

Minutes of: New York State Society of Certified Public Accountants Executive Committee Meeting

Date & Time: Tuesday, February 12, 2013, 9:00 a.m. to 2:37 p.m.

Location: NYSSCPA Offices, 3 Park Avenue, 18th Floor, New York, New York

Presiding Officer: Gail M. Kinsella, *President*

Executive Committee Members Present: J. Michael Kirkland, *President-elect*
 Sherry L. DelleBovi, Vice President
 David Evangelista, Vice President
 Suzanne M. Jensen, Vice President
 Anthony J. Maltese, Vice President
 Scott M. Adair, Secretary/Treasurer

Gregory J. Altman
 Richard T. Van Osten
 F. Michael Zovistoski
 Joanne S. Barry, *Executive Director*

Executive Committee Members Absent: John Shillingsford

Staff Present: Amy Broderick
 Ernest Markezin

Patrick Payano
 Bradley Pryba

MINUTES

EC12 — H — 0 Call to Order President Gail M. Kinsella noted that a quorum was present and called the meeting to order at 9:00 a.m.

EC12 — H — 1
Minutes

Ms. Kinsella asked if Executive Committee members had any changes or comments to the minutes of the August 22, 2012, Executive Committee meeting. After further discussion, Ms. Jensen moved to approve the August 22, 2012, minutes, and Mr. Van Osten seconded the motion. The motion passed.

EC12 — H — 2
President's Report

a. Chapter Leadership Meetings Update

Ms. Kinsella noted that communication with chapters had improved, and that the chapters have requested that the Society be more vocal about their legislative initiatives. She explained that the format of the chapters meetings had changed and that Society leadership would visit each chapter every other year. Ms. Kinsella also noted that she was pleased with the response at the meetings.

b. AICPA Council Update

Ms. Kinsella announced that the AICPA Council had a regional meeting scheduled for March 2013. Ms. Barry noted that she had attended several AICPA Board meetings and that the AICPA started an initiative to position CPAs as resources to put the country back on track financially, an initiative very well received by its membership.

c. CPA Firm Ownership

Mr. Pryba explained that things were moving quickly and added that the strategic partners had begun drafting language for a bill. He presented the Executive Committee with a draft of the bill for discussion, which included the recommended changes of the Legislative Task Force. The Executive Committee discussed the use of "CPA" in the firm title, and Mr. Pryba explained that in order to include "CPA" in the title, the firm must be 100% CPA owned under the draft language.

Ms. Kinsella discussed the views of the members that were expressed during the chapter visits. She explained that member's opinions on this subject varied but were generally supportive.

Mr. Adair moved to approve the Legislative Task Force's recommendations, and Mr. Kirkland seconded the motion. The motion passed without objection. Ms. DelleBovi abstained.

EC12 — H — 3
**President-elect's
Report**

a. Real Estate Update

Mr. Kirkland announced that the Society had signed the lease for 14 Wall Street, and added that the move date would be in July. He also noted that the Society had obtained a loan from Citibank and was looking at buying new furniture.

Mr. Kirkland added that the Society's staff, led by Ms. Barry, has done a marvelous job, with respect to the move.

b. 2013 Governance Forum

Mr. Kirkland stated that the 2013 Governance Forum would be similar to last year's and would be held from September 26–27, 2013. He noted that the Board of Directors, FAE Trustees, Chapter Presidents, PAC, and Oversight Committee Chairs would be in attendance.

EC12 — H — 4
**Vice Presidents'
Reports**

a. Chapters Update

Mr. Evangelista announced that the Buffalo Chapter has reorganized and involved new people, and that they have revitalized their nominating committee and elected a President-elect.

