PCAOB proposal would mean new judgment calls for auditors

BY CHRIS GAETANO
Trusted Professional Staff

A new proposal by the Public Company Accounting Oversight Board (PCAOB) would expand the auditor’s reporting model to include more information and disclosures meant to aid investors, but some auditors are skeptical as to whether the costs of the change would outweigh the potential benefits.

“Some would consider this [proposal] to be a loaded gun,” said George I. Victor, a member of the NYSSCPA’s SEC Practice Committee. “There is a significant amount of information that will need to be provided [according to the draft], and it represents a significant change from past practice, with the auditor providing information on areas that have not been opined on traditionally.”

The proposal, PCAOB Release No. 2013-005, was published on Aug. 13. The board presented the draft as an update to the standard auditor’s report, which has changed little since the 1940s.

According to the PCAOB, the investing community has been demanding to see more information in the audit report, which the board said currently “provides little, if any, information specific to the audit of the company’s financial statements to investors or other financial statement users.”

“Many investors indicated that auditors have unique and relevant insight based on their audits and that auditors should provide information about their insights in the auditor’s report to make the reports more relevant and useful,” the board wrote in its draft.

In the interests of this, the PCAOB proposal adds several new elements to the auditor’s reporting model to include information about areas that have unique and relevant insight based on the auditor’s work.

NYSSCPA supports tightening requirements for discontinued operations

BY CHRIS GAETANO
Trusted Professional Staff

The NYSSCPA is supporting a Financial Accounting Standards Board (FASB) proposal that would narrow the criteria for what may be considered a discontinued operation, but it has asked the board to clarify some aspects of the proposed restrictions in order to make the financial statement clearer and more relevant for users. The Society expressed its views in a comment letter published on Aug. 1.

The letter was in response to the FASB exposure draft, “Proposed Accounting Standards Update Presentation of Financial Statements (Topic 205): Reporting Discontinued Operations,” which was released to the public for comment on April 2. If implemented, it would make it more difficult for entities to declare a segment of a business a discontinued operation, which generally is a part of a company that has been sold, disposed of or abandoned. Discontinued operations are listed separately on income statements so that investors can better understand the source of a company’s profit, particularly in the case of a merger where certain assets are divested.

“The literature originally arose because of serious, significant abuses by companies many years ago in carving out discontinued operations as a means to make them look better going forward,” said Fred R. Goldstein, a member of the Financial Accounting Standards Committee and one of the letter’s authors.

Under current standards, a component of an entity can be counted as a discontinued operation if its operations and cash flow have been or will be eliminated from the ongoing operations of the entity in the disposal transaction, and the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. However, according to the FASB exposure draft, this has resulted in too many assets qualifying as a discontinued operation, leading to financial statements “that are not decision useful for users,” as well as higher costs for preparers.

The FASB proposal attempts to rectify this by tightening the circumstances under which discontinued operations can be reported. The NYSSCPA’s comment letter asked the board to clarify some aspects of the proposal and to provide examples of the types of operations that would be considered a discontinued operation under the new standard.
CPE: What is Our Responsibility?

In 2011, a few years after the New York State Accountancy Reform Law took effect, I wrote two articles for The Trusted Professional about the law’s impact on CPAs in industry (“An Industry CPA’s Perspective on the State’s Accountancy Reform Law” and “State’s Accountancy Reform Law Brings Questions from Industry CPAs”). I noted in the articles that the law had expanded the statutory definition of the “practice of public accountability” beyond attest services provided by public firms. I pointed out that the law required licensed CPAs, including those in industry, who use the “skills and competencies” of a CPA within New York state to register triennially with the State Education Department (SED) and complete continuing professional education (CPE) credits every year. And I expressed concern about the feedback I was hearing from some CPAs in industry, including statements like, “I don’t work for a CPA firm, so the reform law doesn’t apply to me.”

Of course, at least part of that push back came from an initial confusion about certain aspects of the law. But today, four years after the law was adopted and long after the NYSSCPA launched a campaign to educate CPAs in industry, auditing, and “State’s Accountancy Reform Law Brings Questions from Industry CPAs,” that same perspective. Surely, all employers must want the CPAs on their financial accounts to be a CPA? If the answer is yes, then whether or not your employer reimburses you, you must be in compliance.

I do understand that many employers don’t reimburse CPA licensing fees, CPE or professional association membership costs, so cost may be the reason for noncompliance amongst CPAs in industry. Nevertheless, as a professional—as a CPA—you and you alone are responsible for maintaining your CPA license. Are you proud to be a CPA? If the answer is yes, then whether or not your employer reimburses you, you must be in compliance. The license and education belong to you.

Consider this: What will be the impact when it is discovered that an organization’s chief financial officer, head of internal audit or chief operating officer, though CPAs, are not in compliance with New York State law? What will be the audit, regulatory and legal impact? What headlines can we expect to see in the press?

If we don’t take steps to ensure compliance, who will? Some day, it may be taken out in the press.

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

November issue—September 24
December issue—October 29
January issue—November 26

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

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

Views expressed in articles printed in The Trusted Professional are the authors’ only and are not to be attributed to the organization, its officers, the NYSSCPA or the FAE, or its directors, officers, or employees unless expressly so stated. Articles contain information believed by the authors to be accurate, but the publisher, editors and authors are not responsible for rendering legal, accounting or other professional services. If specific professional advice or assistance is required, the services of a competent professional should be sought.

Are you an NYSSCPA member interested in writing for The Trusted Professional?

No matter what your practice area, The Trusted Professional might be interested in publishing your work. All published stories should be between 700 and 1,500 words in length and must follow Associated Press—not academic—style guidelines. Submitted stories should be geared toward the education and general interests of the readership. Articles written to sell a service or to promote a business or office will not be considered. Final acceptance of material submitted for publication is at the editor’s sole discretion. Interested members should email Nicole Saunders at nsaunders@nysscpa.org for more information about guidelines and the editorial process before submitting work.
Not yet a member? How participating in the Society can benefit you

BY LISA AXISA
Director of Membership Recruitment and Retention

With more than 60 committees and 15 chapters across the state, members of the New York State Society of CPAs have tremendous networking and learning opportunities available to them. NYSSCPA publications are nationally recognized, and with more than 29,000 members, we are significant advocates for the profession in Albany. Moreover, our members enjoy an unparalleled suite of benefits and services. Become a member and you will—

- increase your value as a professional by staying on top of the latest developments in the accounting profession with free subscriptions to our publications, The CPA Journal and The Trusted Professional.
- save time on technical questions by tapping into the collective wisdom of more than 29,000 members through our Technical Hotline.
- utilize the CCH TaxAware® and gain access to daily tax updates, current developments, tax journals and related publications on a single online platform. As a member, you get unlimited 24/7 access to them all at no cost to you.
- save up to $100 on your next Foundation for Accounting Education CPE webinar or live session. Also, get FREE CPE through NYSSCPA committee technical sessions.
- bring in new clients through participation on one of our committees or local chapter community networking events.
- enhance your résumé or get noticed by upper management by taking advantage of numerous opportunities for leadership.
- save hundreds through our comprehensive members-only discounts on insurance programs, shipping services, cell phones, travel, car rentals, shopping, mediation and arbitration service, payroll services, energy rewards and much more!
- take advantage of our CareerBank which provides job alerts targeted to your area of expertise. Or, tap into your peer network to help find the next great opportunity.
- learn the rules for doing business as a CPA with the CPA’s Guide to Business in New York State.
- Membership also allows you to demonstrate that you uphold the high standards and integrity entrenched in the tenets of the accounting profession. To join, visit the nysscpa.org Membership Center or call 800-537-3635.

laxisa@nysscpa.org

NYSSCPA Nominating Committee puts forth call for board members, officers

BY F. MICHAEL ZOVISTOSKI, CPA
NYSSCPA Secretary/Treasurer

I am writing to all NYSSCPA voting members to encourage any of you who are interested in serving as a member or officer of the Society’s Board of Directors to file a submission expressing your interest. Additionally, if you know of another member who would be interested in serving as a member or officer of the Society’s Board of Directors, you can nominate him or her as well.

This year, the Nominating Committee will be nominating—
- a president-elect (who serves three years on the Board: one year as president-elect, one year as president and one year as immediate past president);
- four vice presidents (who each serve one year);
- a secretary/treasurer (who may serve two consecutive one-year terms);
- five at-large directors (who serve three-year terms); and
- directors from the Adirondack, Nassau, Rochester, Staten Island and Suffolk chapters (who serve three-year terms).

Please contact the respective chapter president to express interest in these Board positions. Their contact information is available at the Chapters portion of the Society’s website, located at http://www.nysscpa.org/page/about-us/chapters.

The time commitment to serve on the Board normally includes attendance at four, face-to-face, day-long meetings annually, plus participation in a one-hour conference call. The face-to-face meetings are generally held in Manhattan.

Of course, if you agree to participate on a subcommittee of the Board, additional time is required, and, on rare occasions, issues to be decided by the Board can necessitate additional meetings.

The Nominating Committee will be meeting on Jan. 9, 2014. We need your expressions of interest as soon as possible, but in any event no later than Jan. 2, so that the committee has the time to vet and compare the candidates.

If you want to learn more about what service on the Board or as an officer entails, feel free to contact one of the current Board members, officers, or contact me at secretarytreasurer@nysscpa.org.

A list of the current Board members is available at: http://www.nysscpa.org/epass/Committees/BoardofDirectors.aspx.

We request that before submitting the name of another member for nomination, you confirm that the candidate is willing and able to serve.

We also request that you submit a biography or résumé for the candidate and an email or letter indicating why you or that person should serve on the Board or as a Society officer.

To serve on the Board, an individual must be a CPA member of the NYSSCPA for five continuous years and have at least two years’ service either on a statewide committee or a chapter executive board, or a combination of both.

Additional information on the nominating process can be found online at: http://www.nysscpa.org/governance/protocols.htm.

More information on the nominating process can be found online at: http://www.nysscpa.org/page/aboutus/governance/nomination-center.

Sincerely,
F. Michael Zovistoski, CPA
NYSSCPA Secretary/Treasurer.

NOTICE OF OPEN
NYSSCPA BOARD OF DIRECTORS MEETING

Each year, the NYSSCPA Board of Directors holds an open meeting that any member in good standing may attend.

This year’s open meeting will be held on Sept. 27 as part of the NYSSCPA Governance Forum, beginning at 9 a.m. at the Desmond Hotel in Albany, N.Y.

For more information, email ngomez@nysscpa.org.

F. Michael Zovistoski
NYSSCPA Secretary/Treasurer
standard audit report. For one, the auditor would be required to communicate in the report “critical audit matters” addressed during the course of the audit. In general, the PCAOB said, “critical audit matters” are items that are considered to be so important that they are included in engagement completion documents, reviewed by the engagement quality reviewer or communicated to the audit committee. These matters include the most difficult, subjective or complex auditor judgments; matters that posed the most difficulty in terms of obtaining sufficient appropriate evidence; or those that posed the most difficulty in forming an opinion on the financial statements.

The auditor, in compiling the report, would need to identify the critical audit matter, describe the considerations that led the auditor to determine that the matter is critical, and refer to the relevant financial statement accounts and disclosures related to that matter, when applicable. If it is determined that there are no critical audit matters, the auditor would state that in the report.

The PCAOB also proposed expanding the auditor’s responsibility to other information outside the financial statement, specifically, the annual report filed with the SEC. Currently, the auditor is required to read and understand outside information and, if there is an inconsistency with the financial statements, to discuss it with management and perform other procedures based on the auditor’s judgment. Under the proposal, auditors would not only read and consider this information, but would disclose the nature and scope of their responsibilities with respect to the other information, clarify what other information was evaluated by the auditor, and describe the results of the auditor’s evaluation.

Overall, the PCAOB felt that communicating these matters would provide meaningful information to investors and other users that could help them make decisions. The board has asked to receive public comments about the proposal by Dec. 11, 2013.

Members voice concerns

Though the PCAOB has said that it sought to make the auditor’s report more informative without adding undue burden to the financial reporting process, several NYSSCPA members believe it has fallen short of its goal.

“The risk of including additional disclosures regarding critical audit matters in the audit report is that users of the financial statements may not have enough context to appropriately interpret [them],” said Charles Abraham, a member of the SEC Committee. “This might lead to the audit report being less useful to the users of the financial statements.”

Neil Ehrenkrantz, chair of the SEC Committee, expressed similar views, saying that “we do audits in accordance with the standards. The investors should technically trust us in this, so I don’t think all these critical audit matters should be addressed.” He was also skeptical about whether the auditor’s report is a crucial factor in the investment decisions of an investor, or if the new auditor report paragraphs would make a difference.

“I don’t think investors are really going to be looking for these critical audit matters and digesting them in connection with financial statements any differently than they were before, in my opinion,” he said.

He added that since it’s already part of the auditor’s procedures to review for inconsistencies between the annual report and the financial statements, he didn’t think it would be meaningful to disclose the evaluation on the auditor’s report.

