point out, though, is that there is something distinctive, in some areas of American history, about the scale and scope of business fraud, and I think this is particularly evident over the past 40 years, where even if these basic structural dynamics have not shifted much, we have seen a repeated set of really major fraud scandals involving highly regarded and, in some cases, quite large corporations. Not fly-by-night operations, or relatively small-scale enterprises, but major cases of deception at some of the largest banks, major accounting firms, major manufacturing companies. This is related to the openness of American capitalism to innovation, but also to the particularities of U.S. economic culture and certain regulatory policies distinctive from the mid-’70s through, in many ways, the present. Certainly through 2008.

Over the centuries, it seems that U.S. attitudes toward fraud, particularly business fraud, are a pendulum, gradually moving from caveat emptor—where there’s little sympathy for fraud victims, who the courts thought should have known better—to caveat venditor—where fraud is taken very seriously and new barriers are constructed to prevent it—and then back again, when those barriers are weakened or removed. Where is the pendulum now, in 2017? I think it’s really tough to say. So, on the one hand, just think of the response to 2008, which at a certain point … really looked like an inflection point. But it’s a mixed picture. On the one hand, you can point to attempts to tighten up antifraud regulation and its associated kinds of consumer or financial protection. The [Consumer Financial Protection Bureau] was clearly a very powerful move by the Obama administration, something that has more significantly policing consumer debt markets. … So that looks like obviously an important data point in support of the notion that the crisis was an inflection point that changed the basic approach among policy makers to the question of how to balance between support for innovation on one hand and concerns about the corrosive aspects of deception on the other.

But at the same time, even before the election of 2016, you had counterexamples like the JOBS Act, the point of which was to say we have a financial crisis, a moribund economy, and we need to get capital working again to generate economic growth and provide jobs, so we’re going to significantly reduce the disclosure requirements as a way of facilitating capital formation. That’s a very different theory of how to respond to the financial crisis. So the picture was mixed even before the election. The reason I say it’s difficult to judge is if one only focuses on the focused priorities of the current administration, well, I would argue it has a profound preference for caveat emptor as a mode of structuring economic life. You look out for yourself, and if you can’t, then you have no one to blame but yourself. But of course, the Trump administration is not the entirety of the federal government, much less American governance as a whole. There’s Congress, there’s 50 state governments, local governments, and I don’t see much evidence of state attorneys general holding back on relatively aggressive attempts to constrain some of the worst abuses in the consumer marketplace, for example. So I think we’re at a moment where our politics and policy is contested and contingent, and, to some extent, that is always the case, but I don’t think the dust has settled yet.

When it comes to this perpetual pendulum swing, why do we have this dynamic? Would you say it’s due to forgetting why those safeguards are there, or that the barriers themselves became a source of problems? I think there is a dynamic of generational amnesia. Not necessarily total, but it’s really striking, the extent to which having people with personal memory, personal experiences, really does matter in many contexts when deciding to adjust the balance between competing policy goals. For example, in the 1930s, what emerged in securities regulation was this disclosure regime. … If you looked at the people who worked at the SEC [Securities and Exchange Commission] in the ’50s and ’60s, and the people who ran the corporations at the time, they remembered the 1930s, and that mattered in a whole host of issues. You move ahead into the 1970s, 1980s, and how many people in positions of decision making—when talking about corporations, government agencies, Congress, accounting firms, law firms—how many of those people lived through the 1930s? Very few. And at the same time, it’s important to keep in mind that every time you construct a private gatekeeper of that kind—same with credit reporting—you are also constructing new potential mechanisms of deception. Now, there can sometimes be a lack of response there. You can have corporations proclaim they only get audited by an independent auditor. But who’s policing that? So all of this gets bound up very quickly with public regulation. … One important point to make here is [that], as significant as the accounting profession was by the 1920s—due to the rise of corporate capitalism and its elaboration and extension—it truly took off as a result of the regulatory frameworks put in place in the New Deal [in response to the 1929 stock market crash], not least of which was because the architecture of that regulatory structure self-consiously depended on a partnership among a fairly complex set of actors.

The accounting firms were absolutely anticipated as crucial players in the scheme, the ones who will be doing most of the day-to-day work around that information and ensuring the rules are being met. … The emergence of a modern antifraud regulatory ecology from the New Deal onward absolutely depended, centrally, on the participation of an expanding army of accountants and auditors.

So, if frauds have tended to follow the same basic patterns over centuries, is there anything new under the sun? I do think there is innovation in modes of deception that come from new forms of communication. No question, the Internet has made all sorts of opportunities for deceptive innovation, and some of that is about how to get to new markets and reach a larger number of people. The creation of the phishing scheme as a tactic—are there analogs I could point to, but there is something distinctively new about this …” At every phase we’ve gone along, there has been innovation, especially in the past 40 years or so, and especially around the use of tax havens as outposts for the development of financial schemes of one kind or another. So there’s always adaptability, and by the same token, there are now, in response to the ubiquity of the Internet and the rise of these offshore jurisdictions, you’re seeing a heightened degree of cross-border regulatory cooperation around monitoring, around information sharing and, in some cases, around enforcement action. But a lot of that in the past content would be the increasing shift of anti-fraud endeavors from a purely local context to national ones that one can trace from the late 19th and early 20th century.

You talked about how the erosion of institutional authority paved the way for fraud, saying “the proliferation of published publicity and countervailing exposures could be dizzying, leaving Americans unsure of what to believe or whom to trust.” Do you think there’s a parallel there with the Internet? So along with that is another notion and perhaps, as well, a willingness to trust through new modes of communication. I wondered about this a little bit—you saw this pattern where the very first people who sell whatever...
**Samuel Person**

Continued from page 9

In his many years, Person witnessed a profession that grew and changed, encompassing the rise of many standards that CPAs today take for granted, like mandatory CPE. Through it all, though, he was hopeful about the profession and its future, and was satisfied with what he saw it become.

In his many years, Person witnessed a profession that grew and changed, encompassing the rise of many standards that CPAs today take for granted, like mandatory CPE. Through it all, though, he was hopeful about the profession and its future, and was satisfied with what he saw it become.

"In my lifetime, I have seen the prestige of the profession grow," he said in the 1987 interview. "When I was graduated from college, the average man on the street didn't know what the hell a CPA was. But that has long since changed. CPAs are well recognized and visible as a profession—and are held in high regard. Maybe one day CPAs will even have a TV show! No, they're still too dull!"

In a remembrance of Person posted on the Trusted Professional website, Levy wrote, "Sam was passionate about a great deal more than the accounting profession, not the least of which was community service. He once wrote that his personal philosophy was that 'every individual should become all that he or she is capable of being, and never lose sight of the need to devote some time to helping others.' Person co-founded and served as president of his synagogue in Stony Brook. He was also a patron of the arts, and a board member and chairman of St. Charles Hospital in Port Jefferson.

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**Fraud in U.S. history**

Continued from page 12

the phone have quite a lot of success before people get skeptical and cynical about people they don’t know talking to them on the phone. That anonymity provided by non-face-to-face interaction is definitely something that can facilitate deception. There is still often the need for effective theatrical presentation in frauds, in order to build trust, so I think it’s no accident that the stories one might get in service of an Internet scam are all about creating personal connections and bonds with their target.

