

<b>Minutes of:</b>	The New York State Society of Certified Public Accountants Executive Committee Meeting	
<b>Date &amp; Time:</b>	Friday, November 4, 2016, 8:59 a.m. to 1:49 p.m.	
<b>Location:</b>	14 Wall Street, New York, NY, Conference Room #1	
<b>Presiding Officer:</b>	F. Michael Zovistoski, <i>President</i>	
<b>Executive Committee Members Present:</b>	Harold L. Deiters III, <i>President-elect</i> Gregory J. Altman, <i>Vice President</i> Susan M. Barossi, <i>Vice President</i> Anthony S. Chan, <i>Vice President</i> John J. Lauchert, <i>Secretary/Treasurer</i> Edward L. Arcara Rosemarie A. Giovinazzo-Barnickel Jacqueline E. Miller Joanne S. Barry, <i>Executive Director</i>	
<b>Executive Committee Members Participating via Conference Call:</b>	John S. Shillingsford, <i>Vice President</i> Iralma Pozo	
<b>Board Member Participating via Conference Call:</b>	Warren Ruppel, <i>Chair, Governance Subcommittee</i>	
<b>Staff Present:</b>	Lisa Axisa Jalissa Brown Colleen Lutolf Ernest Markezin Patrick Payano Joanne Thelmo	

## MINUTES

<p><b>EC16 — H — 0</b> <b>Call to Order</b></p>	<p>Attendance was taken, and President F. Michael Zovistoski established that a quorum was present and called the meeting to order at 8:59 a.m. Mr. Zovistoski thanked everyone for attending the meeting. He announced that Joanne S. Barry was appointed President of the CPA Society Executives Association (CPA/SEA) at its October meeting in Orlando, Florida.</p>
<p><b>EC16 — H — 1</b> <b>Action Items</b></p>	<p><b>a. Approval of Minutes of May 19, 2016, Executive Committee Meeting</b></p> <p>A motion to approve the minutes of the May 19, 2016, Executive Committee Meeting was made by Mr. Lauchert, and Mr. Zovistoski seconded the motion. The motion passed without any objections.</p> <p><b>b. Approval of Minutes of August 10, 2016, Executive Committee Meeting</b></p> <p>Mr. Zovistoski mentioned a spelling error, and Mr. Altman moved to approve the minutes as corrected. Ms. Giovinazzo-Barnickel seconded the motion. Mr. Arcara abstained from the vote. The motion passed.</p> <p><b>c. Appointment of Nominating Committee Chair</b></p> <p>Mr. Zovistoski stated that two past presidents were members of this year's Nominating Committee. He further stated that their combined experience and historical knowledge of the Society would be of great value to the committee. He named Peggy Wood as the Chair of the Nominating Committee, and confirmed that the committee would meet on January 12, 2017.</p> <p><b>d. Financial Statements Ending August 31, 2016</b></p> <p>Mr. Lauchert presented the financial report for the period ending August 31, 2016.</p> <p>Ms. Barossi requested a copy of the management letter issued by the auditing firm Cohn Reznick, and Mr. Payano said that he would provide one to the committee members at the next meeting. A discussion followed.</p>

Mr. Chan moved to approve the financial statements, and Mr. Arcara seconded the motion. The motion passed without any objection.

**e. Membership Report**

Ms. Barry presented the membership report to the Committee. She reported that there were 314 new member applicants, which takes the total membership to over 27,000. All individuals must pay upon submission of an application. She noted the 137 non-CPA members, which compared to 83 in that category last year.

She shared that two members had passed away: Julie L. Floch, a valued driving force in the nonprofit sector, and Arthur S. Hoffman, who had been an active member with the Tax Division Oversight Committee.

Ms. Barry announced that reinstatements had decreased and resignations had increased. She noted the dues-free Lifetime membership category has more than 3,000 CPAs. She explained that in 2019, the Lifetime membership category will require a \$75-per-year payment.