Opinion was slightly more split on the investor side of things. For example, Barry T. Goodman, chair of the Investment Companies Committee, felt that the additional disclosures wouldn’t make much of a difference to investment companies who tend not to make investment decisions based on the auditor’s report. The auditor’s report, he said, “won’t tell you to buy or sell an investment,” unless “there is something egregious, something terrible that comes out of the report that has to be noted. Then it would put up a red flag and say ‘by the way...’” However, he added that “we always had that in the audit reports, things like illiquid assets or a fund closing down or pending litigation.”

On the other hand, David A. Encalada, a member of the Investment Management Committee, said that the auditor’s report is influential when it comes to investment decisions.

“I’m in the hedge fund industry and investors [look at the report] in their due diligence meeting,” he said.

And Richard M. Feldman, another member of the Investment Management Committee, said that when making an investment decision, the investor uses the auditor’s report to show proof that there was an audit to begin with, no more, no less.

“My feeling is, it matters that there is an auditor’s report. It doesn’t matter what the report says as long as [investors] know there is an auditor opinion on at least the financial statement,” he said.

Possible liability issues

According to Victor, the PCAOB proposal isn’t so much a change in what the auditor does, but in what kind of information the investors can access. With this, however, he

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Discontinued Operations

Continued from front page

which an entity can declare a component of a business a discontinued operation. Under the proposed amendment, a discontinued operation would be either “a component of an entity or group of components of an entity that represents a separate major line of business or major geographical area of operations that has been disposed of or is part of a single coordinated plan to be classified as held for sale,” in accordance with the part of the codification that concerns when something is classified as held for sale, or, alternatively, a business that, on acquisition, meets the already existing criteria for when a segment of the business can be classified as held for sale.

According to the current standards, a segment is held for sale when management commits to a plan to sell the asset; the asset is available for immediate sale in its present condition only under terms that are usual and customary for sales of such assets; an active program to locate a buyer and other actions required to complete the plan have been initiated; the sale of the asset is probable and transfer of the asset is expected to qualify for recognition as a completed sale within one year; the asset is being actively marketed for sale at a price that is reasonable in relation to its current value; and actions required to complete the plan indicate it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The NYSSCPA agreed with the FASB’s solution. “We felt a major line of business or geographical component is a good working definition because you would cut discontinued operations for things that do not represent an actual strategic shift in the business. [Moreover], the revised definition would result in financial statement presentations that are likely to give a better understanding of what is continuing, and its impact in the current period and going forward,” Goldstein said.

However, the Society added that some clarification of what the FASB means by certain terms within the proposal could be helpful. For example, it asked that the board clarify what constitutes a major line of business by having more and enhanced examples of what constitutes a major line of business or a geographic component.

In answer to a question posed in the exposure draft about whether an entity should be required to reclassify the assets and liabilities of a discontinued operation classified as held for sale in the statement of financial position for periods before reclassification, the Society responded yes, as it would give the “uninformed reader a better understanding of what is being disposed of and its relative importance to the entity in periods prior to the planned disposal.”

Beyond the changed definition, the proposed standard would also add more disclosures when an entity does decide that a segment of business should be counted as a discontinued operation. Entities would be required to disclose—

• the major income and expense items constituting the pretax profit or loss from a discontinued operation for the periods that the results of operations of the discontinued operation are reported in the statement where net income is reported;
• the major classes of cash flows (operating, investing and financing) of the discontinued operation for the periods that the results of operations of the discontinued operation are reported in the statement where net income is reported;
• if the discontinued operation includes a noncontrolling interest, the pretax profit or loss attributable to the parent for the periods that the results of operations of the discontinued operation are reported in the statement where net income is reported;
• a reconciliation of the major classes of assets and liabilities of the discontinued operation classified as held for sale that are disclosed in the notes to the financial statements to total assets and total liabilities of the disposal group classified as held for sale that are presented separately on the face of the statement of financial position for the initial period in which the disposal group is classified as held for sale; and
• a reconciliation of the major income and expense items from the discontinued operation that are disclosed in the notes to the financial statements to the after-tax profit or loss from the discontinued operation that is presented on the face of the statement where net income is reported for the periods that the results of operations of the discontinued operation are reported in the statement where net income is reported.

The proposed amendment would require both public and private entities to provide disclosures about disposals of an individually material component of an entity that does not qualify for discontinued operations treatment in financial statements, with more enhanced disclosures for public entities.

The Society noted in its comment letter that the disclosure concerning individual material components of an entity that do not qualify for discontinued operations treatment pertaining to investing cash flows and financing cash flows are unnecessary, as these disclosures would probably be included in the management’s discussion and analysis in public companies and, furthermore, would provide “little to no value to users of private company financial statements.” It also felt that businesses that are held for sale should be excluded from some of the disclosure requirements (though the exposure draft did not specify which).

The final deadline for comments was Aug. 30.

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NYSSCPA comment letters

The following list includes all comment letters released by the NYSSCPA between Aug. 1 and Aug. 31, 2013. To read all comment letters published by the NYSSCPA, visit nysscpa.org/page/society-comment-letters.

Comments to the FASB on a Proposed Accounting Standards Update—Presentation of Financial Statements (Topic 205): Reporting Discontinued Operations: Released Aug. 1—Comments on a proposed accounting standards update that would address reporting issues under Subtopic 205-20 by changing the criteria for reporting discontinued operations and enhancing convergence of the FASB’s and the IASB’s reporting requirements for discontinued operations.

Comments to the AICPA on an Exposure Draft—AICPA Professional Ethics Division, Proposed Revised AICPA Code of Professional Conduct, April 15, 2013: Released Aug. 13—Comments regarding a revised AICPA Code of Professional Conduct (AICPA Code) for possible adoption by the AICPA Professional Ethics Executive Committee (PEEC). The PEEC is proposing to restructure and codify the AICPA Code so that members and other users can apply the rules and reach correct conclusions more easily and intuitively.

PCAOB

Continued from page 4

believes there will be increased legal exposure to audit firms due to the fact that these disclosures require more professional judgment and are in a more qualitative area than the work of checking over quantitative information.

Ehrenkrantz agreed, saying that because the auditor must make a choice about what is and is not significant, and what parts of the auditors’ report will be examined more closely, it is more likely that a firm, when sued by a user, will incur additional costs for its defense.

“I can see this on a deposition: ‘you, sir, identified these areas as critical audit matters, you said that your significant judgments and estimates are these and your insignificant changes are those, but what about this one, what about that one?’ What happens when what you think is significant is not significant to others and vice versa?” he asked.

While the long-term outcome of such a proposal remains to be seen, Victor said that it probably would result in higher professional liability premiums, due to increased exposure as insurance carriers become concerned about increased litigation risk. Potentially, the auditor’s report could “be a battleground” over what they should and should not have brought up in their report, which “can be a difficult argument to resolve,” he said.

Victor, who also said he understood that the PCAOB, as an advocate for the public, is looking for transparency, wondered “if you look at a problem situation where there was a company failure, I don’t know if you can go back and say ‘it wouldn’t have happened if we had information on the [management discussion and analysis] from the auditors.”

Comments on the PCAOB proposal are due by Dec. 11, 2013. Ehrenkrantz said that the SEC Committee plans to issue a comment letter in cooperation with the Accounting and Auditing, and Accounting Oversight Committees.

cygottano@nysscpa.org
A modified GAAP for private companies could affect contractors

BY CHRIS GAETANO
Trusted Professional Staff

The first proposed modifications and exceptions to U.S. Generally Accepted Accounting Principles (GAAP) to be released on the recommendation of the new Private Company Council (PCC) could make life easier for construction contractors and their CPAs, by reworking how private entities calculate goodwill and account for intangible assets, according to a speaker at the FAE’s Construction Contractors Conference on Aug. 8.

The PCC was formally established in May 2012 as a body that advises the Financial Accounting Standards Board (FASB) on private company matters and recommends exceptions or modifications to U.S. Generally Accepted Accounting Principles (GAAP) for private companies. In addressing the conference, Stephen J. Mannhaupt, a member of the NYSSCPA’s Construction Contractors Committee, said that since its formation, the PCC has released three exposure drafts that would affect private companies like construction firms. (Ed. Note: At press time, an additional exposure draft was issued, bringing the total to four.) Each of the drafts have an Aug. 23 deadline for comments.

One draft, “Accounting for Identifiable Intangible Assets in a Business Combination,” eliminates the need to recognize the fair value of certain intangible assets in the event of a business combination. According to the draft, private companies had been saying that the benefits of recognizing certain intangible assets separately from goodwill in a business combination does not provide useful information that is germane to matters relating to private companies. While businesses may consider some intangible assets separately, many are still treated, essentially, as goodwill, the FASB said.

Consequently, the proposal would require companies to recognize intangible assets separately from goodwill only when they arise from contractual rights with noncancelable contract terms, or from other legal rights.

Mannhaupt touched upon another proposal concerning goodwill calculations subsequent to a business combination, “Accounting for Goodwill Subsequent to a Business Combination.” Currently, he said, all companies must recognize the fair value of any goodwill they receive in an acquisition and then test whether it has an impairment. But according to the FASB exposure draft, this doesn’t make as much sense for private companies because most users will just disregard goodwill and goodwill impairment losses when analyzing the company’s financial condition and operating performance. Moreover, it added, goodwill impairment testing can be costly. The proposal would simplify reporting, Mannhaupt said, by allowing companies to amortize goodwill on a straight-line basis over a set life to be determined, most likely 10 years.

“So the private company can say ‘I have goodwill on my books,’ re-cord it at the acquisition date, and elect to amortize it over a period,” he said. “It really does make sense for a company that has that acquisition [because it] allows the entity to amortize the goodwill over a period and get away from complicated impairment testing.”

According to Mannhaupt, both of these drafts have been released at a time when many construction contracting companies are acquiring other companies that are seen as a good value, in part to absorb their contracts.

Of the third proposal, “Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swap,” Mannhaupt said that it provides an easier way to calculate “where there should be a derivative hedging and get to what a liability is.”

Future items, Mannhaupt added, will have even more impact on construction contractors. One item currently under consideration by the PCC, he said, is consolidation of variable interest entities involving entities with related party leases, which, he noted, describes the structure of many construction companies. The issue involves related-party arrangements, like when a contractor owns a building with debt on it, and the contractor rents space from the entity that holds it, which means they have to go through the process of consolidating that real estate entity.

“It’s a very common process for a contractor,” he said. “It becomes a challenge to calculate that amount and consolidate.”

Mannhaupt added that one possible

Create change in Albany

By representing more than 29,000 members, the NYSSCPA acts as the unified voice for CPAs throughout New York State. While we are often able to use our strength in numbers to take action, political advocacy sometimes requires a more grassroots approach. This is why the NYSSCPA is inviting its members to become a part of its Key Contact Program. Much in the same way networking is vital to professional advancement, developing a strong political network of connections is important to any government advocacy program.

To Become a Key Contact:
Click on the Government Affairs tab on the NYSSCPA website and then click on the “Get Involved” link
Or type the web address directly into your internet browser: nysscpa.org/page/key-contact

Members can also call:
212-719-8385
solution that the PCC is examining is excluding the consolidation in areas where there is a related-party lease so that the contractor can opt not to consolidate.

Another agenda item, he noted, concerns disclosures related to defined benefit plans. The PCC is weighing whether private entities should be allowed to make fewer fair value disclosures for level 3 investments, and he said there is a question of whether it’s even necessary to have such complex disclosures. The PCC, via the FASB, may eliminate the need for them.

AICPA framework considerations

The FASB isn’t the only one interested in private entity accounting. The AICPA, Mannhaupt said, released its financial reporting framework for small and medium-sized entities (SMEs) in June. The institute looked at how small and medium-sized entities generally operated, he said, and found that a lot of accounting methods such as cash basis, tax basis, modified cash and modified tax was “almost like the Wild West out there, where smaller entities were picking and choosing how to record certain items on a non-GAAP basis.”

Mannhaupt commented that most of the time “users of financial statements really just want to be able to assess the entity’s ability to perform under the contract and see what’s the basis of that company,” without their having to deal with “confusing” areas such as variable-interest entity rules and fair value. The entire document, he said, is a 200-page principles-based package wherein “someone with limited accounting knowledge can read and understand how to record a transaction.”

Where this comes into play for construction contractors is with the consolidation rules concerning variable interest entities, among other differences.

“Currently we’re all dealing with the variable interest entity concepts where there’s a consolidation requirement and the reader of the financial statement just wants to get a parent-only financial statement, but the company is prohibited from issuing those,” he said. “This reporting framework allows for that. It also allows a contractor to prepare financial statements on an accrual basis without these other confusing areas that are cost-prohibitive and confusing for the readers.”

Right now, he said, the AICPA is working on educating stakeholders on this framework and has prepared “toolkits” for users of financial statements. For more information, visit aicpa.org.