A hot topic over the last year or so has been fake news. To what degree do you think the principles of financial fraud apply to the dissemination of political misinformation?

I think there are a lot of important similarities.

One is the centrality of baseline trust. So if people encounter a new source and it’s people with whom they identify, that matters enormously to the degree to which they trust it, whether it has a basis in fact or not. So it may actually have a basis in fact, but come from a source you mistrust, and so you discount it. And if it’s based in fantasy or, more commonly, a widely shared master story you’re inclined to believe in, the fact that there are no facts, the reality of this narrative, doesn’t matter a whit as to whether or not you believe it. So this is quite similar to the really significant importance of social affinity in so many business frauds. There is a reason that most pyramidal schemes start within a fairly tight-knit community in which there is already a degree of trust of insiders relative to outsiders.

Another important parallel involves the dynamics of deflection: One way of building trust for yourself is to set yourself up as an arbiter of falsehood, and as a sort of sentinel for the community on the lookout, out of public spiritedness, for those unscrupulous operators willing to take advantage of people’s trust. So here is the strategy that if you want to deflect [critiques of] your own fake news, be vigorous about calling other people purveyors of fake news first. The other thing I would say, the other parallel, is there is no magic bullet for dealing with fake news, just as there is no magic bullet for fraud—the only way to cut it off completely would be to constrain the free flow of information to the point where you would have very little information at all. So the only effective strategies are quite parallel: education, some degree of self-regulation that involves responding to information with more information, and more significant penalties for the worst offenders.
# societal awards

## Call for Nominations

### 2018 Nomination Form for NYSSCPA Awards

Please indicate the award you are nominating an individual for:

- □ Arthur J. Dixon Public Service Award
- □ NYSSCPA Distinguished Service Award
- □ Dr. Emanuel Saxe Outstanding CPA in Education Award
- □ Outstanding CPA in Government Award
- □ Outstanding CPA in Industry Award

### Community, Charitable and Government Activities

- [ ] To be answered if nomination is for Arthur J. Dixon Public Service Award
- 1) Organization:
  - Position:
  - Describe Responsibilities:
  - Number of Years:
  - Elected [ ] Volunteered [ ] Appointed [ ]

- 2) Organization:
  - Position:
  - Describe Responsibilities:
  - Number of Years:
  - Elected [ ] Volunteered [ ] Appointed [ ]

- 3) Organization:
  - Position:
  - Describe Responsibilities:
  - Number of Years:
  - Elected [ ] Volunteered [ ] Appointed [ ]

### Special Considerations - Important

In 1,000 words or less, highlight the nominee’s qualifications and outstanding service and contributions to the profession as they relate to the award you are nominating for.

* [Attach separate sheet of paper.]

For the Arthur J. Dixon Public Service Award only, highlight the nominee’s contribution to the community.

### Society and Chapter Activities

- NYSSCPA Chapter
- Committees (Statewide and/or Chapter)
- Offices Held
- Other Contributions of Note to the Society
- Other Significant Items to Support Nomination

### Nominator

- Name
- Address
- Office Phone
- Signature

---

**Note:**

- Candidates’ Names
- Home Address
- Home Telephone
- Hometown/College/Professional Practice (Please list any publicly known, in the event the nominee wins)
- Society Member Since

**Employment**

- Firm
- Title
- Address
- Telephone
- Number of Years

- Firm
- Title
- Address
- Telephone
- Number of Years

**Education**

**School Major, Degree, Year:**

1. 
2. 
3. 

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**Society**

**Call For Nominations**

**NYSSCPA CPA**

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**Nominations**

**Society Awards**

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Certified public accountants throughout New York state give generously of their free time to better their profession and to assist with community causes and projects in the public interest. The NYSSCPA recognizes these volunteer and professional commitments through an awards program designed to highlight outstanding service and to recognize professional development. The following awards are presented each year to qualified CPAs who are Society members:

Arthur J. Dixon Public Service Award
Recognizes CPAs who have a demonstrated history of public service and volunteerism for a charitable, community or civic organization. This award celebrates the quality of, and dedication to, philanthropic service and the CPAs overall contribution to building and fostering community.

NYSSCPA Distinguished Service Award
Salutes CPA members who have distinguished themselves as Society leaders through model service within the NYSSCPA and the profession. The award celebrates those who have demonstrated outstanding dedication to and have made a remarkable impact upon the Society and the profession through endeavors such as inspirational service in leadership positions in the NYSSCPA, the development of future leaders of the Society and the profession, educational or publication efforts, public service and other activities.

NYSSCPA Outstanding CPA in Government Award
Applauds outstanding service by CPAs who have dedicated their professional careers to government assignments. As public servants, these CPAs have distinguished themselves by their exemplary contribution to the increased effectiveness of their government organization or agency, as well as by creating value, leading by example, championing new solutions, inspiring others and promoting the CPA as the premier professional designation in government.

NYSSCPA Outstanding CPA in Industry Award
Commends outstanding service and professional development in industry. This award recognizes industry CPAs who have made significant contributions to their business or industry by creating value, leading by example, championing new solutions, inspiring others and promoting the CPA as the benchmark of professional designations in industry.

NYSSCPA Dr. Emanuel Saxe Outstanding CPA in Education Award
Pays tribute to the outstanding contribution by CPAs who have dedicated their life’s work to accounting education. These individuals have demonstrated a passion for and commitment to the profession by providing an educational foundation for future generations of CPAs. This award acknowledges excellence in teaching and a contribution to and promotion of the accounting profession.

NYSSCPA Outstanding CPA in Government Award
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Nominations
The form on page 14 can be used to nominate a CPA Society member for any of the above awards. Please indicate on the form the award you are nominating an individual for. A separate sheet should be attached to adequately highlight the qualifications and contributions of the nominee, particularly as they pertain to the specific award. An effective nomination should be complete and sufficiently detailed. Individuals cannot nominate themselves.

Nomination forms can also be found on the Society’s website at www.nysscpa.org/docs/default-source/pdf/awards18.pdf.

Nomination forms can also be found on the Society’s website at www.nysscpa.org/docs/default-source/pdf/awards18.pdf.

All completed nomination packages should be postmarked or delivered to the NYSSCPA, 14 Wall Street, 19th Floor, New York, N.Y. 10005, Attn: Nereida Gomez, by Jan. 31, 2018. For the Arthur J. Dixon Public Service Award only, highlight the nominee’s contribution to the community.

Award winners will be announced at the Society’s annual Moyhuan Fund Gala in May 2018. The Awards Committee will notify the award winners and their nominators so that they can make arrangements to be present at the dinner.

Questions
For more information, please contact Nereida Gomez at 212-719-8358, 800-697-7272 or ngomez@nysscpa.org.

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Welcome, new NYSSCPA members!

The following list includes all of the NYSSCPA’s new members in 2017 and the chapters to which they belong.