Ms. Axisa provided an update on the new software that has assisted in membership, Qualtrics and Sisense. Each facilitates our ability to identify, track and recruit members.

Ms. Giovinazzo-Barnickel made a motion to approve the Membership report, and Ms. Miller seconded the motion. The motion passed without any objection.

**f. Approval of Diversity and Inclusion Committee**

Mr. Zovistoski explained that the Diversity and Inclusion Committee existed previously, but was disbanded. Ms. Barry briefly shared the history of the committee, indicating that the committee started in the 1990s, and noted that the issues of diversity and inclusion still remain within the profession. She stated that the recommendation to reinstate the committee came from member, Rumbi N. Bwerinofa-Petrozzello, who wanted to embark on a series of events involving inclusion and diversity, especially as they relate to women in the CPA profession.

Mr. Zovistoski commented that inclusion is key for the profession.

	<p>Mr. Deiters made a motion to approve the Diversity and Inclusion Committee, and Ms.Giovinazzo-Barnickel seconded the motion. The motion passed without any objections.</p> <p><b>g. Approval of Academic Advancement and Higher Education Committee</b></p> <p>Ms. Barry spoke about the void in the Society as it relates to academic issues.</p> <p>Mr. Deiters shared his experience as an adjunct professor.</p> <p>Mr. Zovistoski commented that this committee would provide great insight to the Board and could enable it to keep current with NextGen and curriculum issues. After explaining the importance of selecting a strong Chairperson to head the committee, he appointed Cynthia A. Scarinci as the Chair. The committee is to start in January 2017.</p> <p>Ms. Giovinazzo-Barnickel made a motion to approve the Academic Advancement and Higher Education Committee, and Mr. Arcara seconded the motion. The motion passed without objection.</p>
<p><b>EC16 — H — 2</b> <b>Officer Reports</b></p>	<p><b>a. AICPA Council Fall Meeting Update</b></p> <p>Mr. Zovistoski provided a brief summary of the Fall Council meeting that was held in Orlando, Florida. He announced that Kimberly Ellison-Taylor was installed as chairperson. He explained she will have a 15-month term because of the AICPA changing its volunteer year.</p> <p>He stated that the CGMA joint venture was moving forward starting January 2017.</p> <p><b>b. Nominating Process</b></p> <p>Mr. Lauchert announced that Kevin Matz and Edward L. Arcara would join the following nine members of the Nominating Committee: Scott M. Adair, Ian J. Benjamin, Peter H. Frank, Lauren L. Kincaid, Barbara E. Ostrander, Rita M. Piazza, Tracy D. Tarsio, Robert N. Waxman, and Margaret “Peggy” A. Wood, as Chair.</p> <p>Mr. Zovistoski congratulated the newly elected members of the</p>

	<p>Nominating Committee and announced they would meet on January 12, 2017.</p> <p>Mr. Lauchert announced that the deadline for the call for submissions for AICPA Council is November 17, 2016, by 12 p.m. (EST).</p> <p>He also announced that the deadline for Board of Directors nominations is January 2, 2017 by 5 p.m. (EST).</p> <p><b>c. Town Hall Meetings Update</b></p> <p>Mr. Zovistoski also provided the Executive Committee with an update on the Chapter visits and said 5 out of the 15 visits were completed. He announced he would complete 4 more in the upcoming week.</p> <p><b>d. Update on Investment Policy Statement</b></p> <p>Mr. Lauchert recommended holding off approving the investment policy statement until the Investment Manager is selected.</p> <p>Mr. Lauchert explained the RFP process for the Investment Manager. He then presented the memo and relevant materials for the Executive Committee’s review. He stated that the final step would be to present the memo and materials to the Board of Directors.</p> <p>Mr. Lauchert stated that the Investment Subcommittee would develop an investment policy for the Board of Directors’ consideration at its December meeting.</p> <p>A discussion about Merrill Lynch as the Investment Policy Manager ensued. A motion was made by Ms. Giovinazzo-Barnickel to accept the Finance Committee’s recommendation that Merrill Lynch be engaged to be the Society’s Investment Manager, and was seconded by Mr. Arcara. The motion passed without any objection.</p>
<p><b>EC16 — H— 3</b> <b>Core Values and Goals</b></p>	<p><b>a. Chapters Updates</b></p> <p>Mr. Altman and Ms. Barossi provided a brief update on the chapters and said there is increased participation on the Chapter conference calls. A discussion followed.</p>