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### Construction

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Chief Financial Officers
Construction Contractors
Entertainment, Arts and Sports
Fashion and Furnishings
Hospitality Industry
Internal Audit
Investment Management
Private Equity and Venture Capital
Real Estate
Small Business Outreach
Stock Brokerage

Upcoming Conferences

Private Equity and Venture Capital Conference Tues., Oct. 1

This is a partial listing of meetings scheduled to take place at the NYSSCPA office (14 Wall Street, New York, NY 10005) and is subject to change. For a complete and updated listing of meetings, visit www.nysscpa.org, click on “About Us,” and choose “Committees” from the drop-down menu.

Interested in joining a committee? Fill out an application online or contact Nereida Gomez, Manager, Committees and Administrative Services, at 212-719-8358 or ngomez@nysscpa.org, to find out more information.

Upcoming Industry Committee Meetings

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New initiative to help emerging leaders master soft skills, networking

BY ANNA RAKOVSKY
Trusted Professional Staff

Young CPAs looking to beef up their leadership and networking skills have a new set of resources at their disposal, thanks to a first-of-its kind continuing professional education (CPE) certificate program from the Foundation for Accounting Education (FAE).

The initiative, the Emerging Leaders Certificate Program, is designed for professionals with one to 10 years of experience and will begin this October. It is the only certificate program to be offered by the foundation, though according to FAE President John J. Lauchert, similar efforts could be in the works.

“The results of this program will help us to look harder at possibly offering certificate programs in other areas, such as taxation and technical skills, in the future,” he said.

According to Lauchert, the Emerging Leaders program will take a blended learning approach and will incorporate both live and online CPE sessions. In order to receive a certificate of completion, enrollees must finish all three parts of the program. This includes completing a minimum of five webcasts on leadership development, which are typically 1.5 to 2 hours long and feature topics such as “Building and Maintaining Your Personal Brand” and “Effective Negotiation Skills,” attending CPE and networking events, and attending a YCPA conference. “The program offers flexibility in choice, timing and topics for participants,” Lauchert said.

All told, the program will offer 21 CPE credits and is expected to take up to two years to complete, Lauchert said, though CPAs can also do the program at their own pace. Moreover, enrollees can pay for individual portions of the program as they go along.

“I have often told YCPAs that their career is similar to building a house. Do you want your home to be built of straw and wood or bricks and steel? My answer would be bricks and steel; I would want my career to be built upon a solid foundation.”

— NYSSCPA President J. Michael Kirkland

NYSSCPA President J. Michael Kirkland said the program is a key component of the Society’s efforts to reach out to and improve services for young CPAs, which includes the reestablishment of the statewide YCPA Committee and chapter YCPA subcommittees.

“This program is important because it teaches YCPAs about the elements of leadership, thereby improving their skills and increasing their ability to advance,” he said.

Topics to be featured at the conference include accountants’ level of services to the legal profession, which aims to familiarize attorneys with the services of CPAs and how they apply to various legal situations; lost profits damages, a refresher course about calculations and issues related to lost profits; a primer on fraud and internal controls, which explores internal controls and their place in preventing and detecting fraud in sound vs. unsound systems; and forensic computing, which will explore best practices and examples of how to handle electronic evidence.

Rather than focusing on one specific type of practice within the field of forensic accounting, Rechtman said that the conference would “create a range of interesting topics, so each accountant or attorney will find something that will directly address their business” and also touch upon a new area that these professionals don’t have much exposure to.

“A conference that combines topics for attorneys and CPAs will offer the services of forensic accountants and a chance for both these professionals don’t have much exposure to.

For the first time ever, the NYSSCPA’s Foundation for Accounting Education (FAE) will offer a conference on forensic accounting that’s geared toward attorneys as well as CPAs, with participants being eligible for continuing education credits, continuing legal education credits or both.

Yigal Rechtman, conference chair and chair of the NYSSCPA’s Consulting Services Oversight Committee, said that Society members have consistently indicated an interest in having more contact with members of the legal profession for both educational and networking purposes. Rechtman explained that the Oversight Committee, which represents members in the consulting divisions, decided to hold events that would be relevant to both professions in order to bring them together, with this conference representing the first foray into this type of effort. Because many of the CPAs who expressed an interest in such an event have colleagues who are attorneys, Rechtman said that he hopes they will bring their legal counterparts along.

“Our metric for success is that the conference will be held with 50-50 participation with attorneys and CPA members,” he said.

Rechtman added that all sessions will count for CLE and CPE credits, depending on what the attendee requests, and those who need to get both kinds of credits will be able to do so. Moreover, he said that while CLE pricing is competitive and is typically $75 a credit, the conference will offer CLE at $50 a credit.

“I have often told YCPAs that their career is similar to building a house. Do you want your home to be built of straw and wood or bricks and steel? My answer would be bricks and steel; I would want my career to be built upon a solid foundation.”

For more information about the program, email dosorio@nysscpa.org.

arakovsky@nysscpa.org

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Peer Review in Practice: How the NYSSCPA administers mandatory quality review

BY CHRIS GAETANO
Trusted Professional Staff

Last year, the NYSSCPA was approved by the State Education Department’s Quality Review Oversight Committee as a sponsoring organization that may administer and oversee mandatory peer reviews in New York state. Mandatory peer reviews, referred to legally as mandatory quality reviews, were ushered in with the passage of the 2009 accountability reform law and went into effect on Jan. 1, 2012. The law requires that most New York state public accounting firms providing attest services undergo a triennial quality review, in which they are evaluated for compliance with professional standards. (Sole proprietorships and firms consisting of two or fewer CPAs may be exempt from the requirement, unless they perform attest services required by law or perform them for entities such as state or municipal departments or other governmental agencies.)

At the moment, the NYSSCPA is the only sponsoring organization in New York State. For a closer look at how exactly the peer review process functions, The Trusted Professional spoke with David Illes, the chair of the Society’s Peer Review Committee. In addition to evaluating the results of mandatory quality reviews, the committee oversees the administration of the AICPA’s peer review program in New York State and provides educational and other assistance regarding peer review matters.

How does the peer review process work?

Peer review has long been required as a condition of membership in the AICPA for those who are engaged in the practice of public accounting in the U.S. or its territories. AICPA member firms that are required to have a peer review should submit an enrollment form to the NYSSCPA, which is the AICPA’s administering entity in New York state. By enrolling, a firm agrees to have a peer review of its accounting and auditing practice once every three years. It should be noted that New York state recognizes the AICPA’s program under the mandatory quality review law.

If a firm is not a member of the AICPA, it would need to contact the NYSSCPA Peer Review Program administrators directly to be enrolled in New York’s Mandatory Quality Review program. There’s a high level of anxiety the first time you’re going through peer review. One of the key roles of the peer reviewer is to provide guidance as to what the process will be like and to try to help the firm lower its anxiety. However, for firms that have been going through this every two to three years now, it’s a very automated process: they receive a notification from the Society’s offices indicating that it’s time to schedule their peer review, and it just hums along efficiently.

What tends to be the most common factor in peer review failures?

In my experience, firms that have difficulty in their first peer review have not participated in the correct type of continuing education that would help them perform their audit and accounting engagements in accordance with professional standards.

Do you mean they haven’t taken enough CPE, or that they didn’t take the type of CPE they needed?

The latter. My experience is that the CPAs are taking enough credits to maintain their licenses but their credits may all be in tax or financial planning or other areas that really don’t help them stay current with accounting and auditing.

What separates firms that barely pass their peer review from firms that do fantastic on their peer review?

I would say, and I hate to use the buzzword here, the tone at the top. If the leaders of the firm are dedicated to quality work, they get the proper CPE and they usually have the proper quality controls, policies and procedures in place. The peer review process to a new firm usually is not that big a deal, but those firms that don’t commit themselves to quality accounting and auditing work, as reflected by the type of continuing education they’re getting, tend to struggle with peer review.

What happens if a firm fails peer review?

Usually, the firm is then subject to additional follow-up. It could be, if you fail your
Peer Review

Continued from page 9

peer review, that you may be subject to proving you’re going to get appropriate CPE and you may have to have an accelerated review, meaning you would be subjected to another one usually within a year, so you would not be able to wait for the next three year cycle.

What were the challenges when peer review was first expanded in the state, and how were they overcome?

I would say the biggest challenge was understanding the new law. That was the primary thing. It took education—making sure firms understood who was subject to peer review, because certain firms were exempt based on the size of the firm and also the type of work they performed.

What specific skill sets are involved with conducting a good peer review and how do they dovetail with the skill sets that come with being an effective CPA?

I would say it requires the same set of skills to be an effective peer reviewer as it does to be an effective CPA—you’ve got to understand the peer review standards and the environment in which the firm operates. For instance if you’re peer reviewing a firm with five professionals versus a firm with 60 professionals, it will be a different culture.

How often are peer review results contested? What happens when they are?

I would say it doesn’t happen that often. If I perform a review and the firm is reviewing and disagrees with the conclusion I reach, there is a process where the firm can contest that. There would be a hearing where a firm could communicate its position and the peer reviewer would establish his or her position, with an independent body reviewing both sides. In our case, that independent body would be members of the NYSSCPA Peer Review Committee—practicing CPAs who are familiar with standards and can objectively evaluate the issues.

Are there any noticeable trends or patterns in peer review evaluations? For instance, do larger firms generally do better than smaller firms?

Not in my experience. I’ve often wondered if smaller firms would have more difficulty complying with professional standards, but I don’t believe that’s true. I believe it comes down to the culture of the firm. If the individual leaders of the firm are really high-quality practitioners doing quality work, it doesn’t matter if you’re three or four professionals, or 50, or 200. So I can’t say that firms in certain parts of the states, or firms of different sizes have noticeable differences in quality. I do think the firms in our state are really trying to do a solid job. It has not been my experience to see what I call reckless practitioners. I would be naive to think that they’re not out there, but it just hasn’t been my experience.

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Risk Management

Editor's Note: “War Stories,” drawn from Camico claims files, illustrate some of the dangers and pitfalls in the accounting profession. All names have been changed.

Bucky Taylor and his partners chose to distinguish their long-established firm from its competitors by providing what they called “concierge” services, an initiative that Bucky was convinced would appeal to the high-net-worth clientele he sought.

Their plan was to free up clients’ time by providing a wide range of customized services, including tax, banking, bill paying, cash flow analysis, budgeting, wealth management, estate planning, preparation of personal and business financial statements, detailed reports and analyses of credit card and financial account activity, and making and coordinating travel arrangements. Few clients required all of these services, but many took advantage of several of them.

Bucky’s firm was professionally competent and took due professional care in the performance of these services. Through word of mouth among the movers and shakers in the community, Bucky and his firm attracted a bounty of new high-end clients. Bucky paid considerable personal attention to this new venture and participated in the hiring and training of the additional staff needed to service his growing niche practice.

A few years after the launch of the concierge services, Bucky’s firm administrator informed him that they were being sued by a new investor of a business owned by one of Bucky’s clients. The investor claimed that when he invested in the client, he had relied on financial statements prepared by Bucky. The investor further asserted that the financial statements were misleading, did not disclose the economic challenges facing the business, ignored contingent liabilities, and did not include a report describing the financial statement reporting services performed. What’s more, the investor indicated that, based upon all of the additional services that Bucky had been providing the client, his firm’s independence and objectivity had been impaired.

Bucky was stunned. He had been performing controllership services for the client in question, and his firm acted as the back office for the client’s enterprise. Bucky had been a controller for businesses before forming his firm, and he had continued to perform in this role for many of his concierge clients. All of his statements included a transmittal statement that highlighted significant events and results, but he never provided reports, which weren’t necessary when providing controllership services. Bucky argued that the controllership function isn’t covered by the Statements on Standards for Accounting and Review Services (SSARSs). He even went so far as to perform a word search within the SSARS to prove that “controller” isn’t within the SSARS pronouncements.

Bucky was right but also wrong. The word “controller” isn’t within the SSARS pronouncements, but “controllership” is. The literature distinguishes between CPAs who practice in public accounting and CPAs who do not. Those who practice in public accounting must comply with the SSARS, and the literature states that it would be inappropriate for CPAs not practicing in public accounting to apply the SSARS.

Bucky’s firm could have complied with the SSARS by issuing either a review or compilation report. A review engagement would have required more effort, more procedures, and complete financial statement disclosures and would have required the firm to maintain its independence.

At a minimum, Bucky’s firm would have needed to have a written understanding with the client that detailed the financial reporting service to be performed, and if it was not independent, it should have stated so in both the engagement letter and the report. Both the engagement letter and the report accompanying the financial statements would have also needed to indicate that management had elected to omit substantially all disclosures required by the client’s financial reporting framework.

The financial statements Bucky provided to the client lacked disclosures and did not indicate that Bucky’s firm had prepared them; nor did the statements indicate the firm’s impaired independence. Bucky asserted that these were mere formalities, but the investor and the investor’s attorney claimed otherwise.

Bucky’s firm had not adhered to professional standards, as there is no exception from the SSARS for CPAs in public practice performing this function for their clients. The investor did not know Bucky’s firm was involved, but once it did, it made considerable hay from the fact that Bucky’s firm had not complied with professional standards.