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Joanne Lai
George Lai
Ching Ying Lam
Kan Lam
Jingyuan Lang
William Lang
Gary Lawrence
James Lawrence
Ray Law
Don Law
Gary Lawrence

QUEENS/BRONX

Abdul Ahmedi
Alfred Allegritti
Louis Anastasi
Diana Annamaniyadood
Maria Arias
Smita Balliga
Alexander Bauer
O’Pharr Blair
Dimiriбриna Boyadjieva
Andrew Bullock
Bella Cai
Diana Canales
Devon Chen
Jin Chen
Kadeem Chen
Kaiyuan Chen
Karen Chen
Yan Chen
Mei-Qi Maggie Chai
Libeth Coelho
David Cummins
Carlo D’Angelo
Randy Davis
Ahmet Duran
Hyungdoon Dwyer
Joseph Ewen
Deja Funtel Francois
Qiu Gao
Mei Jing Gong
Gerald Grant
Maurice Grant
Peter Hajec
Elijah Harden
Xin He
Anthony Henry
Sela Hong
Wilson Hong
Jude Hypolite
Vladimir Ihrovo
Tasneem Islam
Saskia Johnson
Danielle Jones
Anima Karim
Kamjat Kaur
Luke Kim
Gregory Klemm
Zofia Kolakowska
Keith Konetsky
Helen Kong
Joseph Lapre
Amanda Laskey
Edwin Leong

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New members
Continued from page 17

Victoria Osowski
Shumel Patel
Tatyana Panacheva
Aristouda Papapetanou
Vidal Peoples
Sapna Pillai
Robert Pirson
Vanita Prasad
Mohammad Rabbani
Ashfaq Rahman
Kevin Ramroop
Genroy Richards
Rahim Ragatia
Stephanie Rohit
Rolando Rojas-reyes
Katherine Rilleri
Shulem Rosenbaum
Sharday Sanchez
Mendel Schapira
Cynthia Shi
Linjuan Shi
Bairaa Shovgurova
Ryan Siegel
Viktoriya Solak
Sebastian Spina
Andrey Stradin
Rockchan Sultana
Airin Tanni
Joseph Trotti
Ting Ting Tao
Smargaliti Tradakis
Diana Vascan
Alexander Volkov
Saul Wexman
Wesley Wi
Mark Weiss
Chris Wu
Qiufeng Wu
Sing Wu
Yu Xue
Jaehee Yoo
Chaim Zeitchik
Michaela Zholovnik
Tianming Zhuo

ROCHESTER
Mel Ackley
Ernest Acquah
Jaffar Alzain
Shane Bloom
Robert Brown
Sandra Burns
Nicholas Caezer
Priscilla Coats
Eric Compagnone
Jacob Daly
Benjamin Dobrzynski
Brandon Dries
Jamie Forken
Elvira Grabovick
Jenna Harding
Joshua Hoffman
Anne Johnson
Bryan Jones
Adam Kanouse
Calvin Klemmer
Yinqu Liu
James Loss
David Malycha
Dominique McKinnon
Hannah Miller
Do Nhan
Luqing Ouyang
Bailey Plummer
Vincent Profetta
Victoria Rector
Annette Reed
Kyle Richards
Justin Riegel
Trevor Riegle
Jacquelyn Rivellese
Renata Rooney
Justin Sansone
Zixuan Shen
Hannah Shoemaker
Thomas Smith
Ran Tao
Stephen Trottier
Andre Valente
Joshua Verno
Yidi Zhu

ROCKLAND
Richard Adams
Joann Avendes
Judith Bachman
Leah Bishop
Donald Bolt
Michael Castaldo
David Chavez-Canal
Matthew Clement
Ayce Cozzi
Jason Cuesta
Brian Jordan
Andrew Mandel
Cara O' Shea
John Rosenberg
Nancy Searer
Charlene Williams

SOUTHERN TIER
Julie Biehn
Rachel Bond
Jonyin Chong
Gregory Cliburn
Catherine Davis
Keith McMullen
Colton Monroe
Brendan Morgan
Steven Pierce
Brittany Richner
Colleen Stannard
Peter Vander Woude

STATE ISLAND
Michael Ashirov
Anthony Del Maestro
Christopher Dietz
Elise Espeland
Hilal Fishman
Jonathan Foong
Richard Gabor
James Hall
Yeon Joo Kim
Robert Lawrence
X Sheng Li
Jane Lovisky
Rania Mansour
Robert Marotti
John Merlino
Samantha Quirk
Robert Rosendorf
Richard Rosenzweig

SUFFOLK
Ingris Agustin
Daniel Albanese
Maddi-Lynn Alvarez
Norma Amodeo
Nina Balke
Jacob Bernstein
Samantha Bongiorno
Thomas Bono
Amy Brookbank
Densl Brown
Phillip Brown
Michael Callari
Robert Caruso
Richard Chester
Meghan Childs
Laura Cormer
Robert Conard
Pasquilla Coppola
Anthony Cotillo
Andrew Crabtree
Ryan Craig
Donald Damore
Anthony DeDomenico
Daniel Dellapina
Marissa DeMartino
Nicholas DiModica
Robert Dinapoli
Giovanna Domingo
Christine Dooman
Kyle Dragunat
Lauren DuBois
Salvatore Favarolo
Juan Fuentes
Kevin Gallagher
Nadine Galvez
Andrea Guerrero
Arthur Gunston
John Holst
Candice Hughes
Keith Hughes
Paul Iaccarino
David Jaffe
Michael Jessen
Kyle Kamm
Ryan Kersch
Lisa Kneisel
Martin Koprowski
Steven Kucharczyk
John Larkin
Christina Leonard
Lisa Levine
Lina Linares
David Lipsky
Christopher Lowenberg
Keri Lycke
John Malinconico
Fred Mandato
Lisa Martinace
Joan McCarthy
James McGrath
Hugh McNeill
Jennifer Mensche
Monica Mikoleski
Cindy Munar
Conor Murphy
Kyle Murphy
Kelly Napolitano
Amir Noor
Rachel Partain
James Patterson
Nicholas Perone
Dominic Petrelli
Ambria Postiglione
John Ramo
Troy Robinson
Bianca Santiago
Nicholas Sculsa
Phillip Scangarella
Christoper Schack
Jeffrey Schlossberg
Erith Smith
Zachary Spector
William Tartaglia
Allison Taylor
Melissa Terzesak
Alex Tetenes
Luis Trujillo
Julia Van Kannon
Lauren Wackernah
Olivia Watkins
Jonathan Weiland
Penny Wickman
Janet Winiarz
Timothy Woodford

SYRACUSE
Yu Bai
Molly Brown
Stephen Collici
Daniel Connor
Tessa Crawford
Alicia Fine
Connor Gieseck
Elizabeth Hartman
Jana Hartmanova
Krist Jeffers
Kristie Kincaid
David Krawczyk
Laure Lamb
Paul LaPante
Michael Lilenthal
Kimberly Miller
Mickal Pompee-Mott
James Sikora
Kerry Steve
Than Sunlutt