Mr. Maltese noted that the Staten Island Chapter President-elect had delayed their term for one year, and that the current President would serve another term in order to organize the new COAP Program.

b. Society Comments

Ms. DelleBovi stated that the fiscal year started slow, but that they were now ahead of last year in terms of letters issued. She noted that there were 21 comment letters, as compared to 17 at the same point in the previous fiscal year. Ms. DelleBovi stated that there were 6 new comment letters. She then thanked everyone who worked on the comment letters.

c. Committees Update

Ms. Jensen explained that committees continue to be very active and that the availability of CPE and conference calls is great. She noted that having committee chairs on the chapter presidents calls is going well.

Ms. Jensen recommended that the Young CPA Committee become a formal committee. Ms. Kinsella stated that over

the next few weeks, a committee action plan will be put together, and the issue can be discussed at a future meeting. Ms. Jensen noted that Ms. George has been very active with the Young CPA Committee.

EC12 — H — 5
**Secretary/Treasurer's
 Report**

a. Nominating Process Update

Mr. Adair thanked everyone who participated on the Nominating Committee. He announced that the 2012–2013 Nominating Committee had submitted the following report:

OFFICERS: to hold office for one year, from June 1, 2013:

President

J. Michael Kirkland
 automatically succeeds Gail
 M. Kinsella as President in
 accordance with Article VIII,
 Paragraph 5 of the Bylaws.

President-elect

Scott M. Adair <i>Monroe County Department of Finance</i>	to succeed	J. Michael Kirkland <i>Deutsche Bank AG</i>
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Vice Presidents

Ian J. Benjamin <i>McGladrey LLP</i>	to succeed	Sherry L. DelleBovi <i>Lumsden & McCormick, LLP</i>
Adrian P. Fitzsimons <i>St. John's University</i>	to succeed	David Evangelista <i>Moore Stephens, P.C.</i>
Barbara A. Marino <i>The Hackett Group Inc.</i>	to succeed	Anthony J. Maltese <i>The Maltese CPA Firm PLLC</i>
Warren Ruppel <i>Marks Paneth & Shron LLP</i>	to succeed	Suzanne M. Jensen <i>The Business Council of New York State, Inc.</i>

Secretary/Treasurer

F. Michael Zovistoski	to	Scott M. Adair
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<i>UHY LLP</i>	succeed	<i>Monroe County Department of Finance</i>
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DIRECTORS-AT-LARGE: to hold office for three years, beginning, June 1, 2013:

Anthony S. Chan <i>UHY Advisors NY, Inc.</i>	to succeed	Robert W. Berliner <i>Marks Paneth & Shron LLP</i>
Jack F. Craven <i>John F. Craven, CPA, LLC</i>	to succeed	Robert E. Sohr <i>Robert E. Sohr, CPA</i>
Barbara L. Montour <i>Saint Regis Mohawk Tribe</i>	to succeed	Stephen E. Franciosa <i>Stephen E. Franciosa, CPA</i>
Stephen T. Surace <i>Adjusters International Inc.</i>	to succeed	Pei-Cen Lin <i>Pei-Cen Consulting</i>
Mark Weg <i>Daszkowski, Tompkins, Weg & Carbonella, P.C.</i>	to succeed	Rosemarie A. Giovinazzo-Barnickel <i>Rosemarie Giovinazzo-Barnickel, CPA</i>

DIRECTORS AS CHAPTER REPRESENTATIVES: to hold office for three years, from June 1, 2013:

Mid Hudson:		
Tracy D. Tarsio <i>Day Seckler LLP</i>	to succeed	Jennifer R. George <i>Vanacore, DeBenedictus, DiGiovanni & Weddell, LLP</i>
Northeast:		
<i>No Selection</i>	to succeed	F. Michael Zovistoski <i>UHY LLP</i>
Queens/Brooklyn:		
Mark Ulrich <i>St. John's University</i>	to succeed	Adrian P. Fitzsimons <i>St. John's University</i>
Rockland:		
Michael E. Milisits <i>The Hunter Group CPA LLC</i>	to succeed	Mitchell L. Gusler <i>Rifkin & Company, LLP</i>

Utica:
Scott D. Hosler to Robert R. Ritz
Bonadio & Co., LLP succeed *D’Arcangelo & Co.,
LLP*

All of the nominees have consented to serve if elected.