The lesson of the story? No one argued that the firm wasn’t competent or didn’t perform its services with due professional care. Other than the report, the financial statements would have been identical to those that would have been prepared had the firm’s engagement complied with a typical management request for financial statements omitting substantially all disclosures.

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See War Story, on page 14
**Tech Q & A : Tricks of the trade**

How to safeguard information when working from home; helpful tools for sole practitioners

**BY JOEL LANZ CPA/CITP, CFF, CISA, CISM, CISSP, CFE**

**Q** I’d like to work from home, but I’m concerned about computer security. Is my laptop’s security sufficient to protect my client’s information?

**A** When you work from home, your files need to be protected with the same level of care as if you were sitting in the office. First off, since different use standards and expectations apply, when you’re at home you should generally use separate computers for recreation and for work, and restrict physical access to the at-home work computer. Make sure that you’ve backed up the system for your at-home work computer and also that the appropriate antivirus and malware protections have been installed. To the extent that you can, consider segmenting your work computer from the rest of the home network in order to provide or she can probably assume it’s a home network and may try to hack into it. But if you named your network “0025413,” the same hacker would have a tougher time guessing its function. Beyond that, always use the highest level security mode and encryption provided by your router.

You can also enforce security through MAC filtering. The MAC address is a unique identification for every computer electronic device—including smartphones—has. By using a “whitelist” to predefine which MAC addresses are to be allowed access the network, you prevent other users from gaining access. (The challenge is that although this is a very effective security strategy, it could present difficulties when attaching new electronic devices.) Many routers also provide some sort of firewall protection that should be enabled. And you may also want to disable remote management, so that you can only manage the router through your local network.

Keep in mind that when working from home, you’ll have to take on some of the administrative tasks that a network operator performs at the office.

Additional protection.

Another easy protective measure to take with your network is to select a hard-to-crack password for entering the home router setup—ideally one that contains a combination of capital letters and special characters. The network name should also be difficult for an outsider to guess what he or she is tapping into. For example, if an outsider sees a wifi network entitled, “world’s best CPA,” he

Keep in mind that when working from home, you’ll have to take on some of the administrative tasks that a network operator performs at the office, including, but not limited to, applying patches on a timely basis, monitoring activity logs for unusual activity and properly configuring network access capabilities. One special note: If the work you do involves anything relating to regulatory compliance issues such as HIPAA (Health Insurance Portability and Accountability Act), GLBA (Gramm-Leach-Bliley Act) or compliance with payment card industry standards, you should speak with and get clearance from the appropriate people at work before doing anything at home. I suggest that you consult the IRS’s Safeguarding Taxpayer Information Guide (http://www.irs.ustreas.gov/uac/Safeguarding-Taxpayer-Information), which provides excellent recommendations for implementing computer security controls.

The National Security Agency (NSA) has also published a very practical guide entitled Best Practices for Keeping Your Home Network Secure (http://www.nsa.gov/ia/_files/factsheets/Best_Practices_Datasheets.pdf). It provides recommendations such as using a modern operating system, limiting the use of the administrator account, using software only from trusted sources and ensuring that only secured devices (e.g., smartphones) are attached to the network. Moreover, it recommends various technical controls that may appear intimidating, but are not that difficult to configure.

**Q** I’m thinking of starting my own practice. Besides all of the standard software programs used by CPA firms (word processing and spreadsheet tools, time and billing applications), are there any overlooked tools that I should also be considering?

**A** Yes—and I’ll focus my response on software that can be particularly useful to a sole practitioner, which I am myself. Those who know me also know that I love to talk. In fact, I find it much easier to talk than to write. As a result, one of my favorite applications is a speech recognition tool that allows me to dictate reports, articles, and time and expense entries.

Another favorite application is mind-mapping software. As a sole practitioner I sometimes find that I don’t have anyone to brainstorm ideas with, and so to help mitigate this challenge, I use the mind mapping tool to conceptualize and organize my thoughts.

Consider purchasing an encryption tool to ensure that communications between you and your clients remain confidential. And don’t forget some type of backup—after all, your practice is a digital asset. Finally, one way of differentiating yourself in the marketplace is to offer video phone calls with your client by taking advantage of Internet communication and your computer’s video capabilities.

You can find a treasure trove of information to help you select the right programs by reading published reviews or by talking to fellow Society members about their experiences with them.

Joel Lanz, CPA/CITP, CFF, CISA, CISM, CISSP, CFE, is the sole proprietor of Joel Lanz, CPA P.C., and an adjunct professor at SUNY–College at Old Westbury. He is a member of the NYSSCPA’s Technology Assurance and Banking Committee. Mr. Lanz can be reached at jlanz@joellanzcpa.com.

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With software sales tax, it’s all about the model

BY RICHARD J. KORETO
Trusted Professional Correspondent

There are few places where the New York State Department of Taxation and Finance (NYSDTF) draws more fine lines than in the sections of the tax code covering software sales. In the digital world, the big question seems to be, What exactly is being sold? Some digital products are taxable, some are not, and the complexity lies in figuring out the definitions. Recently issued Advisory Opinion TSB-A-13(22) highlights these definition difficulties.

The petitioner is developing software that will allow customers to access templates for forms on its website. Only the digital files are being made available; customers will not receive the software itself. Customers will be able to pull up forms and fill them with their own data. Once this is done, customers can download the completed forms and print them. The customer will be billed for each downloaded form.

NYSDTF Deputy Counsel Deborah R. Liebman used a careful chain of reasoning to determine that what is being sold here is prewritten software, which is taxable under said, decided that a system that allowed customers to complete and print certain loan-processing documents constitutes the sale of prewritten computer software. And Advisory Opinion TSB-A-08(62) determined that the sale of prewritten software had occurred because customers were able to upload images to a website and manipulate the image to show various colors and views.

These earlier advisory opinions refer to products and services that are similar to what the petitioner is offering in this situation. The petitioner is not giving its customers the right to “alter, change, or control” the underlying code. Nevertheless, customers do gain what Liebman calls “constructive possession of the software” and the “right to use, control or direct the use” of the software. That is, they can’t change the template itself, but they are altering the content by filling in the form. It’s key that the form cannot be downloaded unless the customer has filled it out.

Having determined that this product is taxable as prewritten software, Liebman also addressed the issues of where the sale is occurring. For determining the tax rate, she said, the petitioner needs to consider the location of the customer’s employees who use the software. If these employees are located both in and out of the state, the petitioner should collect tax based on the portion of the receipts attributable to the customer’s users located in New York.

Although this ruling, like other advisory opinions that slight tweaks in the sales model can mean the difference between taxable and nontaxable products, it is useful for all software developers to note. Reviewing past advisory opinions can help developers gain a sense of the logic the NYSDTF applies, but to be sure, developers should consider getting their own advisory opinions.

For sales tax purposes, a “sale” of software can be “merely the right to reproduce” for any consideration.

New York Tax Law Section 1101(b)(6). She first looked closely at the transaction to see exactly what is happening here. What is being sold? The answer involved references to multiple sections of the tax law.

Liebman found that for sales tax purposes, a “sale” of software can be “merely the right to reproduce” for any consideration. In addition, Liebman discovered in the New York Codes, Rules and Regulations that a transfer of possession has occurred if there is a transfer of “the right to use, control or direct the use of tangible personal property.” In brief, Liebman found the fact that the petitioner never made the software available—just the templates—to be irrelevant. “The software can be used just as effectively by the customer, even though the customer never receives the code on a tangible medium or by download.”

We’ve been here before: This is not new ground, she discovered: Advisory Opinion TSB-A-09(15)S, she
New law provides more consumer protection in foreclosures

BY RICHARD J. KORETO

Homeowners facing foreclosure have gotten some welcome protections, thanks to a new law, according to New York State Attorney General Eric T. Schneiderman.

In a press release, Schneiderman praised the “Certificate of Merit” bill (S.4530/A.5582), which he says, “expedites homeowners’ participation in court-supervised mediation sessions where they can negotiate workable alternatives to foreclosure with their lender.”

The bill was proposed by the Office of the Attorney General and the Office of Court Administration, the release said. According to Schneiderman, foreclosure cases can end up in a limbo for months or years when financial institutions delay the filing of paperwork needed to foreclose on the property, triggering a settlement conference. (State law requires that borrowers be given opportunities to negotiate alternatives to foreclosure, such as loan modifications or short sales.) These backlogs—known as the “shadow docket”—are in danger of overwhelming homeowners and the judicial system. Some 25,000 families are trapped in this “legal foreclosure limbo,” Schneiderman said.

The new law, however, requires banks to file the necessary paperwork simultaneously with the filing of any foreclosure action, thus avoiding future delays. The bill’s official memo on the Assembly website explains that, “This amendment will supply the necessary ingredient to ensure participation by the parties in the mandatory foreclosure conference with the court.”

New Yorkers for Responsible Lending (NYRL), whose membership includes a variety of community organizations, credit unions and well-known nonprofits, and describes itself as a coalition that promises access to fair and affordable financial services, praised the bill before its passage, saying that it would ensure that plaintiffs in mortgage cases had done basic due diligence before filing a residential foreclosure action. Prior to the law, the NYRL said, plaintiffs were supposed to file a Request for Judicial Intervention, along with the proof of service. But this was not happening. The new filing requirements change that. Anticipating complaints from banks and their lawyers, the NYRL said it did not believe that the new law would place any major burdens on plaintiffs’ attorneys.

However, the New York Bankers Association posted a memorandum of opposition, dated May 30, 2013, on its own website. The memorandum said the law would place “onerous, ambiguous and potentially conflicting new requirements on plaintiff’s counsel, which will only further delay New York’s foreclosure process....” It concluded by saying that the additional obligation—which was not accompanied by any obligations on defense counsel—would also further delay the state’s economic recovery.

War story

Continued from page 12

all disclosures. But not complying with the professional standards (the Rule 202 trap) subjected Bucky’s firm to a claim when a third party suffered damages.

Loss prevention tips:

• Don’t presume; check the literature to confirm your financial reporting position.

• Use a detailed engagement letter to describe the scope, limits and users of work products; restrict use to management’s internal use only; and clarify that use by third parties is prohibited.

• Independence isn’t required for every engagement, but when desired, assess whether your independence is impaired and communicate with clients. Make them aware of the limits to future use. Document the communication with clients.

• Take copious notes at all meetings, and provide attendees with a synopsis that includes the date, the participants’ names, the matters discussed, and the action items. Following up significant meetings or discussions with documentation will ensure that you and the other parties are proceeding with the same expectations and assumptions.

Duncan B. Will, CPA/ABV/CFF, CFE, is the loss prevention manager and accounting and auditing specialist with Camico (www.camico.com). For information on the Camico program, contact:

Upstate: Reggie DeJean Lawley Service, Inc.
716-849-8618

Downstate: Dan Hudson
Chesapeake Professional Liability Brokers, Inc.
410-757-1932

Or call Camico direct at 800-652-1772.
State publishes annual legislature income tax summary

BY RICHARD J. KORETO
Trusted Professional Correspondent

As it did last year, the New York State Department of Taxation and Finance (NYSDTF) has published its Summary of Budget Bill Personal Income Tax Changes, which outlines, in 14 pages, the tax changes in the most recent state budget. Some of these items have wide-ranging implications and received a lot of attention; others are more obscure or narrowly focused, and came in under the radar.

All, however, are covered in further detail in the summary, which provides links to the relevant legal sections and other authoritative guidance. With one exception noted below, all of these tax changes appear in chapter 59 of the tax laws of 2013, budget bill S2609D.

Royalty expense add-back

The budget bill made technical changes to the computation of the state’s adjusted gross income for individuals and the state’s taxable income for estates and trusts that address the related members royalty expense add-back and income exclusion. The new law has repealed the income exclusion for royalty payments paid to related members and amended the related members royalty expense add-back.

Going forward, explains the summary, a New York state personal income taxpayer must now add back royalty payments directly or indirectly paid, accrued or incurred in connection with direct or indirect transactions with one or more related members. However, that’s just the beginning of this complicated technical change. The summary provides an extensive list of exceptions and examples to help apply the new law.

Alternative fuel vehicle refueling property credit

The budget bill provides a credit for each installation of alternative fuel vehicle refueling property and electric vehicle recharging property. Eligible taxpayers can claim a credit equal to the lesser of $5,000 or 50 percent of the cost of the property. However, the property must be placed into service in the state beginning on or after Jan. 1, 2013, and before Jan. 1, 2018. Facilities funded even partially from grants are not eligible. The credit is available to resident and nonresident individuals and estates and trusts.

Film production and post-production credit

This series of provisions creates and extends multiple tax breaks in order to attract the film industry to the state. Among the key changes is a $240 million per year in tax credits for tax years 2015 through 2019. Recalculated talk or variety TV shows also get a break. And last anyone think film is really a New York City industry, the state has added additional credits applicable to upstate counties.

The credit comes with extensive eligibility requirements and limitations. More information is available in the summary and from the Governor’s Office for Motion Picture and Television Development, at www.nylovemfilm.com.