UTICA
Christopher Armendola
Heather Mohat
Rick Tims

WESTCHESTER
Steven Aistio
Damien Alfala
Anabela Bartovic
Despina Bobolakas
Tashira Brown
Elly Chiu
Joseph Colombo
Angelo Curro
Brian DeGennaro
Christina Del Vecchio
Jennifer Dietrick
Paul Doherty
Heidi Donohue
Lawson Douglas
Frederick Files
Pasque Franciosa
Ana Frias
Thomas Gang
Bond Giaccheto
Harriet Gilmore
Benjamin Gindler
Jessica Godfrey
Adam Kalender
Andrew Kalen
Jeffrey Kravetz
Richard La Greca
Huying Lin
Thomas Manisero
Chris Mello
Joseph Miele
Steven Noreika
Robert Patterson
Galgia Puspena
Ryan Ragano
Alyssa Sibrizzi
Keith Small
Samuel Sola
Rochelle Slay
Sue Smid
N. Theodore Zink

OUT-OF-STATE
Ghengis Johnson Adegbagbibi
Noel Anderson
Deniz Appelbaum
Rosalia Aquino
Aaron Avelo
Joette Bert
Anil Bhatt
Rudolph Bliss
Paul Bosse
Daniel Brian
Wei Chen
Michael Coiro
Ezra Colman
Lana Corin
Cecilia D'Cunha-Eccles
Nicolai Duley
Donna Deerwood
Joseph Del Buono
James DeLuca
Alena Dollar
James Donley
Thomas Duffy
Kelly Dutertre
William Eng
Stephanie Ettrup
Claude Etinoff
Joseph Fedele
Simon Filip
Emanuela Florea
Vanessa Garbarino
Jeremy Gaskins
Marcus Hahn
Ellis Hamabuchi
Wendy Herrera
Marla Hummel
Joseph Hussey
Robert Inarustaino
H. Charles Jianhe
Anu Kaikai
James Kaloch
Marian Kerolos
Gary Kollet
Gary Krause
Denise La Greca
Michelle LaBruno
Peter Lasas
Alexander Laird
Racheli Laub
Fredrick Leavitt
Colette Lesperance
Yue Li
Michael LoCascio
Cindy Lone
Brian Lovett
Takaji Makino
Kayla McBride
Martin Menz
Ken Mitchell
Corry Molter
Charles Morin
Dana Nauerz
Gerard Nee
Candace Nelson-Krulik
Linda Palmer Fisk
George Pytula
Steven Przybylski
Olga Pshenova
Wen Qiang
Robert Queenin
Daniel Roberts
Vera Rodriguez
Sijuwele Saka
Dianas Santos
Philomena Scanga
Heidi Scholz
Majid Sefati
Jinay Shah
Michael Shultman
Selwyn Singer
Justin Stahl
Leslie-Ann Stephen
Raven Takash
Matthew Teel
Mihyang Tenzer
Thomas Teper
Catherine Thomas
Christopher Thornton
Leandro Torres
Arthur Vanni
John Vitucci
Denise Walsh
Jeffrey Weiss
Anna Wrobel
Luke Zegbe
Tomasz Zieba
How has the recent spate of identity theft and cyberattacks affected how you do business with your clients?

THOMAS DEMAYO | Principal | Harrison

I think where things have shifted is that clients are much more aware of cybersecurity risks, and are much more active in asking us questions and setting expectations regarding how we protect their data. They ask whether we have a cybersecurity program, whether we do background checks on our employees, those sorts of things. Across the board, we have a heightened state of awareness, both on the client side and on our side of things, and we perceive the threat just as much as our clients. A lot of the time, we look to ourselves as educators in helping them understand what we’re doing to help mitigate risk. For example, we have electronic portals that contain secure mechanisms for transferring files, but certain clients will insist on sending us documents by email. So it’s on us to educate them as to why they should not do that, and to make sure they are comfortable with how we protect them. However, it’s also on us to make sure whatever system we use isn’t too onerous for the client. You’ve got to keep it simple if you want clients to use it.

Beyond that, we also educate clients on how to protect themselves. We tell them things like how to train employees to spot phishing attacks, update their software and otherwise handle information safely. Because, at some point, it’s not just about protecting our clients but protecting ourselves, too; if a client insists on doing something that creates liability for us, like continuing to email risky documents to our firm, that creates risk on our end that we just don’t need.

ALEXANDER RESNICK | Partner | Woodbury

One, we no longer email anything to clients with personal information on it. We transfer almost all things back and forth by our secure portal instead. Also, nothing goes to third parties—everything we do goes only directly to the clients. Cybersecurity concerns also affect how our employees access and interact with client data we hold. In order to protect it, remote employees need to get a one-time use code if they want access to the system and the information in it. Finally, as a general rule, we try to send as little personal information as we can, especially if it involves important identification numbers, as well as to be conscious of how our network system is set up for security purposes (e.g., regularly changing passwords, having passwords on each workstation, plus another for each program). There definitely has been some resistance from clients over the use of the portal, as it adds a little more difficulty on their end. We explain that it’s for their protection and point out that there are very similar systems in place with any other financial institution we do business with, whether banks or brokerage houses. Most of them appreciate that and accept that the additional work is worth the security. Sometimes, it takes a little more effort, and we have to physically mail things to accommodate clients because, at the end of the day, we want to serve our clients well.

PHILIP J. LONDON | Partner | New York City

We have a couple of different security steps. Everything we send is encrypted and uses two-factor authentication to access—you send a link, then a separate key code so they can download the document a limited number of times, which also means you can’t forward the information in any way. If someone doesn’t want to do that, then we can send them an encrypted PDF with security codes, but we really encourage clients to use the two-factor email system. We’ve also done training on how to recognize phishing emails—we’ve seen a lot of them ourselves, and it’s important that our clients know what to look for. I speak from experience on how important it is for our clients, as I myself have had someone try to file my tax return before I did.

Most of our clients are OK with the measures we take. When people are hesitant, we basically say, ‘Look, this is the way it is, unless you want your refund delayed by six weeks, because if we paper file, it will take a long time and, regardless, human beings will still be looking at your return.’

Unfortunately, this is the new reality we live in. A lot of people don’t like it, but I’m all in favor of security because the consequences can be tremendous. If we’re responsible as practitioners for someone breaking through our systems and using the information they find, there’s severe liability to be had for us, as well as risks for our clients. So we need to be very diligent in protecting our clients.

MARK P. STONE | Sole Practitioner | Farmingdale

We’ve taught our clients how we operate, which leads them to operate within our parameters. We’re entirely paperless, meaning that everything we send them goes electronically via secure portals. Nothing is emailed. Now, we can’t stop clients from sending us emails, but we highly discourage it. We recognize that once a breach happens, it’s very serious, and we’re very clear with our clients on that. So we don’t email at all, except under extreme circumstances.

We did not give our clients a choice on this. If they ask why, we tell them the reasons and history—all you’ve really got to do is read the Wall Street Journal or New York Times about all the times people have had their systems locked by people demanding money. It’s usually easy to get clients to come around after this talk.