**b. Committees Update**

Mr. Shillingsford shared the committees update with the Executive Committee, explaining highlights for the period August 28 through October 14, 2016. He announced there is an average of about six meetings per week and that about 47% of applicants to committees were new committee members, which is very close to the goal of 50%. He shared that he was brainstorming with the Committee Oversight Chairs with regard to implementing joint committee events and a mentoring initiative. Before ending his report update, he thanked Mr. Markezin for his assistance.

**c. FAE Update**

Mr. Payano clarified the reasoning of the new FAE fee structure and the Chapter CPE courses.

**d. Future of Peer Review Administration Update**

Mr. Markezin provided an update to the Committee members. A discussion followed.

**e. Governance Subcommittee Update**

Mr. Ruppel provided the Committee with the Governance Subcommittee's recommendations, as follows:

**The Moynihan Fund:**

1. Establishment of The Moynihan Scholarship Fund, Inc., ("Moynihan Fund"), as a 501(c)(3), a separate organization that will govern, administer and support the noneducational functions of FAE, including the Career Opportunities in the Accounting Profession (COAP) program, scholarships both academic and financial, and the Benevolent Fund. This would allow FAE to focus solely on the educational activities.
2. The goal would be to establish The Moynihan Scholarship Fund prior to the Annual Gala.
3. The Subcommittee recommended that a similar process currently used by FAE be followed by The Moynihan Fund regarding its board of directors'/trustees' qualifications and staggered three-year terms. Further, it recommended that the Moynihan Scholarship Fund be managed by a seven-member board of directors/trustees, with two board members/trustees

to be appointed from the Society's Board of Directors. The five remaining board members/trustees would be using a similar process for the filling the FAE board of trustees vacancies.

The Subcommittee recommended that Society Board of Directors look to how FAE initially incorporated to select the initial Moynihan Fund's incorporators and its board members/trustees.

**Nominating Committee:**

1. There are 11 Nominating Committee members: 2 are appointed by the Board of Directors and 9 from the Society membership.

With regard to the Nominating Committee and possible vacancies, the Governance Subcommittee recommends that in the event a Nominating Committee member(s) who is/are elected from the Society membership is/are unable to serve for any reason, alternates already be selected. These alternates would be those Society members who received the two next highest vote total from the voting membership. Should any of the two Board- appointed Nominating Committee member(s) be unable to serve, then the two Society Board Members receiving the next highest total of Board votes would be the alternates for the Nominating Committee Board-appointed seats.

2. The Governance Subcommittee recommends that participation in the Nominating Committee requires its members to meet in-person only. In addition, it recommends that the Nominating Committee can meet earlier than the second Thursday in January, so long as all of its members are in agreement, and that the Nominating Committee can also carry over its initial meeting to a second day, so long as the Nominating Committee members unanimously agree to this and so long as it is prior to the third Thursday in January.

Mr. Ruppel stated that the Governance Subcommittee reviewed the non-CPA membership requirement as it relates to retirees who are non-CPA members who then retire. Under the current bylaws, these members would have their Society

memberships terminated. The Governance Subcommittee recommends that if an individual qualifies as an associate industry member as of the date of his/her retirement, he/she should be allowed to continue membership into retirement. In addition, the Governance Subcommittee noted that the non-CPA employee may not permit partners in certain professions to become a member because the language in the bylaws only addresses non-CPA employees. By way of example, partners in law firms are not considered employees. As a result, the Governance Subcommittee recommends the following revisions to the Associate Industry/Non-CPA category:

“... (5) Associate Industry/Non-CPA ~~Employee~~.