Electronic filing and payment rules extended

Mandates on electronic filing and electronic payment were set to expire at the end of 2013, but have now been extended through the end of 2016. As the summary explains, tax professionals who prepare tax documents for more than 10 different taxpayers during any calendar year, and in a succeeding year prepare one or more authorized tax documents using tax software, must file these documents electronically in that succeeding tax year as well as each year thereafter.

These rules apply to preparers who first became subject to the mandate for beginning in 2012. Also, tax preparers who met an e-file mandate requirement in a previous year must still electronically file all authorized tax documents in succeeding tax years if they prepare one or more returns using tax software.

Warrantless income executions

The Commissioner of Taxation and Finance can now serve income executions (wage garnishments) without filing a warrant in the office of a county clerk or with New York’s state department. Basically, any individual taxpayer liable for the payment of any tax, including applicable penalties and interest, who fails to pay up within 21 calendar days after a notice and demand is issued is subject to an income execution without a warrant being filed. For amounts of $100,000 or more, the deadline is 10 business days.

The summary says that the income execution will allow the taxpayer at least 21 days from the date of the income execution to begin making the required installment payments on his or her own. If the taxpayer doesn’t do that or defaults on the installment plan, the department will serve the income execution directly on the employer or person from whom the taxpayer is receiving or will receive money.

However, the department has to follow various rules and adhere to certain time limits, as described in the summary.

Limits on itemized deduction

The New York itemized deduction limitations for taxpayers whose New York adjusted gross income is more than $1 million was set to expire for tax years beginning after 2012, but has now been extended to tax years 2013, 2014 and 2015. Briefly, individuals in the $1 million to $10 million range continue to have their itemized deductions limited to 50 percent of their federal itemized deduction for charitable contributions. For those who make more than $10 million, the rate drops further to 25 percent.

No other federal itemized deductions will be allowed for these individuals for New York purposes, says the summary.

Business incubators and innovation hot spots

The stated purpose of this change, according to the summary, is to support the early stage development of in-state companies. The law authorizes the state to give operating grants and other assistance to state business incubators and innovation hot spots.

Empire State Development (ESD) has the authority to designate qualified applicants as New York incubators. In addition, in each of the state fiscal years 2013 and 2014, ESD can designate five qualified state incubators as innovation hot spots. These New York innovation hot spots can certify certain clients as a “qualified entities” eligible for tax benefits under Section 38 of the state tax law.

More details are available on the ESD website, www.esd.ny.gov.

Teen health education fund

This new fund is designed to supplement educational programs in schools that deal with certain teen-related health and awareness issues, according to the summary. Eligible health programs are those with an established curriculum providing instruction on alcohol, tobacco and other drug abuse prevention. Obesity and teen endometriosis are also covered. State personal income tax returns will now have a space so that taxpayers can make voluntary contributions to the fund for tax years 2013 and after.

Rehabilitation of historic properties credit

The state has implemented several changes relating to the tax breaks for the rehabilitation of historic properties. One of the most significant is that the enhanced credit, set to expire at the end of 2014, has been extended to tax years beginning before Jan. 1, 2020. This enhanced credit is equal to 100 percent of the federal credit allowed under Internal Revenue Code Section subsection 47(a)(2). However, the credit cannot exceed $5 million per structure.

The eligibility requirement has also changed. Going forward, to be eligible for the credit, all or part of a rehabilitation project must be located within a census tract that is identified as being at or below 100 percent of the state median family income, as computed using Census Bureau data.

No tax, no driver’s license

Basically, drivers with past-due tax liabilities of $10,000 or more will lose their licenses until they pay up. However, this much-discussed provision comes with a lot of fine print, as explained in the summary. For example, taxpayers holding a commercial driver’s license and taxpayers making certain child support payments, or combined child and spousal support payments, will get a pass on this.

The changes, then, aren’t as draconian as they may sound. The penalty doesn’t happen automatically. The department will send affected taxpayers a letter telling them suspension is on the horizon and how to avoid it. Immediate payment may not be required: those entering into an installment payment plan—and sticking to it—will avoid suspension. Taxpayers can also avoid suspension if they’re in a bankruptcy situation or seeking innocent spouse relief.

Contributions for veterans

The state has created the Veterans Remembrance and Cemetery Maintenance and Operation Fund for the creation and support of veterans cemeteries in New York state. Going forward, state personal income tax returns will have a space to allow taxpayers to make voluntary contributions to the fund. Unlike the rest of the provisions in the summary, this one is part of chapter 57 and can be found in S02607D.
Queens/Brooklyn takes closer look at CPA’s role in divorce proceedings

BY CHRIS GAETANO
Trusted Professional Staff

D ivorce not only brings heartache, but also certain practical considerations that a CPA is uniquely suited to handle, Queens/Brooklyn Chapter President Edward F. Esposito said at a continuing professional education event that the chapter hosted at St. John’s University on Aug. 7.

Esposito, a forensic accountant who specializes in financial matters related to divorce, said that he is typically hired by the court when there is a dispute regarding the accuracy of information presented during the proceedings. In his estimation, the various administrative tasks that must be addressed during a divorce are befitting a CPA, who has a professional responsibility to be objective and independent, as compared to the attorneys of the spouses involved.

As an example, Esposito brought up the Statement of Net Worth, a financial affidavit that shows each spouse’s income, assets and liabilities. The document, which must be submitted within 60 days of filing for a divorce, is usually completed by the attorneys, Esposito said, but “it’s really out of their [area of] expertise.”

“Attorneys are advocates for their clients and are not objective, whereas a CPA is much more so,” he said. A forensic accountant, Esposito said, should usually be hired during the discovery phase of the divorce. He noted that when he himself is hired as a financial expert by the court to value a business, he works with each spouse’s attorney to obtain tax returns, financial statements and other documentation, and then issues a report. Most of the time, he said, the case is settled soon after that.

“If I do my job properly, both spouses are equally unhappy,” he said. “But if one spouse has unreasonable expectations, then the case lingers on. I have a case like that now.”

Even when a CPA is hired by a client going through a divorce, rather than by the court, there are still a number of important actions that he or she can perform, he said, considering that divorce often involves a significant reallocation of assets that can bring tax implications.

Sometimes, if a CPA has had a professional relationship with both spouses involved, it can pose a problem, and the CPA, Esposito explained, would have to consider where his or her loyalty lies. Moreover, he cautioned, that if it’s an especially litigious case, the CPA may not be able to intervene as it could lead to a conflict of interest that violates the NYSSCPA’s Code of Professional Ethics. This might come up for example, if one spouse has filed a tax form but the other spouse is alleging that there’s unreported income.

In general, Esposito said that divorce cases benefit from getting financial professionals like CPAs involved in the process as early as possible, before accusations start to fly.

Some 20 people attended the CPE session. Because most attendees were from Queens, Esposito said that he would like to hold another presentation on the topic sometime in the future in downtown Brooklyn.

gaetano@nysscpa.org

High school outreach program inspires future CPAs ‘one-on-one’

BY IRALMA POZO
Manhattan/Bronx Chapter President-elect

H ough it takes a village to raise a child, as the saying goes, it can take as little as one hour to inspire him or her to consider a CPA career. Though it takes a village to raise a child, the global workplace.

During the 2013 fiscal year, the One-on-One Committee recruited 18 volunteers and coordinated visits and speaking engagements at four New York City public high schools. On April 23, three volunteers visited Jacqueline Kennedy Onassis High School, followed by six visiting Murry Bergtraum High School on May 10 and five participating in the first annual Frederick Douglass Academy High School Career Fair on May 30.

Lastly, over a seven-week period, the One-on-One Committee partnered with The WISE Institute, a nonprofit dedicated to providing educational support services, building financial literacy and preparing students for college and the global workplace. Committee volunteers, along with current and past Manhattan/Bronx Chapter board members, worked with the organization to present personal finance lessons to freshmen at the High School of Economics and Finance. Representing a wide range of professionals in accounting and finance—from sole practitioners to college professors, accounting firm partners to financial advisors—our group led students through a host of activities, such as watching and discussing the AICPA’s “Taking Care of Business” video, and gave a brief lesson on accounting. We told stories about situations we’ve faced with clients and other departments, and shared how and why we became CPAs. Collectively, we taught students that accounting is the language of business and that CPAs are educated consumers. We showed them that the sky is the limit and our profession has a lot to offer.

I will always remember what happened after my very first presentation. One of the students came up to me and thanked me for speaking to his class. He firmly shook my hand, told me that he was interested in becoming a CPA and said that I’d hear about him someday. This is just one example of how one hour of your time can change the life of a young person.

Committee co-chair Maya C. Khan and I are hoping to get more of our members to participate in the One-on-One program. With the expected growth in demand for accountants, it is critical that CPAs who have a passion for their profession help recruit new professionals. Speaking to high school students about accounting, the CPA licensure process, day-to-day work, college life, and the necessary skills to join the profession and have a successful career, is an excellent way to inspire more students to pursue a degree in accounting and become CPAs.

Now is the time for our fellow Manhattan/Bronx Chapter members to join us in inspiring young minds. We’re seeking volunteers who are passionate about the profession and informing high school students about the benefits and opportunities of becoming a CPA. Maya and I will be holding a “Thank You” reception for past volunteers this month at the new NYSSCPA office at 14 Wall Street. This would be a great place for individuals interested in volunteering to attend and learn more about the program.

We hope to see you there.

If you have any questions regarding this program, or would like to participate, please contact Manhattan/Bronx Chapter Board Members: Iralma Pozo (iralma_pozo@hotmail.com) or Maya C. Khan (mkhan@recp.com).

Also, the chapter board has been working hard to plan several events for the fall, including a five-part Financial Forensics Series focusing on the service offerings, industry-specific issues, practice management and future of this high-growth practice area.

Please check our website regularly for event updates and details at: nysscpa.org/epass/Chapters/ChapterInfo.aspx?ID=20004 as well as our face book page at: https://www.facebook.com/ManhattanBronxChapter. Click on “events” to see our upcoming events.

Iralma_pozo@hotmail.com
**FAE EVENTS AND CPA OFFERINGS**

FOR THE MOST UP-TO-DATE EVENTS INFORMATION, VISIT WWW.NYSSCPA.ORG

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**ADIRONDACK**

**Health Care Update**

**When:** Sept. 11, 9 a.m. – 12 p.m.

**Where:** Conference Center at Lake Placid, 2608 Main Street

**Cost:** $75 per person

**CPE:** 3 (specialized knowledge and applications)

**Course Code:** 29125402

**Contact:** Jackie Miller at jmiller@pmhvcpa.com

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**Manhattan/Brorn**

**Mets Game and Networking Event**

**Sponsored by the Young CPA Committee**

**When:** Sept. 17, 7 p.m. (vs. S.F. Giants)

**Where:** Citifield, Flushing, Queens

**Cost:** $20 members; $33 nonmembers

**Contact:** Michael Shuster at michael.e.shuster@gmail.com

Details to follow.

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**Mid Hudson**

**NYSSCPA Mid Hudson Chapter 34th Golf Invitational**

**When:** Sept. 23, 11:30 a.m. (lunch); 12:30 p.m. (shotgun start)

**Where:** Wiltwyck Golf Club, Kingston

**Cost:** $145 per golfer; reception and dinner only $40

**Contact:** Marc Schain (845-255-5888)

**RSVP by Sept. 18**

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**Nassau**

**Asset Protection and Foreign Asset Reporting**

**When:** Sept. 25, 6–8:15 p.m.

**Where:** Grassi & Co., 50 Jericho Quadrangle

**Cost:** $25 per person

**CPE:** 2 (taxation)

**Course Code:** 29036404

**Contact:** Robert Schaffer at rschaffer@ck-co.com

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**Rochester**

**College Assistance Program**

**When:** September (date TBD)

**Where:** TBD.

Updates to follow.

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**Student Mock Interviews**

**When:** Sept. 25, 4:30–7 p.m.

**Where:** Mengel Metzger Barr & Co., LLP, 100 Chestnut Street

**Contact:** Matthew J. Taylor at mtaylor@rochesterap.com

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**Southern Tier**

**The Southern Tier Chapter of the NYSSCPA Young CPAs presents “Maximizing Team Performance”**

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**Utica**

**2013 Accounting and Auditing Update with Renee Rampulla**

**When:** Sept. 4, 8 a.m. – 4 p.m.

**Where:** Radisson Hotel, Utica

**Cost:** $225 members; $260 nonmembers

**CPE:** 8 (auditing, 4 auditing)

**Contact:** Brian Reese at brian@riycpa.net

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**Westchester**

**Capitalize on Financing Alternatives to Grow Your Business**

**When:** Sept. 11, 7:45–9:45 a.m.

**Where:** Merrill Lynch, White Plains

**Cost:** Free

**CPE:** 2 (specialized knowledge and applications)

**Course Code:** 29115403

**Contact:** Michael Herz at herz1herz@aol.com

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**Westcheste Young Professionals Networking Event**

**When:** Sept. 17, 6–8:30 p.m.

**Where:** Empire City Casino at Yonkers Raceway

**Cost:** $45 members; $55 nonmembers

To register visit the Westchester County Association website.