Beyond the client-facing measures, we also exercise strict device control on our staff. We’re OK with people working remotely—we’re a flexible workplace—but staff members need to be safe. You can’t just use any computer to connect to our system; you need to use specific devices. It’s all a very controlled environment.
CHAPTER EVENTS & CPE

Manhattan/Bronx
Helping Others Achieve Financial Organization
When: Jan. 9, 6–8 p.m.
Where: NYSSCPA Offices, 14 Wall St., New York
Cost: $20 members, $30 nonmembers
CPE: 2 (specialized knowledge)
Course Code: 29155804
Register online or call 800-537-3635

Nassau
Nassau Chapter Women’s Focus Group Post-Holiday Networking Cocktail Party
When: Jan. 11, 6–8 p.m.
Where: Garden City Hotel, 45 7th St., Garden City
Cost: $50 per person
Course Code: 45030806
Register online via PayPal

Annual Tax & Economic Update
When: Jan 17, 8–10 a.m.
Where: Empire National Bank, 1707 Veterans Highway, Islandia
Cost: Free
CPE: 2 (1 taxation, 1 specialized knowledge)
Course Code: 29085816
Register online or call 800-537-3635

Chapter CPA Ethics Update
When: Jan. 31, 7–9 p.m. (5:30 p.m. cocktail reception; 6 p.m. dinner)
Where: Chateau Briand, 440 Old Country Road, Carle Place
Cost: TBD
CPE: 2 (general ethics)
Course Code: 42032825
Register online or call 800-537-3635

Nassau/Suffolk
Nassau/Suffolk Joint Chapter Annual Networking Meeting
When: Jan. 25, 6–9 p.m.
Where: The Fox Hollow, 7725 Jericho Turnpike, Woodbury
Cost: $75 per person, $85 at door
Course Code: 45030807
Register online via PayPal

Suffolk
Sales Tax Defense
When: March 21, 8–10 a.m.
Where: Empire National Bank, 1707 Veterans Highway, Islandia
Cost: Free
CPE: 2 (taxation)
Course Code: 29086814
Register online or call 800-537-3635

Westchester
Understanding Today’s Stock Market
When: Jan. 17, 7:45–9 a.m.
Where: Skadden Arps, 360 Hamilton Avenue, 3rd Floor Conference Center, White Plains
Cost: Free
CPE: 1 (advisory services)
Course Code: 29112804
Contact: Michael Herz at michaelbherz@gmail.com

Westchester Chapter Annual Golf & Networking Event
When: Aug. 13, 11:00 a.m.–7:30 p.m.
Where: Wykagyl Country Club, 1195 North Ave., New Rochelle
Cost: $375 per person ($350 if registered before Dec. 30), $150 for dinner only
Course Code: 45110901
Contact: Jeffrey Schwartz at jschwartz@eba.nyc
Events to support the accounting profession

By CARNET A. BROWN
Manhattan/Bronx Chapter President

Can you think of a profession in today’s world that doesn’t need the services of an accountant? There are many different areas or fields in the accounting profession: for example, auditing, taxation, cost accounting, forensic accounting, financial accounting and management accounting. The Manhattan/Bronx Chapter’s events not only reflect this wide range of fields and opportunities—they also contribute to the development of the profession.

On Nov. 3, we hosted our Career Day to educate high school students and teachers about our profession. Then on Nov. 30, we hosted our “Chapter Town Hall Meeting and Professional Issues Update” event at 14 Wall Street. At this location, we also hosted “Unleash the Exceptional Accountant,” on Dec. 5. This event consisted of one hour of CPE presented by Susan Parcells from BlackLine Systems and one hour of networking. At the networking event, attendees enjoyed wine, cheese and other refreshments.

Also, on Jan. 9, from 6 to 8 p.m., we will be hosting “Helping Your Client Achieve Financial Organization,” at 14 Wall Street, presented by Adam Dubow and Noah Goldfarb, both of National Financial Network LLC.

We are continually looking for members to get involved or more involved. With more, we can achieve more. Are you ready to make your contribution? If yes, please visit the Manhattan/Bronx Chapter website at www.nyscpa.org/membership/chapters/manhattan-bBronx or contact me at my email address below.

carnet12020@yahoo.com

Starting off a busy and productive year, including more joint events with Suffolk

By ANTHONY BASILE
Nassau Chapter President

I would like to take this opportunity to thank everyone who attended, sponsored, supported and worked tirelessly to make “A Bridge From Academia to Practice” on May 31 the spectacular night it was, where the profession and educators celebrated together. I want to especially thank my predecessor, Lynne M. Fuentes, and Vivian Levy for their generosity and patience in helping me organize the event, and Neil D. Katz, the best emcee around.

As the 64th president of the Nassau Chapter, I look forward to the coming months. We are also looking to plan more closely with the Suffolk Chapter than ever before to plan joint events, provide assistance to struggling committees and create a new vision for the Long Island accounting community. Thank you to Suffolk Chapter President Amanda L. Sexton for helping to get our chapters working more closely together.

We started the chapter’s year’s events on June 17 with the Annual Ellen Gordon CPAs 4(a): Cause 5K Run/Walk to End Hunger at Eisenhower Park. I would like to recognize and thank our partners in this event and good friends, the National Conference of CPA Practitioners (NCCPAP). One hundred percent of the net profits went to Island Harvest, the largest hunger relief organization on Long Island; this year, we collected over $6,000 for Island Harvest. Thank you to Kenneth H. Rick for his continued leadership in such an important annual event for the chapter.

The Career Opportunities in the Accounting Profession (COAP) program hosted a five-day event for students at Adelphi University that started on June 24 and culminated in a banquet on June 28. The keynote speaker was none other than Immediate Past President Lynne M. Fuentes, who inspired the crowd with a great story about overcoming adversity. This year, our program included several diverse events, covering topics from business technology to business communication and etiquette.

In August, there were two golf events for the chapter. We held our Networking with Accountants Annual Golf Outing on Aug. 17 at North Hills Country Club. We had a beautiful day on the course, and the banquet afterward was unparalleled. It was a great day of networking and golf. Thank you to Neal Korenberg, Carol Pinto and their firms for always putting together a great outing for the chapter. On Aug. 22, our NextGen Committee held its inaugural Golf Workshop Networking Event at Harbor Links Golf Course. It was well attended, especially for an inaugural event, and looks to be an event to look forward to for many summers to come. Thank you to co-chairs Wei Xu, Jean David Cherry, Gerrick J. Turano and Alyssa Popov for taking the initiative and for running such a great event.

At the Installation Dinner and in the spirit of “building a bridge to academia,” I announced that the Robert Katz Endowment in Accounting, Taxation and Legal Studies will be established in perpetuity in memory of the significant contributions that Robert Katz made to Hofstra University, and the fields of accounting and taxation, as well as the tremendous reputation he established in the Long Island accounting community. Bob, who passed away in July 2016, was a distinguished professor at Hofstra, an honorary alumnus and an outstanding business and community leader. He was my mentor, my colleague, my co-worker, but, much more importantly, he was my friend. There are so many accountants in the Long Island community who owe their careers or a good chunk of what they know to Bob Katz, and this is a way to give back in Bob’s name. Please consider supporting this endowment and help us keep Bob’s legacy alive at Hofstra. Checks can be made payable to Hofstra University, memo line Katz Endowment, or online at www.hofstra.edu/katzendowment. (Please check with your employer about your company’s matching-gift policy.)

I am looking forward to a great year of cooperation with other chapters and other professional organizations, continued collegiality with the greatest chapter members in the Society and a slate of officers and directors who welcome innovation, new programs and ideas. We are looking to improve on what we do for greater involvement by members. Please feel free to email me at the address at the bottom with any thoughts or suggestions you have for improving our chapter, and I will bring the suggestions to our Board directly for consideration.