Gail M. Kinsella automatically becomes Director for one year as Immediate Past President in accordance with [Article VI](#), Paragraph 1 of the Bylaws.

DIRECTORS (provided the above nominees are duly elected)

Terms expiring in 2014:

Ian J. Benjamin, *McGladrey LLP*
Shari E. Berk, *S.E. Berk & Associates P.A.*
Domenick J. Esposito, *J.H. Cohn LLP*
Adrian P. Fitzsimons, *St. John’s University*
Timothy P. Hedley, *KPMG LLP*
Douglas L. Hoffman, *Dragon Benware Crowley & Co., P.C.*
Gail M. Kinsella, *Testone, Marshall & Discenza, LLP*
Eric M. Kramer, *Farrell Fritz, P.C.*
Elliot A. Lesser, *Berdon LLP*
Barbara A. Marino, *The Hackett Group Inc.*
Steven M. Morse, *Rochester Institute of Technology*
Michael F. Rosenblatt, *The Quest Organization*
Warren Ruppel, *Marks Paneth & Shron LLP*
Cynthia A. Scarinci, *College of Staten Island (CUNY)*
John Shillingsford, *Albrecht, Viggiano, Zureck & Company, P.C.*
F. Michael Zovistoski, *UHY LLP*

Terms expiring in 2015:

Anthony T. Abboud, *Firley, Moran, Freer & Eassa, P.C.*
William Aiken, *Retired*
Gregory J. Altman, *Somerset Capital Partners*
Barbara E. Bel, *O’Connor Davies Munns & Dobbins, LLP*
Christopher G. Cahill, *Deloitte & Touche LLP*
Harold L. Deiters, *Holtz Rubenstein Reminick LLP*
Scott M. Hotalen, *Vieira & Associates, CPAs, P.C.*
J. Michael Kirkland, *Deutsche Bank AG*
Arthur J. Roth, *Retired*
Yen D. Tran, *PricewaterhouseCoopers LLP*
Richard T. Van Osten, *Ernst & Young LLP*

Terms expiring in 2016:

Scott M. Adair, *Monroe County Department of Finance*
Anthony S. Chan, *UHY Advisors NY, Inc.*
Jack F. Craven, *John F. Craven, CPA, LLC*
Scott D. Hosler, *Bonadio & Co., LLP*
Michael E. Milisits, *Hunter Group CPA LLC*
Barbara L. Montour, *Saint Regis Mohawk Tribe*
Stephen T. Surace, *Adjusters International, Inc.*
Tracy D. Tarsio, *Day Seckler LLP*
Mark Ulrich, *St. John’s University*

Mark Weg, *Daszkowski, Tompkins & Weg, P.C.*

Respectfully submitted,

2012–2013 Nominating Committee

- David J. Moynihan, Chair
- Frank J. Aquilino
- Susan M. Barossi
- John B. Huttlinger, Jr.
- Michele Mark Levine
- Anthony J. Maltese
- Thomas E. Riley
- Erin Scanlon
- Robert E. Sohr
- Edward J. Torres
- Thomas D. Weddell

Mr. Maltese explained that the Nominating Committee chose to interview candidates for the positions of President-elect and Secretary/Treasurer. He noted that it would be important to pass along notes on the process to next year's Nominating Committee. Mr. Pryba stated that if the Society wants formal protocols, they will need an action by the Board.

Mr. Pryba also noted that the Northeast Chapter has a vacancy and explained that the Board can appoint a person to that position.

**b. Financial Statements for the Month Ended
November 30, 2012**

Mr. Adair gave the Executive Committee a summary of the financial statements. He stated that the Society's position is favorable, when compared to budget, and is outperforming the prior year actual vs. actual. The Executive Committee further discussed the financial statements.