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**Upcoming Chapter Ethics Updates and Town Halls**

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**Adirondack**

**CPA Ethics Update**

**When:** Sept. 11, 1 p.m.–3 p.m.

**Where:** Conference Center at Lake Placid, 2608 Main Street

**Cost:** Free

**CPE:** 2 (ethics)

**Course Code:** 42122403

**Contact:** Jackie Miller at jmiller@pmhvcpa.com

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**Northeast**

**CPA Ethics Update**

**When:** Nov. 6

**Where:** Empire National Bank, 1707 Veterans Highway, Suite 8, Islandia

**Cost:** Free

**CPE:** 2 (specialized knowledge and applications)

**Course Code:** 29085404

**Contact:** Janet T. Verneuil at jverneuil@empirenb.com

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**Queens/Brooklyn**

**CPA Ethics Update**

**When:** Nov. 13, 6 p.m.

**Where:** St. John’s University, Bent Hall Room 277 A-B

**Cost:** Free

**CPE:** 2 (ethics)

**Course Code:** 42024140

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**Suffolk**

**CPA Ethics Update**

**When:** Oct. 16, 6 – 7 p.m. cocktail reception; 7–9 p.m. dinner & presentations

**Where:** Irish Coffee Pub, 131 Carleton Ave., East Islip

**Cost:** Ethics Update Frr; Dinner Fee: members $40, nonmembers $50

**CPE:** 2 (ethics)

**Course Code:** 42082408

Updates to follow.

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**Staten Island**

**CPA Ethics Update**

**When:** Nov. 6

**Where:** Regina McGinn Educational Center

**Cost:** Ethics Update Frr

**CPE:** 2 (ethics)

**Course Code:** 42072411

Updates to follow.

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**Utica**

**2013 Accounting and Auditing Update with Renee Rampulla**

**When:** Sept. 4, 8 a.m. – 4 p.m.

**Where:** Radisson Hotel, Utica

**Cost:** $225 members; $260 nonmembers

**CPE:** 8 (auditing, 4 auditing)

**Contact:** Brian Reese at brian@riycpa.net

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**Rochester**

**Town Hall, CPA Ethics Update, and Clam Bake**

**When:** Oct. 2, check-in 4:30 p.m., officers 3 p.m., ethics 3:30–5:30 p.m.; cocktail reception and networking, 5:30–6 p.m., dinner and Hall of Fame, 6:00 p.m.

**Where:** Monroe Golf Club, Pittsford

**Cost:** Ethics Update Fee; Dinner Fee TBD

**CPE:** 2 (ethics)

**Course Code:** 42052405

Updates to follow.

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**Rockland**

**CPA Ethics Update**

**When:** Nov. 14

**Where:** Casa Mia Manor House, Blauvelt

**Cost:** Ethics Update Fee

**CPE:** 2 (ethics)

**Course Code:** 42172413

Updates to follow.

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**Southern Tier**

**CPA Ethics Update**

**When:** Oct. 10, 4 p.m. (officers); 6:30 p.m. (dinner)

**Where:** Endwell Greens, Endicott

**Cost:** Ethics Update Fee

**CPE:** 2 (ethics)

**Course Code:** 42062407

Updates to follow.

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**Sheraton**

**CPA Ethics Update**

**When:** Nov. 6

**Where:** Sheraton Buffalo

**Cost:** Ethics Update Fee

**CPE:** 2 (ethics)

**Course Code:** 42072411

Updates to follow.
Mid Hudson puts annual CPA Day of Service to good use

BY TRACYE NIEMOTKO
Mid Hudson Chapter President

Did you know that Sept. 20 is National CPA Day of Service? The Mid Hudson Chapter of the NYSSCPA is hosting two separate events to honor this day. Members choosing to volunteer have the option of serving at Astor Services for Children & Families in Rhinebeck, or San Miguel Academy of Newburgh in Newburgh. Chapter members will be cleaning up buildings and grounds, tutoring students and offering career advice.

Astor Services for Children & Families is a community-based nonprofit organization that provides children's mental health services, child welfare services, and early childhood development programs. Astor serves children and families in the Mid Hudson Valley and the Bronx.

San Miguel Academy is a tuition-free, faith-based, fifth through eighth grade, independent middle school for boys from underserved families. The Academy provides a safe haven for intellectual, emotional and spiritual growth, and offers an extended school year with a summer program to fight the cycle of poverty through education.

We need volunteers! Please contact Sean Glander at sglander@VDDW.com for details on how to support our day of service.

Also, save these dates: Sept. 12, for our Managing Partners' Meeting and Ethics Seminar and Sept. 23 for our Golf Outing at the Willyweb Golf Club, Kingston. On Oct. 21, we will have our Accounting and Auditing CPE Seminar. Our annual Bankers/Attorney Event is scheduled for Oct. 30 at Anthony's Pier 9, New Windsor, and will feature baseball great “Goose” Gossage as our speaker.

Nassau unveils new social media pages on Facebook, LinkedIn

BY SCOTT SANDERS
Nassau Chapter President

I hope everyone had a great summer, as autumn is right around the corner! We are three months into my term as president, and I'm pleased to say that everything is going very well.

The NYSSCPA Nassau Chapter LinkedIn and Facebook pages are now live! To join the Nassau Chapter LinkedIn group, please visit https://www.linkedin.com/groups?home=&gid=5010322 and click “Join Group.” You must be a LinkedIn member and your annual NYSSCPA dues must be up to date in order to join and maintain membership in this closed group. To follow the Nassau Chapter Facebook page, please visit https://www.facebook.com/NYSSCPAnassau and click “Like.” You must be a Facebook user in order to “Like” and take full advantage of the page. Our chapter and committee events will be posted on these two sites for all members to view.

We are currently working with Lawrence C. Lucarelli, Suffolk Chapter president and Robert Busweiler, NYSSCPA Public Affairs Manager, to organize a joint chapter legislative breakfast meeting, which will enable our members to meet with our local legislator. Stay tuned for additional details.

In August, more than 140 attendees met at The Deck at Four, Melville for our Young CPA mixer. Also, more than 100 golfers teed off on Aug. 29 at North Hills Country Club, Manhasset. The event had originally been scheduled for June but was postponed due to inclement weather. I will report on both outings in more detail in my next message.

Your next opportunity to network will take place on Sept. 18, when we hold our joint event with the Suffolk Chapter, hosted by the Cooperation with Banks and Other Credit Grantors and Bankers at the Crest Hollow Country Club in Woodbury. Please see our website, Facebook and LinkedIn group for additional details.

Please don’t forget to follow the Nassau Chapter on Facebook and LinkedIn, and email all comments or questions to the Newsletter Committee.

I look forward to seeing everyone at our next event!

The Northeast Chapter inspires with COAP program

BY JENNIFER PICKETT
Northeast Chapter Board Member

The chapter’s Career Opportunities in the Accounting Profession (COAP) program, hosted by the University at Albany School of Business, welcomed 26 juniors from 10 area high schools this year, from June 24 to June 27.

The program targets underrepresented students from the Capital Region, though there have been several participants from New York City over the past two years.

In addition to a presentation on careers in accounting by Jeffrey Klahr and Jennifer Getter from LCS&Z, LLP, the session provided students with resume writing tips, dining etiquette and field trips to the IRS and Pepsi Bottling plant in Latham.

Created by the NYSSCPA’s Foundation for Accounting Education (FAE) in 1987, COAP is a residency-based learning experience that exposes promising minority high school students to accounting and business careers. It offers students a tailored curriculum and extensive opportunities to interact with successful minority role models and gain exposure to the corporate environment. It also provides them with an opportunity to experience life on a college campus. Many of the students who participate in the program go on to study accounting in college and become certified public accountants.

On Oct. 16, the Northeast Chapter will be hosting Student Night, another educational event. At this event, interested college students from the Capital Region are given the opportunity to meet with a variety of accountants and hear about their personal experiences in the field. Furthermore, accounting professionals are seated with students to allow for further interaction. Keep a lookout for an invitation to the event in your email boxes.

Dates for upcoming COAP committee meetings are Sept. 25, Oct. 24, and Dec. 11. September and December’s roundtable meetings begin at 4 p.m. and October’s meeting is a full-day webinar of the Annual Business & Industry Conference. All three committee meetings will be held at 12 Corporate Woods Blvd., Albany. For more information, please contact Beth van Bladel at beth@bvsolutions.com.

Wanted: enthusiastic committee members and volunteers

BY EDWARD F. ESPOSITO
Queens/Brooklyn Chapter President

Each chapter wants to increase its active membership, which poses a challenge for each chapter president. One of my goals is to not only seek out active members but to recommend them to sit on the board of directors, so that the chapter can benefit from and become inspired by their fresh ideas and enthusiasm. Our chapter has just elected third new director for this term, Rumbi N. Bwerinofa. A financial executive with TGM Associates in Manhattan, Ms. Bwerinofa is a forensic accountant who possesses vast experience in financial statement analysis, due diligence work and fraud investigations.

Rumbi is a Brooklyn member, and her enthusiasm and avid participation at chapter events will help to ensure a more active Brooklyn segment of our chapter.

In addition to the board, we are looking for active members to join our chapter committees and volunteer for various chapter activities. New committee members have the opportunity to network, increase their name recognition among our colleagues and create professional goodwill. You do not have to have any prior experience to participate—we are looking for new or longtime members who are eager to help out with our chapter.

The committees where we need help are: Tax, CPE, and Management of an Accounting Practice. If you’re interested, please attend our Board Meeting on Sept. 11 at St. John’s University, Queens Campus, Bent Hall-Room 109. You can also email me at the address below.

edspa@mc.com
Fall brings a full slate of chapter activities, opportunities to volunteer

BY MICHAEL D. DESMOND
Rochester Chapter President

I hope you enjoyed the summer. We used the past few months to work on the fall lineup of activities for members.

This month, we’ll hold a CPE session on college assistance—planning for the Rochester Chapter. We’ll also be holding our annual mock interviews for area college students. Each session of the mock interviews will involve approximately two to three interviews and will last about 30–40 minutes each.

The Young CPA committee is looking for members to interview students at the event. I participated in the mock interviews last year, and came away energized by the students I met. The event can also serve as an opportunity for less experienced members to participate and sharpen their interview and presentation skills. If you are interested in participating, please contact Matthew J. Taylor at matt@rochestertap.com.

Coming up in October is a free two-hour ethics course. This event, held in conjunction with the annual Town Hall and Clambake meeting, is scheduled for Oct. 2. Representatives from the NYSSCPA will be reporting to chapter members and available for your questions. Highlights of the evening will include the induction of our newest member into the Rochester Chapter Hall of Fame.

The month of November brings three events: the Business and Industry Conference, the World of Accounting, which is in the planning stage, and the 48th Annual Rochester Tax Institute scheduled for Nov. 22.

Further details will be posted in the Trusted Professional, on the chapter website and sent via email. Your participation will be greatly appreciated.

In late June, the Rochester Chapter sponsored the Career Opportunities in the Accounting Profession (COAP) program.

This is an important component of the NYSSCPA’s efforts to recruit young people into the CPA profession. Our chapter’s COAP program was held at the Rochester Institute of Technology and included 16 participants who took courses on accounting career paths; met with professionals in various fields of accounting, as well as with a COAP alum and a recent graduate who had majored in accounting; engaged in mock interviews; learned about resume writing; and even visited the PricewaterhouseCoopers office.

This program provides an invaluable preview of college life and the business world. Thank you, COAP committee.

Staten Island Chapter’s first COAP program a hit with students, members

BY DENNIS N. ANNARUMMA and GERARD J. LOVERDE
Staten Island Chapter President
Staten Island Member, Board of Directors

In July, the Staten Island Chapter and St. John’s University Staten Island Campus held their first annual Career Opportunities in the Accounting Profession (COAP) program. High school seniors from Susan E. Wagner, Port Richmond and Tottenville in Staten Island; Fort Hamilton in Brooklyn; and Kipp NYC and Washington Heights Expeditionary in Manhattan participated in the program.

The program’s organizing committee was made up of Chair Sophia Faraj, Dennis N. Annarumma, Christopher Cuccia, Craig Latshaw, Gerard J. Lo Verde, Patricia Maguire, Tiffany M. Montaruli, Donna Narducci, Sharan Sica Costanzo, Mark Weg, Ray Zollo, and NYSSCPA representative Robert Busweiler.

During our four-and-a-half day event, students received a behind-the-scenes look at the accounting profession through field trips and one-on-one interactions with CPAs. They also participated in several classroom sessions, soft skill seminars and team building exercises while getting a sneak preview of college life at a major university.

CPA speakers kicked off the program by sharing insights about their careers and leading discussions about basic accounting concepts and career opportunities. After an “ice breaking” session, the group was treated to an old style barbecue on campus.