In October, we had another joint event with the Suffolk Chapter. The Networking with Accountants Committee (formerly the Cooperation with Bankers Committee) co-sponsored its semiannual networking event with the Suffolk chapter at Millender Inn on Oct. 18.

In addition, our second annual Student CPA Fest took place on Nov. 2 at Chateau Briand, where Long Island college students attended informative sessions on resume writing, interviewing skills, networking and the CPA exam, as well as a job fair. It was a huge success as more than 150 students registered, representing 15 colleges in Long Island, Queens, Manhattan, Albany and even Western Connecticut. The fair also attracted 16 employer firms, which currently are interviewing students now for internships and full-time positions.

Our annual Attorney Accountant Networking Event took place on Nov. 28 in a new location, the Fox Hollow Inn in Woodbury. Normally, we hold this event during Thanksgiving week, but this year it was held one week later in order to avoid the holiday and travel restrictions that we have encountered in the past.

We have a new Sponsorship Committee, thanks to the efforts of Lynne M. Fuentes. The committee is working on putting together programs for firms and supporters of the chapter to increase their exposure at events, to the benefit of our members. If you know anyone who may be interested or who could benefit, please have them reach out to Lynne at Lynne@fuentesangelpcas.com.

abasile@basilecpa.com
An active summer followed by a full fall schedule of events

By KENNETH HALL
Rochester Chapter President

The Rochester Chapter’s events are in full swing. The chapter recently finished a successful summer, which began with our Career Opportunities in the Accounting Profession (COAP) program at Rochester Institute of Technology. For a few weeks, it looked as though our COAP was not going to happen; however, due to a few last-minute applicants from the Buffalo Chapter that put us over the top and a huge show of support from the NYSSCPA’s main office, we pulled it off. This effort was led by Vincent C. Manwaring Jr., and his COAP Committee (see the Rochester Chapter website, www.nysscpa.org/ membership/chapters/rochester, for the complete list). I was present for about half of the program, and I can tell you that we had a bright group of students (and hopefully future CPAs) and truly gifted presenters. Vince shared a few of the students’ written feedback comments, and I’d like to share two of them with you:

“Before I attended the COAP program, I thought being an accountant was sitting in an office all day, sitting in small cubicles, and doing impossible math. After being here, I learned that is not what accountants do at all. There is so much more to the accounting field, and all those things I thought [accounting was] weren’t even close to being true.”

“The program was really great. I now have a better experience in the knowledge of accounting, and I also got a glance at college life on campus. I would love to come back and share my experience.”

Clearly, measured by the above comments, our COAP was a success. As a charter organizer of the first Rochester COAP, held in 2002, I look forward to continuing this success into the future. Our COAP Committee is already planning the course for COAP 2018, with a laser focus on recruiting; if you know of potential candidates in high school, give Vince a call or send him an email.

On Aug. 24, we held our Millennial Summit, whose theme was “Learn how to understand the millennial mindset and start engaging high potential talent.” Headlining the three-hour continuing professional education (CPE) event was NextGen Committee Chair Garrett J. Wagner, past NextGen Chair Matthew J. Taylor and Whitney Baniewicz. Go check these guys/gals out on LinkedIn; they are the real deal.

Then, on Sept. 20, we held our Annual Mock Interview night, at the offices of Mengel, Metzger, Barr & Co. Ltd., CPAs. The event offered college students free interviews and a free LinkedIn photo op as a way of preparing them for their on-campus interviews. The NextGen Committee has been putting this event together for many years, and it just keeps getting bigger and better. As a frequent mock interviewer, I have run into some of my subjects years down the road, and they clearly remember that all-important “first interview” we had.

As we headed into the fall, our chapter held its first-ever joint meeting of the NYSSCPA and the Rochester CFO Networking Group at the Silk District Pub in the Corn Hill Landing neighborhood on Oct. 5. (The motto of the ROC CFO is, “where business gets done, pals reconnect and new friendships are formed.”) I highly recommend you check this out; the cocktails and hors d’oeuvres were compliments of the sponsors.

Then came the highlight of the year, on Oct. 17: Our state officers visited Rochester Chapter. Three great sponsors helped underwrite the event: ESL Federal Credit Union, Woods Oviatt Gilman LLP and ADP. This takes us into November. On Nov. 8, we held our first-ever (at least in recent memory) stand-alone ethics CPE event, which included New York State Education Department-approved ethics CPE, along with two additional hours of CPE at the Midvale Country Club, plus lunch and networking.

Then, on Nov. 17, we held our annual double shot of tax CPE and high school outreach. The 52nd Annual Rochester Tax Institute was scheduled for eight hours of tax CPE, held, in conjunction with the Monroe County Bar Association, at the Holiday Inn Rochester Plaza Hotel. A tug-of-war between CPAs and lawyers has traditionally been held in the parking lot afterward, with bragging rights for the next year at stake.

Happening on the same day was the 18th World of Accounting event. This was our flagship high school outreach event, where hundreds of students from dozens of area schools spent a day learning about accounting careers from practicing accountants and college students; they even got an office tour of our host firm (Mengel Metzger Barr & Co.), plus lunch. I am keeping a growing list of CPAs whose accounting pilot light got lit at this event. It is clearly a game changer for many.

After all this, we get to hunker down and read the latest version of tax reform and wonder how this might impact our clients as we head into the holidays and busy season! Finally, the Rochester Chapter needs your help recruiting new members, both CPA and non-CPA. Contact Membership Committee Chair Michelle A. Cohen for more information.

Ending the year with several events that offer CPE opportunities

By ORUMÉ HAYS
Staten Island Chapter Member

I used to think after I received my second bachelor’s degree that I was finished with education. However, it did not take long for me to realize that my profession was one that called for me to be a lifelong student. Now I celebrate being a student and I take advantage of every learning opportunity that comes my way.

As a member of the Staten Island Chapter, I am pleased that the chapter offers a variety of continuing professional education (CPE) courses, and I am looking forward to attending some of the chapter’s upcoming events in 2018.

On Nov. 17, the chapter presented the Staten Island Annual Taxation Conference at the College of Staten Island. On Nov. 27, the chapter hosted its CPA Ethics Update at the Regina McGinn Education Center, on Seaview Avenue. Both offered CPE credit.

Then, on Dec. 1, the chapter hosted its Staten Island Chapter Town Hall Meeting & Professional Issues Update at the Harvest Café, in Oakwood Beach. Rounding out the year, on Dec. 9, the chapter presented “Highlights of 2017 Federal & NY State Tax” at the Hampton Inn, on South Avenue. CPE credit was available for these events as well.

Remember, information about future events is available on the chapter’s Web page at www.nysscpa.org/membership/chapters/staten- island.
A busy schedule heading into the holiday season

By AMANDA L. SEXTON
Suffolk Chapter President


The Members in Industry Committee hosted a very informative educational session on cybersecurity risks from an insurance perspective at Empire National Bank with Neil A. Levy of KPMG at Cerini and Associates’ office in Bohemia on Oct. 6.