Ms. Jensen moved to approve the financial statements for the month ended November 30, 2012, and Mr. Evangelista seconded the motion. The motion passed without objection.

Report

Mr. Pryba stated that the session in Albany started in January and noted that the Legislative Task Force met on January 24. He announced that several matters that may impact the profession were discussed at the meeting.

The first is bill A1298, to modify the internal audit function of school districts. Mr. Pryba explained that this bill seeks to reduce the recurrence of, or eliminate, the school district internal audits for school districts with fewer than 1,000 students. He also explained that the Legislative Task Force recommends opposing this bill and seeks approval to begin drafting a letter of opposition.

The second is bill A2363, which would require a certificate of incorporation for not-for-profit organizations to include certifications that the initial directors of the corporation shall commit to the inclusion in the corporation bylaws of a conflict-of interest-policy. Mr. Pryba explained that the Legislative Task Force recommends supporting this bill, as it is beneficial to the industry, and the Task Force seeks approval to reach out to the bill sponsor.

The third is bill S2337, which would require many service providers to report financial exploitation of the elderly. Mr. Pryba explained that the Legislative Task Force recommends engaging the bill sponsor, Senator Klein, to express concerns regarding financial exploitation reporting as proposed, and seeks approval to draft a position letter.

Mr. Pryba noted that the Legislative Task Force has no recommendation regarding proposed Martin Act expansion at this time.

Ms. Barry added that she meets quarterly with the Big Four firms, and Senator Klein was a guest at their last meeting.

Mr. Adair moved to approve the Legislative Task Force's recommendations, and Mr. Zovistoski seconded the motion. The motion passed without objection.

b. Dues/Membership Update

Ms. Barry announced that as of February 5, 2013, 96.43% of dues assessed had been collected. She added that at their December 2012 meeting, the Board of Directors had approved terminating 1,667 members who had not paid their dues, and that the staff was working to get those members reinstated.

c. FAE Update

Ms. Barry stated that FAE has been making progress, with their gross profit up compared to last year. She announced that the POP program had been eliminated and replaced with a revamped FAE VP program, and added that as of January 31, 2013, 137 passes had been sold, as compared to 134 for the entire previous year.

d. Revenue Diversification Project

Ms. Kinsella noted that there had been a lot of thought regarding potential initiatives that would enhance and diversify the sources of revenue of the NYSSCPA. She added that the next phase is to figure out what will work. Ms. Barry thanked Mr. Markezin for his work on the project.

e. AICPA Foundation Accounting Doctoral Scholarship

Ms. Barry announced that the Society had made a \$50,000.00 contribution to the AICPA Doctoral Scholarship Fund over a five-year period, and added that 2013 is the last year of the Society's contribution.

f. Superstorm Sandy Volunteer Press

Ms. Barry stated that media activities arranged by the staff offer great exposure for the Society, the profession, and for individual CPAs. CPAs have been viewed as a valuable resource throughout the recovery effort.

**EC12 — H — 7
Ethics—Code of
Conduct**

Mr. Pryba suggested adopting the AICPA Code of Professional Conduct and explained that, in order to do that, the Executive Committee must recommend it to the Board, and then the Board must submit it to the members.

Mr. Kirkland moved to recommend adopting the AICPA Code of Professional Conduct to the Board, and Mr. Adair seconded the motion. The motion passed without objection.

**EC12 — H — 8
Ethics—Bylaw
Recommendation**

Mr. Pryba announced that the Professional Ethics Committee proposed revisions to the bylaws. He explained that the committee recommended making two changes.

Mr. Pryba stated the first proposed change:

The Professional Ethics Committee unanimously recommends that the Society's Governance Subcommittee consider the following revisions to the Society's Bylaw Article XII- PROFESSIONAL CONDUCT AND DISCIPLINARY PROCEEDINGS

,including the retention guideline established below.