Throughout the course of the program, students also visited several businesses, including Colavita Olive Oil Company, where they met with the company’s chief financial officer, members of its accounting department, representatives from its sales and production teams and even the company’s founder and chairman Emeritus. Students toured the company’s warehouse and were provided a walkthrough of its automated inventory process.

That night, students were treated to dinner at the Casa Belvedere culinary program where they worked with Chef Dave Cavagnaro to prepare a four-course meal. What’s more, Chef Dave discussed the pricing of meals and financings relating to the restaurant business. Members of the NYSSCPA Staten Island Chapter also attended this event.

The next day, students toured Weinstein Movie Productions and met with the company’s CFO and controller, who discussed the financial processes of the movie production business. The group also visited Ernst & Young, where they met with several senior executives and discussed career opportunities with the firm and how they should prepare for interviews and internships. Later that evening, the Staten Island Yankees and New York Community Bank hosted the group in the team’s corporate suite for dinner and a ball game. Staten Island Yankees president Jane Roger spoke with the students and provided insights into the management and accounting of the organization.

The following day, the students toured Supreme Chocolatier and met with members of the company’s finance and production team.

They also met with members of the FBI New York Forensic Accounting Division who provided insights into an FBI forensic accountant’s role in investigations, opportunities with the bureau, internships and even the use of social media. That night, the group was treated to an etiquette lesson over a dinner given by St. John’s alumna Joan Lacagnina.

On the final day, the group visited PricewaterhouseCoopers’ office in midtown Manhattan where they listened to speeches from former New York Governor David A. Paterson and NYSSCPA President J. Michael Kirkland. Later that evening, students and their parents, St. John’s University representatives, and Society members attended a closing dinner where the students presented slide shows and presentations summarizing what they had learned from this experience.

Overall, the members of the committee feel that this event was a huge success and are excited about continuing this program in the future.

Suffolk Chapter uses CPE offerings to shine light on timely issues

BY LAWRENCE C. LUCARELLI
Suffolk Chapter President

I hope everyone has had an enjoyable summer. Summer is a time when many people look out of their office windows longing to be outside rather than inside, a time for vacation and recharging. With its low-pressure days, it’s also a good time to network.

On Aug. 8, the Young CPA Committee of the Suffolk and Nassau Chapters hosted their “Super-Sized Networking Event.” In addition to CPAs, professionals from the Risk Management Association, the Suffolk/Nassau Bar Association and the 10th District New York State Bar also participated.

Networking is a lot like accounting—there are many ways to get to the end result. The bottom line, though, is to try and meet as many people as possible who might help you to build your career and further your business opportunities.

While some students and young professionals might consider “social networking” the only viable way to meet others, it’s vital to understand in-person networking as well. Getting great results takes work, diligence and energy, plus the ability to synthesize the relationships into next-step actions.

The end of summer and start of fall is going to be full of great chapter events:

• Sept. 10 – The Not-for-Profit and Government Accounting & Auditing Committee will host an event discussing ObamaCare’s impact on NPOs.

• Sept. 18 – We will hold our semi-annual Joint Suffolk/ Nassau Chapters’ Banker/ CPA Networking Meeting at the Crest Hollow Country Club, in Woodbury. This event is a great start to the fall and brings together bankers and CPAs to catch up with friends and colleagues and establish new contacts.

• Sept. 19 – The Members in Industry Committee will be hosting a meeting about economic and banking issues.

• Sept. 23 – The Small Business Committee will host an event dealing with health care and the impact on small business.

• Sept. 26 – The YCPA Committee will be hosting their 18th Annual Young Professional Golf Classic. This year, participants will have a chance to win an Acura TL with a hole-in-one!

• Oct. 16 – We will be holding our Annual Town Hall Meeting. In addition to getting ethics CPE, we will also be hearing from NYSSCPA President J. Michael Kirkland. Prior to the meeting, firm partners will also have the opportunity to meet with state officers.

I look forward to seeing you at some of these upcoming events.
Syracuse Chapter holds food drive, honors accounting students

BY MICHAEL J. LAQUIDARI
Syracuse Chapter President

On Aug. 20, the Syracuse Chapter held its annual Summer Stizzler and two-hour CPE ethics training at Hinerman’s. As always, we had great support from the local firms and businesses and I thank all those who attended the event.

A thank you as well to the committee chair Karen Matticio for organizing the event and to M&T Bank for once again sponsoring the event.

The Syracuse Chapter Young CPA Committee held its 11th annual food drive for the Food Bank of Central New York in July and August. Thank you to Alanna Abreu for organizing this community event and for the local firms that participated.

In September, the Syracuse Chapter will host its annual Student Awards Dinner. The event honors both graduate and undergraduate students attending SUNY at Oswego, LeMoyne College and Syracuse University. One graduate and one undergraduate from each college, chosen by his or her professors, will receive awards based on academic achievement and career preparation. The awards night is scheduled for Sept. 24 at the Genesee Grande Hotel. Thanks to Todd Klaben for once again coordinating this event.

With so many events in Syracuse being added to the calendar on a regular basis, be sure to visit the chapter’s web page at www.nysscpa.org/syracuse for more information, details, and news. Also, please be sure to update your profile in the Membership Data Center on the NYSSCPA website with your contact information and e-mail address to guarantee that you’ll receive chapter updates.

mlaquidari@fcc-cpa.com

Utica Chapter to provide updates on Affordable Care Act

BY BRIAN REESE
Utica Chapter President

When passed in 2010, the Affordable Care Act had two primary goals: to increase access to affordable insurance for everyone and to reduce costs. Regardless of which side of the political fence you’re on, the act clearly contains some noble goals—companies can’t deny coverage for pre-existing conditions or drop you when you’re sick; plans that offer dependent coverage must cover a child until he or she reaches age 26; there are no annual or lifetime limits for essential care; and there is a strong focus on preventative services. The question, however, still remains: how will this be “affordable?”

As we sort through the regulations and try to assist and advise our clients of what’s to come, things continue to be tweaked. For example, in July the Department of Treasury announced that the employer “play or pay” mandate was being delayed until 2015. According to the Treasury, “this allows the administration to consider how to simplify employer requirements and create more time to ensure the law is implemented smoothly.” The delay is clearly good news for employers, but many believe it raises questions about the viability of the law. Personally think there are more changes to come.

The delay of the employer mandate is not less than premiums that are paid today. Online marketplaces will be roughly 50 percent of plan rates, noting that premiums for individuals will have access to the health insurance exchange. In July, Governor Cuomo announced the approval of plan rates, noting that premiums for individual consumers who buy insurance on these online marketplaces will be roughly 50 percent less than premiums that are paid today. One would think, “how can this be?” According to the administration, the biggest driver of these lowered premiums is that the mandate and subsidies will encourage healthier people into the insurance pool, driving average costs down; that is up for debate.

If individuals choose to not get insurance, they will face a penalty of either 1 percent of their income or $95. These rates and amounts will increase in future years (in 2016, the penalty will be 2.5 percent or $695) but it is unclear whether or not these are harsh enough penalties to encourage participation. The president is banking on the nation’s young, healthy, and uninsured to enter the exchanges. If they choose not to participate, rates will increase for everyone. The federal government and states operating health insurance exchanges must inform the public through outreach campaigns, and partner with community groups to make this successful.

Utica Chapter members: please be on the lookout for the ACA technical seminar, which will provide an update on current regulations and how the new exchanges will work. The seminar is currently in the scheduling process and will be held in September or October. I will keep you posted.

brian@rfcpa.net

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**Chapter News**

**Westchester Chapter**

Howard Klein

Westchester County is a big place, but we have a very close-knit group here. I think everyone works well together in our chapter and we do a good job of getting full-board participation from all officers and board members, not just a select few. One reason we have such an active membership is the continued support of the chapter by firms that encourage membership and participation. As a result, we’ve been able to strengthen and develop our relationships, which creates a great sense of community. Whether it’s through the technical, social or charitable events we put on, we have forged tremendous relationships over the years.

I understand that we all work and our primary responsibilities are to our firms. However, I believe that supporting the profession is important. Through its many efforts, the Westchester Chapter does this extremely well.

howard@citrincooperman.com

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**Syracuse Chapter**

Heather Losi

Syracuse Chapter

Heather Losi

I don’t really believe in belonging to anything unless you’re going to be an active part of it, so I wouldn’t pay money for a membership unless I really wanted to participate in the organization. You only get out of something what you put into it. When I first joined, I was just starting my firm, and while there were the obvious benefits of chapter membership like networking and such, what I was impressed by was how easy it was to get involved here and really have an impact on the Society. I’ve been fortunate to be on the chapter board for many years, and to have served as president, which opens doors on the state level as well—I was on the state-level board as a chapter representative. For me, a big benefit is staying in tune with what’s going on in the professional arena in our area and being able to share my pride in my profession.

Another benefit that chapter membership brings is the ability to establish some sort of camaraderie. My particular firm isn’t a direct competitor with some of the other firms in town, and so we complement each other in what we do. If I ever need to, I can pick up the phone and ask a question like, “Have you ever come across this kind of thing?” This is great if you’re from a smaller firm or are a sole proprietor.

heather@landrcpas.com

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**Suffolk Chapter**

Felix Russo

Felix Russo

Suffolk Chapter

I got involved at the chapter level about 10 years ago. I had come out of a large firm environment into a smaller one, and felt the need to stay connected with other professionals. So, I started off as a committee member and eventually became its chair, and now I’m a vice president of the Suffolk Chapter.

The chapter is a great place for relationship building and professional growth. It’s almost like a fraternity, in a way. This has directly benefited me in terms of networking opportunities, which makes it easy for people to reach out to me and get my opinions and views on certain issues, and allows me to do the same. There are a lot of opportunities to be had in this area. Maybe one firm would be better at business valuation, while another is better at tax compliance work. Having that connection allows CPAs in both firms to help each other.

Suffolk is rich in history. It’s one of the largest chapters in the NYSSCPA and it is has received great accolades for the events it puts on. I think we’re good at this, partially because of the size of our chapter, but also because of the reputation our members have within the State Society in general, and the involvement many have at the city level.

frusso@citrincooperman.com

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**Staten Island Chapter**

Patrick J. Monachino

Patrick J. Monachino

Staten Island Chapter

Staten Island is a great borough because everyone pretty much knows each other. When you go to our meetings, it’s serious, and we get business done, but we also have a few laughs, so it’s not totally all business and no pleasure. We make it as loose as possible while still getting the things we need to do done.

You make a lot of great contacts, and one can never have too many good contacts, especially if, God forbid, you lose your job or need help with something. We also have a lot of CPE sessions right on Staten Island. You don’t need to travel to Manhattan or Jersey; we handle it all right here, and we cover a lot of interesting topics, like our all-day tax seminar. I think that’s what really keeps me motivated—the thought that, “Wow, I want to attend that and learn more things and meet more contacts.”

We’re especially great if you want to get involved in fostering the next generation of CPAs. We run World of Accounting, COAP and an annual student night that have all been very successful. That helps us reach out to students and get a lot of young members. When we do the education night for college students, we have sometimes gotten so many people that we’ve had to turn some away. We just didn’t have room for them at the venue.

pmonac45810@aol.com

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**Westchester Chapter**

Howard Klein

Westchester Chapter

I think everyone works well together in our chapter and we do a good job of getting full board participation from all officers and board members, not just a select few. One reason we have such an active membership is the continued support of the chapter by firms that encourage membership and participation. As a result, we’ve been able to strengthen and develop our relationships, which creates a great sense of community. Whether it’s through the technical, social or charitable events we put on, we have forged tremendous relationships over the years.

I understand that we all work and our primary responsibilities are to our firms. However, I believe that supporting the profession is important. Through its many efforts, the Westchester Chapter does this extremely well.

hklein@citrincooperman.com
Westchester Chapter hosts open house; plans tax conference

BY GINA LINSS
Westchester Chapter President

The board members and committee heads of the Westchester Chapter have been working diligently this summer, sketching out a number of events that will allow us to accomplish our objectives for the year.

In early July, the Young CPA Committee incorporated an open house into its annual planning meeting. The meeting was held in the office of Citrin Cooperman & Company and was attended by some new young CPAs, as well as current committee members. Edward A. Wells, along with fellow co-chair Matthew Katz and former co-chair Heather M. Oboda, led the group discussion in an open-format forum, inviting attendees to offer suggestions for events and topics for CPE seminars to be held during the year. According to Heather, the committee discussed holding its third annual wine tasting to benefit Blythedale Children’s Hospital on May 15, 2014 and soliciting donation items to raffle off at the event. In addition, a portion of the entrance charge will go to the charity.

Matt Katz also addressed the group and told them about his experiences attending the Young CPA Conference held in Urica this past June. After hearing Matt speak to the group, I asked him to share his account of the conference:

“attended the YCPA conference for the first time this year, and it was the best experience of my career so far. There were experienced speakers who presented topics such as networking, time management and personal branding. However, the speakers did not just lecture; their presentations were interactive and they encouraged everyone at the conference to participate in the demonstrations. NYSSCPA President J. Michael Kirkland and President-elect Scott M. Adair also spoke about the importance of the Society as a whole. This is a conference that I feel every young professional should attend at least once. I plan to attend next year as I look to continue to grow in the profession.”