The Suffolk Chapter Web page at http://www.nysscpa.org/membership/chapters/suffolk.INFO-TWIST will get you more information on events. There are plenty more events coming up before Dec. 31, so please check out our Suffolk Chapter Web page at http://www.nysscpa.org/membership/chapters/suffolk.INFO-TWIST

It’s the time of the year to keep the charitable spirit going

By GINA GOODENOW
Westchester Chapter President

There have been a lot of tragedies in the news lately. From natural disasters to shootings, we have been bombarded by bad news in recent months. It’s amazing to see communities—in fact, the whole country—rally behind helping the victims of these events. Working in a charitable organization, I love to see the generosity and outpouring of support to help people begin to rebuild their lives and communities.

With the holidays upon us, take this time to keep the charitable spirit going. Even if you aren’t in a position to help someone far away, don’t forget about those in your own backyard. There are many needs in our local communities, from food pantries and homeless shelters to children’s tutoring and mentoring programs. Let’s use our skills to help bring others up the ladder. Those with tax experience could volunteer for a Volunteer Income Tax Assistance (VITA) program, while others could serve on a board. It could even be as simple as visiting lonely elderly patients in nursing homes.

Our profession is seen as trusted advisers and dependable members of society. Let’s set the example and donate not only our money, but our time this holiday season to those in need.

Renee Rampulla presenting the ethics CPE course as part of the Summer Sizzler.

At the conclusion of the CPE, the chapter held its annual clambake. While the menu was slightly changed from the traditional clambakes of years past (we’ll try to bring back salt potatoes and corn on the cob next year!), a nice evening was enjoyed by all. Everyone was able to network and have a good time. If you have any suggestions for this event going forward, please feel free to contact me at the address below.

A successful, and cool, annual Sizzler and Clambake

By MATTIA WRIGHT
Syracuse Chapter Vice President

O n a warm August day, approximately 120 people attended the Annual Summer Sizzler and Clambake presented by the Syracuse Chapter. The event was moved to a new location this year that included air conditioning—the Empire Room at the New York State Fairgrounds. While the event sizzled, the attendees did not! Renee Rampulla presented the two-hour ethics CPE. Renee is such a dynamic speaker that she was able to hold everyone’s attention on an otherwise flat topic.

There is still deemed to be the largest pickup on Long Island by the Marines, with over 165 boxes of toys. The Marines were scheduled to pick up the toys collected on Dec. 8.

On Oct. 25, the Members in Industry Committee hosted a session on “DWI and How It Can Affect Your Family, Your Friends and Your Clients,” presented by lawyer Alan Schwartz.

On Nov. 7, our Cooperation with Educational Institutions Committee held its annual Student Night at St. Joseph’s College.

On Nov. 16, the FVS Committee hosted Bruce Newman of Protegitor Advisors and Ernest Patrick Smith of Nawrocki Smith LLP, who presented “Negotiating a Deal” from both M&A (mergers and acquisitions) and tax perspectives at the Bank of America building in Melville.

Our chapter is very excited to have Renee Rampulla of Rampulla Advisory Services LLC provide our annual two-hour New York state CPE Ethics Update—I hope you will join us on Dec. 19 at Stonebridge Country Club in Hauppauge. Renee makes what can be a very dry topic interesting with real-life examples. There are plenty more events coming up before Dec. 31, so please check out our Suffolk Chapter Web page at http://www.nysscpa.org/membership/chapters/suffolk.INFO-TWIST

At the recent statewide NYSSCPA Governance Forum in September, Joel Schleifer was nominated as Political Action Committee trustee for our Long Island region. He will serve in that position through May 31, 2022. Joel is very well versed in political matters and is available to assist you with any questions, concerns or interests. You can contact him at jcschleifer@cfnllp.com.

Joel was also nominated to serve on the NYSSCPAs statewide Nominating Committee, where he and the rest of the committee will select the incoming officers for the statewide Board of Directors for the fiscal year beginning June 1, 2018—congratulations, Joel!

We are currently putting together this year’s Nominating Committee at the Suffolk Chapter level. The Committee will be looking for nominations for potential Suffolk Chapter Board Members for the fiscal year beginning June 1, 2018. If you have any questions in the meantime, please feel free to contact me at the address below.

In light of the recent and very tragic Las Vegas and Sutherland Springs, Texas, shootings and on behalf of the NYSSCPAs Suffolk Chapter, I hope that you, your family and friends are safe and healthy. Our hearts and prayers go out to the many victims, families and friends who are suffering.

I hope to see you soon!
Critical Thinking Skills for Financial Professionals

What were they thinking? Why do business leaders sometimes make decisions that severely damage their companies? This course is designed to help participants recognize factors that can sabotage decision making, how outstanding leaders can enhance decision-quality capability, and how to recognize factors that can undermine decisions. This course is designed to help participants develop the ability to: identify factors that can influence decision quality; recognize decisions that are based on flawed thinking; and develop the skills necessary to make better decisions. The course will focus on how to evaluate critical elements of a leader's decision-making capability, how to recognize that factors that sabotage decision making, how outstanding leaders use problem-solving skills to eliminate problem-solving fire drills, and more.

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

Accounting AC
Advisory Services AD
Auditing AU
Ethics E
Specialized Knowledge SK
Taxation T

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

Health Insurance Portability and Accountability Act (HIPAA), and expensive lessons learned for simple Consolidated Omnibus Budget Reconciliation Act (COBRA) violations. Also discussed are noncompliant covenants and pitfalls for employers approached by employees of competitors, and how non-disclosure and non-solicitation agreements can provide many of the protections—without some of the drawbacks—of noncompetes.

SK/4 32182311
FAE Learning Center
ACPA
$169/$215

1/8 Financial Forecasting: Planning for Success

Proper planning is the key to the success of any company. With CPAs constantly being asked to plan a company's future, forecasting is one area to demonstrate your special value. This course provides the tools necessary to project the balance sheet and statements of income and cash flow. Determine your company's maximum sustainable growth and predict its external fund requirements.

SK/4 3218411
FAE Learning Center
Foundation for Accounting Education
$169/$215

1/18 40th Annual Nonprofit Conference

See course listing under Accounting.


This powerful course will provide the latest cases and rulings involving depreciation and amortization issues and how they impact clients, along with the most useful planning opportunities. Covered topics include a special review on the repair versus capitalization final regulations. Are we capitalizing “repairs” that could have been written off immediately? What new “safe harbor” are available in this area? Also covered are the increased “de minimis” exception to avoid the tangible property regulations; procedures for “automatic changes” in accounting method associated with the depreciation rules; correctly handling depreciation on purchases and trade-ins of business vehicles; and much more.