A person not employed in a CPA firm nor a company described in subparagraph (4) of this paragraph but who has a Bachelor’s degree and works full-time in any of the following categories shall be eligible to apply for membership as a non-CPA ~~Employee~~.

- (a) As an educator teaching accounting or accounting related courses at an educational institution, college or university; or
- (b) As a non-CPA professional working in the government, industry, non-profit organization, financial, legal or banking services.

Such membership shall terminate at the end of ~~the Society’s next fiscal year immediately following such time as~~ the above ~~employment~~ relationship, except for reasons of retirement ~~terminates~~.

#### **Size of the Society’s Board of Directors**

Mr. Ruppel stated that the Subcommittee’s last recommendation, regarding the size and composition of the Board of Directors, is to keep the current size of the Board of Directors at 39.

#### **Bylaws Revisions**

Mr. Ruppel stated that the Subcommittee discussed a committee’s request to have the Society’s bylaws revised and that more information would be forthcoming for the Subcommittee’s consideration.



	<p><b>f. State Board Meeting Update</b></p> <p>Ms. Thelmo announced the State Board meeting was scheduled for October 26, 2016, and Regulation 29.10 and Part 70 were on the agenda.</p>
<p><b>EC16 — H— 4</b></p> <p><b>Advocacy</b></p>	<p><b>a. Society Comments</b></p> <p>Mr. Chan provided an update on the comment letters. He noted that the quality throughout all of the comment letters was impressive.</p> <p><b>b. Legislative and Regulatory Updates</b></p> <p>Ms. Thelmo reminded the Executive Committee members about the newly contracted lobbyists, William “Bill” McCarthy and John McCarthy from Bolton St. Johns. She shared that she, herself, along with Ms. Lutolf and Ms. Barry joined the lobbyists on a conference call on October 31, 2016, to discuss a long-term strategic plan. Ms. Thelmo said a follow-up conference had already been scheduled for November 11, 2016, to discuss the postelection results.</p> <p>She explained that the CPA Political Action Committee (CPA PAC) has been active and announced the fund-raiser and conferences that the Society would sponsor and attend, one of them being the SOMOS Conference in Puerto Rico. Society Member Rumbi N. Bwerinofa-Petrozzello attended and represented the Society at the conference. Ms. Barry announced that the Society has applied for the CPA/SEA grant, and if awarded the grant, the money would be used to fund the following programs:</p> <ol style="list-style-type: none"> <li><b>1. An educational cocktail session</b> around the springtime, which would be a public educational event in Albany with elected officials, enabling the Society to introduce itself to elected officials and other organizations.</li> <li><b>2. Lobby Days program</b>, a three-day event in Albany that would be used as an opportunity for members to visit the Assembly, meet elected officials, and share with them the Society’s legislative agenda.</li> </ol>

**c. Marijuana Symposium: Business, Tax, and Legal Implications**

Ms. Thelmo stated that the Marijuana Symposium is scheduled for early December, and that its purpose is to bring leading experts to participate in panel-based discussions in an effort to educate the public, inform local and national decision makers, and facilitate a forum for open and thoughtful discussion of this growing industry.

In addition, she noted that Mr. Zovistoski, President of the Society, is scheduled to make the welcome remarks, and that New York State Senator Diane J. Savino would provide the keynote address. The conference would also include the participation of New York State Senator Liz Krueger. She also shared the names of the speakers scheduled to participate.

**d. Legislative Breakfasts**

Ms. Thelmo announced that three upcoming Legislative Breakfasts are scheduled for the month of December. She requested that all RSVPs be sent to [govtrelations@nyscpa.org](mailto:govtrelations@nyscpa.org). The following chapters that will participate and their locations are as follows:

**Chapter: Manhattan/Bronx**

Date: Wednesday, December 7, 2016

Time: 8:30 –10:00 a.m.