In other news, the YCPA Committee will also be hosting a food drive and is looking for volunteers to package food at the Food Bank of Westchester in Elmsford on Aug. 23. If you are interested in volunteering, please contact Ed Wells at EWells@pscsphrm.com for more information.

Additionally, our Taxation Committee has been working very hard to finalize the agenda and venue of our two upcoming all-day tax conferences. Please save the dates of Nov. 4 and Dec. 16. The November conference will be held in a new location, which will be published when finalized, while the December conference will be held at the Citigroup Conference Center as in prior years.

The following is a list of our upcoming important dates to put on your calendars:

- Nov. 4—All-day tax conference (location to be announced)
- Nov. 7—Annual networking event, Willow Ridge Country Club
- Dec. 16—All-day tax conference, Citigroup Conference Center, Armonk
- May 13, 2014—Annual golf outing and networking event
- May 15, 2014—Young CPA wine tasting event.

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

- Accounting
- Auditing
- Advisory Services
- Ethics
- Specialized Knowledge
- Taxation

Courses that have a concentration in more than one field of study are labeled with a variety of discussions and questions.

For details, refer to the registration information on www.nysscpa.org.
MANHATTAN/BRONX

ACCOUNTING

10/01 Private Equity and Venture Capital Conference AC/1, SK/6, T/1 27513411 The Princeton Club Foundation for Accounting Education $385$3510

10/18 Governmental and Nonprofit Annual Update AC/4, AU/4 22163411 FAE Learning Center (14 Wall Street, NYC) K2 Enterprises $170$235

10/23 Government and Not-for-Profit Frauds SK/8 32004411 FAE Learning Center (14 Wall Street, NYC) Foundation for Accounting Education $335$460

10/29 Excel Financial Reporting and Analysis SK/8 34414411 FAE Learning Center (14 Wall Street, NYC) K2 Enterprises $130$195

10/30 Excel Financial Reporting and Analysis AC/8 $25537411 FAE Learning Center (14 Wall Street, NYC) Nichols Patrick CPE, Inc. $305$340$335$460

ADVISORY SERVICES

10/24 Forensic Accounting for Attorneys and CPAs Conference AD/2, AU/2 25192411 Citi Executive Conference Center Foundation for Accounting Education $199$199

AUDITING

10/18 Governmental and Nonprofit Annual Update See course listing under Accounting.

10/23 Government and Not-for-Profit Frauds See course listing under Accounting.

10/24 Forensic Accounting for Attorneys and CPAs Conference See course listing under Advisory Services.

10/31 Auditing Conference AU/6 27513411 New York City Bar Association Foundation for Accounting Education $385$3510

SPECIALIZED KNOWLEDGE AND APPLICATIONS

10/01 Private Equity and Venture Capital Conference See course listing under Accounting.

10/02 The Mobile Office Mobile devices and applications have changed the way we work, play, and collaborate with others. In this seminar, participants will learn about the benefits and risks associated with smartphones, tablets, and employee-owned computers, and will learn about ways these devices can make work more productive. Participants will also learn about various software applications and services that enable mobile devices, and sharing and synchronizing data across multiple devices.

NORTHEAST

ACCOUNTING

10/04 FAE’s Financial Statement Disclosures for Small- to Medium-Sized Businesses SK/8 34418411 FAE Learning Center (14 Wall Street, NYC) K2 Enterprises $335$460

10/10 Revenue Recognition: Getting the New Standard Right See course listing under Accounting.

10/18 Government and Not-for-Profit Frauds Through a case study approach, this course illustrates common frauds that make headlines and damage the reputations of government and non-profit organizations.

10/21 Public Schools Accounting and Auditing Conference AC/4, AU/4 25152441 Albany Marriott Foundation for Accounting Education $355$480

10/24 Governmental and Nonprofit Annual Update Change is inevitable. Ensure that you are current in governmental and nonprofit accounting and auditing. This course is designed to prepare you for the latest accounting and auditing developments affecting government and nonprofit organizations.

10/28 FAE’s Financial Statement Disclosures for Small- to Medium-Sized Businesses This course will familiarize you with the most frequently encountered measurement and disclosure issues associated with preparing financial statements for nonprofit small to medium-sized businesses, including the documentation of and solutions to problems that may arise.

10/29 Government and Not-for-Profit Frauds This one-day course covers the following six topic areas: advanced techniques for ferreting out reports and financial statements, assembly and printing of reports and schedules, using templates to automate reporting processes, enhanced financial analyses with Excel/files connected to the General Ledger using ODBC, data consolidation, and using charts and digital dashboards for presenting financial information.

10/30 Negotiating Skills for Finance The ability to negotiate is a skill that goes with practice. This workshop will teach you the critical skills needed to ensure confidence during negotiations and will also help you understand negotiation as a leadership tool. It will show you how to negotiate through various personality issues, and will demonstrate how to develop meeting environments that lead to win/win outcomes.

10/30 Specialized Knowledge and Applications

SPECIALIZED KNOWLEDGE AND APPLICATIONS

10/01 Private Equity and Venture Capital Conference See course listing under Accounting.

10/02 The Mobile Office Mobile devices and applications have changed the way we work, play, and collaborate with others. In this seminar, participants will learn about the benefits and risks associated with smartphones, tablets, and employee-owned computers, and will learn about ways these devices can make work more productive. Participants will also learn about various software applications and services that enable mobile devices, and sharing and synchronizing data across multiple devices.

10/04 FAE’s Financial Statement Disclosures for Small- to Medium-Sized Businesses This course will familiarize you with the most frequently encountered measurement and disclosure issues associated with preparing financial statements for nonprofit small to medium-sized businesses, including the documentation of and solutions to problems that may arise.

10/06 Microsoft Excel is a useful tool for analyzing financial data and preparing financial reports, but for most taxa, it contains hidden features and functionality useful for these purposes that are not always obvious to users. This course will cover the following six topic areas: advanced techniques for ferreting out reports and financial statements, assembly and printing of reports and schedules, using templates to automate reporting processes, enhanced financial analyses with Excel/files connected to the General Ledger using ODBC, data consolidation, and using charts and digital dashboards for presenting financial information.
**SUFFOLK**

**ACCOUNTING**

10/23
**Fair Value Accounting: A Critical Skill for All CPAs**
This course will help participants gain insights into the conceptual and practical measures for using fair value as the required (or optional) measurement attribute for new and existing accounting standards. It covers conceptual and practical issues that arise when fair value measurement is implemented under existing FASB standards and provides examples of these issues.

ACB/8 $2329421

Melville Marriott Long Island

ACS $305/$335/$460

**SPECIALIZED KNOWLEDGE AND APPLICATIONS**

10/28
**Excel Financial Reporting and Analysis**
Microsoft Excel is a useful tool for analyzing financial data and preparing financial reports, but like most tools, it contains hidden features and functionality useful for these purposes that are not always obvious to users. This course will cover the following six topic areas: advanced formulas for formatting reports and financial statements, assembly and printing of reports and schedules, using templates to automate reporting processes, advanced financial analysis with PivotTables connected to the General Ledger using ODBC, data consolidation, and using charts and digital dashboards for presenting financial information.

SK/8 $3448041

Doubletree Hotel (formerly the Wyndham)

ACS $305/$340/$335/$460

10/24
**Critical Skills in Budgeting**
Learn how to build a set of decision-making processes early and how to use them to make smart allocation choices that benefit the entire organization. As you evaluate your current methods, you should develop your budgeting and planning before attending this workshop. Create budget action plans, chart initiatives, and a process for calculating the return on investment for expenditures and head count increases.

SK/8 $3239451

Doubletree Hotel (formerly the Wyndham)

ACS $305/$340/$335/$460

**WESTCHESTER**

10/28
**FAE’s Accounting Update 2013**
This course provides attendees with information about current and emerging accounting guidance and recent developments. Participants will receive an overview of new and proposed relevant accounting guidance issued by the FASB, along with practical applications of these accounting standards updates through a variety of discussions and questions.

ACB/8 $31111432

Doubletree Hotel Tarrytown

Foundation for Accounting Education

ACS $335/$460

**AUDITING**

10/29
**FAE’s Auditing Update 2013**
In a changing global and domestic economy, this course helps in staying ahead of the latest emerging and current auditing guidance. Participants will receive overviews of new auditing guidance through a variety of discussions and questions.

AU/4 $32112432

Doubletree Hotel Tarrytown

Foundation for Accounting Education

ACS $170/$235

10/29
**FAE’s Compilation and Review Update 2013**
Participants will have discussions and receive tools designed to help them better perform compilation and review engagements. Recently issued statements on Standards for Accounting and Review Services (SARS), and emerging changes will be addressed through a variety of discussions and questions.

AU/4 $32111342

Doubletree Hotel Tarrytown

Foundation for Accounting Education

ACS $170/$235

10/30
**Applying A-133 to Nonprofit and Governmental Organizations**
This course will help you plan for audits of governmental and nonprofit entities under A-133. It will also help you understand the relationship of these requirements to OMB, Government Auditing Standards, and the Single Audits Act amendments.

AU/8 $32294431

Doubletree Hotel Tarrytown

Foundation for Accounting Education

ACS $305/$430/$335/$460

**SPECIALIZED KNOWLEDGE AND APPLICATIONS**

10/01
**Excel Financial Reporting and Analysis**
Microsoft Excel is a useful tool for analyzing financial data and preparing financial reports, but like most tools, it contains hidden features and functionality useful for these purposes that are not always obvious to users. This course will cover the following six topic areas: advanced formulas for formatting reports and financial statements, assembly and printing of reports and schedules, using templates to automate reporting processes, advanced financial analysis with PivotTables connected to the General Ledger using ODBC, data consolidation, and using charts and digital dashboards for presenting financial information.

SK/8 $3448041

Doubletree Hotel Tarrytown

Foundation for Accounting Education

ACS $335/$460

**TAXATION**

10/17
**Multistate Taxation of Corporations: Theory, Practice, and Compliance**
Recent economic turmoil in the United States economy has caused a search for revenue by most states. This program explains and illustrates how to avoid becoming subject to excessive state taxation.

T/8 $34643413

Doubletree Hotel Tarrytown

Nicholas Patrick CPE, Inc.

ACS $335/$460

10/24
**Current Federal Tax Developments**
For any tax advisor with a world client base, this current course covers the latest developments in federal taxation, with an emphasis on multi-national applications. It will cover current issues, planning, and strategy.

T/8 $34605431

Doubletree Hotel Tarrytown

Nicholas Patrick CPE, Inc.

ACS $335/$460

10/25
**Health Care Reform Act**
This course will help you identify and understand the tax provisions from the Health Care Reform Act that will be implemented this year and in future years.

T/4 $32401431

Doubletree Hotel Tarrytown

Foundation for Accounting Education

ACS $170/$235

10/25
**Social Security and Medicare: Advanced Analysis of the Tactics, Taxes, and the Truth**
Virtually all Americans are impacted by Social Security and Medicare. This course will explain what matters. Through red-wall chorupers and the use of various tools, this session will help you evaluate your clients in order to make optimal decisions when it comes to Social Security and Medicare.

T/4 $32499431

Doubletree Hotel Tarrytown

Foundation for Accounting Education

ACS $170/$235

**SPECIALIZED KNOWLEDGE AND APPLICATIONS**

10/24
**Forensic Accounting for Attorneys and CPAs**
This course will help attendees better understand the issues that arise in forensic accounting engagements. A variety of topics is covered including fraud, investigation, and valuation.

ADVISORY SERVICES

10/24
**Forensic Accounting for Attorneys and CPAs**
This course will help attendees better understand the issues that arise in forensic accounting engagements. A variety of topics is covered including fraud, investigation, and valuation.

10/24
**Financial Reporting and Analysis**
This course will help attendees better understand the issues that arise in financial reporting and analysis engagements. A variety of topics is covered including financial statement analysis, ratio analysis, and financial modeling.

**WEB EVENTS**

10/01
**Private Equity and Venture Capital Conference**
WEBCAST

AC/1, SK/6, T/1 $35713411

Foundation for Accounting Education

$285/$410

10/22
**IFRS Conference**
WEBCAST

AC/8 $35354111

Foundation for Accounting Education

$325/$360

**ADVISORY SERVICES**

10/24
**Forensic Accounting for Attorneys and CPAs**
See course listing under Advisory Services.

10/31
**Auditing Conference**
WEBCAST

AD/2, AU/2 $35135411

Foundation for Accounting Education

$285/$410

**SPECIALIZED KNOWLEDGE AND APPLICATIONS**

10/01
**Private Equity and Venture Capital Conference**
See course listing under Advisory Services.

10/20
**Annual Tax/Plenary Conference**
WEBCAST

T/8 $35616411

Foundation for Accounting Education

$285/$410

10/23
**Planning Issues Faced with Doing Business Abroad**
U.K. and Canada (WEBCAST)

T/3 $37133408

Foundation for Accounting Education

$600/$85

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