15. Publication and Notification –

(a) The names of members who are disciplined after a trial board hearing or by settlement agreement recognized by the Joint Trial Board or Society trial board under paragraph 17 of this Article and of those who are automatically disciplined by the Society shall be published together with a factual summary of the case in (1) an appropriate publication of the Society which is mailed to all members and (2) ~~a Society press release which is made available to the media~~ on the Society's website in accordance with a retention timeline established by the Board of Directors.

(b) Complainants shall be informed by the Professional Ethics Committee that its investigation has been conducted and concluded.

Mr. Pryba then explained the second proposed change.

The Professional Ethics Committee recommends that the Society's Governance Subcommittee consider the deletion of item (f) to the Society's Bylaw Article XII.19 as follows:

19. Disclosure to Regulatory Authorities –

The Professional Ethics Committee shall inform the New York State Education Department and any other applicable state or federal regulatory agency ("Regulatory Authorities") known to the committee of investigations involving professional conduct of a member or a partner or employee of the member's firm as follows:

- a After a request has been granted to a member to defer the investigation by the professional ethics committee;
- b After a member fails to cooperate with the Professional Ethics Committee in any investigation;
- c After a complaint has been referred to the Joint Trial Board under Article XII, paragraph 10 or the Society trial board under Article XII, paragraph 14;
- d After automatic actions under Article XII, paragraphs 2, 3, 4, 5, or 6;
- e After a settlement agreement has been entered into between the member and the Professional Ethics Committee. ~~and~~
- f ~~On any other occasion the professional ethics committee deems appropriate~~

The Professional Ethics Committee shall turn over to the Regulatory Authorities all statements, documents and other materials relating to the investigation, or

copies thereof, requested by the Regulatory Authorities.

The Executive Committee further discussed the proposed changes. Mr. Evangelista moved to allow the Governance Subcommittee to recommend the changes to the Board of Directors, and Ms. Jensen seconded the motion. The motion passed without objection.

**EC12 — H — 9
Membership Report**

Ms. Barry presented the Membership Report. She announced that there had been 634 new applications for membership and 68 reinstatements. Ms. Barry also added that these new members bring the membership total to 28,186. She stated that this figure compares favorably to the previous year's figures.

Ms. Barry noted that she recommended not approving the reinstatement of one of the applicants. She explained that this applicant has not paid any dues since being terminated for nonpayment in the 2006–2007 fiscal year, despite being placed on payment plans.

After further discussion, Ms. Jensen moved to approve the Membership Report, and Mr. Evangelista seconded the motion. The motion passed without objection.

**EC12 — H — 10
Approval of Fiscal
Year 2013/2014
NYSSCPA Budget**

Mr. Adair announced that in mid-January, Mr. Payano and Ms. Barry presented the budget to the Finance Committee for their review. Mr. Adair gave the Executive Committee members a line-by-line overview of the budget. He added that the Finance Committee strongly believes that the Executive Committee should put together a task force to review the chapter budget process and to formalize it in a manual of some sort. Mr. Adair thanked Mr. Payano, Ms. Barry, and staff for their work on the budget.

After further discussion, Mr. Zovistoski moved to recommend the budget to the Board of Directors, and Mr. Evangelista seconded the motion. The motion passed without objection.

Ms. Kinsella expressed the Executive Committee's appreciation to Mr. Adair, the Finance Committee, Mr. Payano, and the staff for their work on the budget.

**EC12 — H — 11
Executive Session**

Ms. Jensen moved to enter into an executive session, and Mr. Kirkland seconded the motion. There being no objection,

an executive session was held between 12:18 and 2:06 p.m. At the conclusion of the session, Ms. Jensen moved to adjourn the executive session, and Mr. Adair seconded the motion. There being no objection, the executive session was adjourned.

EC12 — H — 12
Adjournment

Ms. Jensen moved to adjourn the meeting, and Mr. Maltese seconded the motion. There being no objection, the meeting adjourned at 2:37 p.m.

Respectfully submitted,

Scott M. Adair
Secretary/Treasurer