TILI 21301811
FAE Learning Center
Foundation for Accounting Education
$279/$339

12/19 2017 Federal Business Entity Tax Update

This powerful course will provide complete coverage of all the latest IRS rulings and procedures affecting business entities, along with up-to-date summary of the most important tax court decisions and tax law changes in this area. Topics include the continuing impact of Sec. 179 immediate expensing along with bonus depreciation, along with significant write-offs accorded “de minimis” asset acquisitions and repairs; possible restrictions against immediate expensing of HVAC units and “qualified real property”, the status of repair versus capitalization regulations with the new 20 percent bonus depreciation.
12/20
Federal Individual Income Tax Update
This powerful course will provide complete coverage of all the latest IRS rulings and procedures affecting individuals, along with an up-to-date summary of the most important tax court decisions and tax law changes in this area including: extension, some permanent, of expired tax provisions; handling repair expenses for rental properties; how dramatically higher individual marginal tax rates are affecting K-1 flow-through owners; the Impact of Affordable Care Act and mandated health insurance requirements; the latest issues and possible remedies for those clients confronting identity theft; tax issues for separated and divorced parents; and much more.
T/B
FAE Learning Center
Foundation for Accounting Education
$279/$349
12/28
The Best Income Tax, Estate, and Financial Planning Ideas
This course is designed for individuals and trusts, tax planning takes on more importance. Plus, with Social Security going bust and interest rates at an all-time low, new ideas for financial planning for retirement must be considered. The purpose of this course is to explore practical tax planning ideas that practitioners can use to assist clients with their needs. This course is crucial for CPAs who are looking for good ideas that can save clients money!
T/B
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349
12/29
Mastering the Fundamentals of Estate and Gift Tax Planning
While estate and gift taxes have been greatly eased, many clients will still require estate planning services, now that the tax environment has stabilized. This course examines the fundamentals of estate planning including critical concepts in material distribution planning, credit shield trusts, selection and powers of trustees, and setting and funding issues. The comprehensive manual provides an in-depth analysis of will provisions, checklists, flowcharts, and real-life examples.
T/B
FAE Learning Center
Surgent McCoy CPE LLC
$279/$349
1/1
Preparation of both S corporation and partnership/LLC tax returns, along with the underlying laws, regulations, etc. This course provides a comprehensive understanding of the preparation of both S corporation and partnership/LLC tax returns, along with the underlying laws, regulations, etc.
FAE Learning Center
Foundation for Accounting Education
$279/$349
1/11
Specialized Knowledge
1/11
40th Annual Nonprofit Conference
See course listing under Accounting.
12/18
FAE’s Accounting Update 2017
This course provides a real-time review and analysis of the latest developments in accounting and auditing. Participants who attend this update will receive an overview of new and proposed relevant accounting guidance issued by the Financial Accounting Standards Board, along with practical application of this Accounting Standards Update through a variety of discussions and questions.
AC/4
Meville Mannit Long Island
Foundation for Accounting Education
$279/$349
12/20
FAE’s 2017 Financial Statement Disclosures for Small- to Medium-Sized Businesses
Preparing financial statements for small- to medium-sized private businesses in accordance with generally accepted accounting principles (GAAP) issued by the Financial Accounting Standards Board or preparing financial statements using a Special Purpose Framework (SPF), such as cash or income tax basis, often involves complex measurement and disclosure considerations. This course addresses the most frequently encountered disclosure issues associated with preparing financial statements for nonprofit small- to medium-sized businesses. While not required, consider bringing your computer along with access to the Internet in order to gain a "hands on" approach to researching disclosures.
AC/4
Meville Mannit Long Island
Foundation for Accounting Education
$279/$349
12/21
The Bottom Line on the New Lease Accounting Requirements
How do the leasing requirements in the new standard differ from current GAAP? This course addresses that question by focusing on the basic core principles of the new standard. Discussion includes basic identification, recognition, measurement, presentation, and disclosure requirements. Case study exercises are included to illustrate the application of the new standard.
AC/4
Meville Mannit Long Island
ACPA
$184/$235
12/21
Interpreting the New Revenue Recognition Standard: What All CPA’s Need to Know
The new accounting standard for revenue recognition has finally been released. With the issuance of FASB ASU 2014-09, Revenue from Contracts with Customers, FASB has completed a convergence project with the IASB to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and IFRS. This course will provide you with an in-depth understanding of the framework for revenue recognition built around the core principle that is applied in a five-step process.
AC/4
Meville Mannit Long Island
ACPA
$184/$235
12/21
Auditing
12/19
FAE’s Auditing Update 2017
In a rapidly changing global and domestic economy, this course is a significant tool in keeping abreast of the latest emerging and current auditing and attestation guidance. Participants who attend this update will receive real-time overviews of new and exposed auditing guidance, along with practical application of that guidance through a variety of discussions and questions.
AC/4
Meville Mannit Long Island
ACPA
$184/$235
12/19
FAE’s Compilation, Review, and Preparation of Financial Statements Update 2017
Participants who attend this update will receive real-time discussion and tools designed to help them better perform compilation, review, and preparation of financial statements engagements. This course addresses recently issued Statements on Standards for Accounting and Review Services (SSARSs) and the challenges arising from these engagements through a variety of discussions and questions.
AC/4
Meville Mannit Long Island
ACPA
$184/$235
12/19
SPECIALIZED KNOWLEDGE
1/11
12/15
FAE’s Ethics Update 2017 for in Members in Business
This course, which meets the New York State (NYS) four-hour ethics CPE requirement in general studies, gives you a basic understanding of the fundamental concepts underlying your ethical responsibilities and increases your awareness of critical standards and regulations. It is primarily for NYS-licensed CPAs in business (employed or engaged on a contractual or volunteer basis in an executive, staff, governance, advisory, or administrative capacity in such areas as industry, the public sector, the education, the not-for-profit sector, and regulatory or professional bodies).
E/4
Doubletree Hotel Tarrytown
Foundation for Accounting Education
$314/$415
12/15
FAE’s Ethics Update 2017 for Public Practice
This course, which meets the New York State (NYS) four-hour ethics CPE requirement in general studies, gives you a basic understanding of the fundamental concepts underlying your ethical responsibilities and increases your awareness of critical standards and regulations. It is primarily for NYS-licensed CPAs in public practice (individual or firm services).
E/4
Doubletree Hotel Tarrytown
Foundation for Accounting Education
$314/$415
12/21
Financial Reporting for Not-For-Profit Entities
Do you know what makes not-for-profit accounting and financial reporting different? This course covers the FASB’s Financial Statement Project and provide insight into what makes not-for-profit financial reporting different while training you to identify key hurdles in not-for-profit accounting and reporting in an efficient and effective manner. Avoid the pitfalls of confusion and provide a financial picture that end users can truly understand.
AC/4
ACPA
$314/$415
12/20
AICPA’s Annual Update: Top 12 Governmental and Not-for-Profit Auditing Issues Facing CPAs
Preparers of governmental and nonprofit financial statements and their auditors often seek advice from the AICPA’s Technical Hotline as well as from the GASB Technical Inquiry System. The advice they receive from these sources is high-quality and nonauthoritative, but offers visible solutions or reasonable alternatives for accounting and auditing issues related to governmental and nonprofit organizations. The objective of this course is to enhance participants’ knowledge and application of professional judgment by providing a review of the top accounting and auditing issues faced
As the first state society for accounting professionals, the NYSSCPA knows a thing or two about building connections. Check out your local chapter (nysscpa.org/chapters) for networking events near you.

And once you’ve decided on your own accounting specialty, join one or more of our 60+ technical committees to connect with the top people in your field (nysscpa.org/committees).
Do You Have Any of These Issues? We 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