Location: Citrin Cooperman, 529 Fifth Avenue, Fourth Floor, New York, NY 10017

Speaker: Senator John Flanagan

**Chapter: Syracuse**

Date: Thursday, December 15, 2016

Time: 9:30 –11:00 a.m.

Location: The Bonadio Group, 432 North Franklin Street, Syracuse, NY 13204

Speakers: Assemblywoman Pam Hunter; NYS Assemblyman Al Stirpe, Jr.; Onondaga County Controller Bob Antonacci, CPA; and Joe Romano, Constituent Liaison for NYS Assemblyman William B. Magnarelli

**Chapter: Rochester**

Friday, December 16, 2016

	<p>Time: 8:00 – 9:30 a.m.  Location: Hilton Garden Inn Rochester/Pittsford, 800 Pittsford-Victor Road, Pittsford, NY 14534  Speaker: Assemblyman Brian Kolb</p>
<p><b>EC16 — H — 5</b></p>	<p><b>a. Membership Activities Update</b></p> <p>Ms. Axisa announced a total of 40 women and 3 men attended the Women’s Initiative event.</p> <p>She announced that the Oktoberfest (180 attendees) and Whiskey Tasting (140 attendees) events were both successful.</p> <p>She discussed the benefit of chapters sharing their events’ non-member attendance lists for recruitment. Some chapters are reticent to do so.</p> <p>Ms. Axisa announced that the Job Portal launch was a success. She expressed the importance of this member benefit to NextGen members, which had been noted in the recent membership survey.</p> <p>She explained the non-CPA membership effort, which is focusing on the legal and banking industries. A discussion followed.</p> <p><b>b. The Moynihan Fund Gala Update</b></p> <p>Ms. Lutolf announced that the Moynihan Fund Gala is scheduled for May 17, 2017, at Chelsea Piers, the same venue as the previous year. She provided a brief update on the planning and work with CJ Orr, the fund-raising event consultant. She shared names of potential honorees and talent for the event. A discussion followed.</p> <p><b>c. CGMA Update</b></p> <p>Ms. Barry stated that the AICPA is interested in a partnership with the state societies regarding the CGMA credential.</p> <p><b>d. COAP Update</b></p> <p>Ms. Barry briefly provided the history of COAP, which began in 1987. She explained that there was a period when 15 programs were in place at the same time. Currently, there are 11 programs. Ms. Barry shared some of the logistical problems COAP has faced over the years and recommended regionalizing COAP into 5 to 7 programs. She said this would ensure robust, quality, and</p>

	stronger programs for COAP. A discussion followed.
<b>EC16 — H— 6 Public Awareness</b>	<p><b>a. Media Relations Update</b></p> <p>Ms. Lutolf shared recent media inquiries which involved presidential candidate Trump’s CPA confirming the authenticity of his former client’s tax returns. She said she worked with member Debbie A. Cutler to provide comments about ethics.</p> <p>She also announced the two interviews with <i>Time</i> and <i>Money</i>. She briefly explained about working with Eagle Academy, which is mostly young students of color, and the Get Money Start Financial Literacy Program.</p> <p>Another media highlight Ms. Lutolf mentioned was the tax panel that the Society participates in each year. She explained that it was a standing program the Society has with the <i>Daily News</i>. She briefly described the tax panel program setup, which is a call bank – readers have the opportunity to call in and ask tax questions.</p>
<b>EC16 — H— 7 Executive Session</b>	<p>Ms. Barossi moved to commence an executive session, and Mr. Altman seconded the motion at 1:38 p.m. The motion passed without any objections.</p> <p>A motion to end the executive session was made by Ms. Barossi and seconded by Mr. Altman. The motion passed without any objections.</p>
<b>ADJOURNMENT</b>	Ms. Barossi motioned to adjourn the meeting at 1:43 p.m., and Mr. Altman seconded the motion.

Respectfully Submitted,

John J. Lauchert  
Secretary/Treasurer