

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

**Date & Time:** Thursday, February 20, 2014, 8:54 a.m. to 11:36 a.m.

**Location:** NYSSCPA Offices, 14 Wall Street, 19<sup>th</sup> Floor, New York, New York

**Presiding Officer:** J. Michael Kirkland, *President*

**Executive Committee Members Present:** Scott M. Adair, *President-elect*  
 Ian Benjamin, *Vice President*  
 Adrian Fitzsimons, *Vice President*  
 Barbara A. Marino, *Vice President*  
 Warren Ruppel, *Vice President*

**Executive Committee Members Absent:** Richard T. Van Osten

**Staff Present:** Amy Broderick  
 Robert Busweiler  
 Colleen Lutolf  
 Craig Mandelbaum

**Guests Present:** Joseph M. Falbo, Jr.

F. Michael Zovistoski, *Secretary/Treasurer*  
 Gregory J. Altman  
 Anthony S. Chan  
 Barbara T. Montour

Joanne S. Barry, *Executive Director*

Ernest Markezin  
 Patrick Payano  
 Bradley Pryba

**MINUTES**

EC13 — L — 0  
**Call to Order** President J. Michael Kirkland noted that a quorum was present and called the meeting to order at 8:54 a.m.

EC13 — L — 1  
**Action Items** **a. Approval of Minutes of November 22, 2013, Executive Committee Meeting**

Mr. Kirkland asked if Executive Committee members had any changes or comments to the minutes of the November 22, 2013, Executive Committee meeting. After further discussion, Ms. Marino moved to approve the November 22, 2013, minutes, and Mr. Chan seconded the motion. The motion passed without objection.

**b. Approval of Fiscal Year 2014/2015 NYSSCPA Budget**

Mr. Zovistoski presented the Society budget. He gave the Executive Committee an overview of the Society budget and also briefly

overviewed the FAE budget.

After further discussion, Mr. Adair moved to approve the Society budget, and Mr. Zovistoski seconded the motion. The motion passed without objection.

**c. Financial Statements Ending December 31, 2013**

Mr. Zovistoski presented the financial statements and overviewed them for the committee.

**d. Membership Report**

Mr. Payano asked the Executive Committee to approve 266 new applicants for membership, bringing the Society's membership total to 29,815. Mr. Payano noted that 3,031 possible terminations were not reflected in the report.

Mr. Chan moved to approve the Membership Report, and Mr. Ruppel seconded the motion. The motion passed without objection.

**e. Approval of Proposed Language for Section 29.10 of the Rules of the Board of Regents**

Mr. Pryba announced that the Big Four had recommended simplifying the language with respect to independence under Section 29.10 of the Rules of the Board of Regents. Mr. Pryba explained that New York law currently establishes its own independence standards and added that the proposal is to simplify the standards and fall in line with the AICPA language in order to increase compliance.

Mr. Pryba stated that the New York State Education Department is currently undertaking a review of Section 29.10, and that this is a chance for the Society to contribute.

After further discussion, Mr. Adair moved to approve the proposed language, and Ms. Marino seconded the motion. The motion passed without objection.

**f. Establishment of Member Relations Committee**

Mr. Kirkland explained that the Member Relations Committee would be a combination of the Membership Committee and the Member Benefits Committee. He noted that he had drafted a mission statement and had spoken to a possible chair for the committee.

After further discussion, Mr. Ruppel moved to approve the establishment of the Member Relations Committee, and Mr. Chan seconded the motion. The motion passed without objection.

**a. Chapters Update**

Ms. Marino stated that she had begun taking attendance on chapter presidents calls, and that staff has been sending out meeting

agendas. She added that she and Ms. Lelia Dickenson, NYSSCPA Manager of Chapter Relations, had been discussing creating a reference sheet of key Society contacts.

**b. Society Comments**

Mr. Ruppel announced that 26 letters had been issued and there were more in the pipeline. He added that a letter had been issued in opposition of proposed amendments to PCAOB auditing standards.

**c. Committees Update**

Mr. Benjamin stated that some new Society members were coming in through committee applications. Mr. Kirkland commented that the Society President needs to set the tone for committee chairs and chapter presidents to ensure cooperation and collaboration.

**d. Nominating Process Update**

Mr. Zovistoski announced that the Nominating Committee met in January and that the report would be published in *The Trusted Professional*. Mr. Zovistoski stated that independent nominations were now open and due to the Society by March.

**a. Legislative and Regulatory Update**

Mr. Busweiler gave the Executive Committee an overview of recent legislative activity. He discussed recent regulations on tax return preparers that had been approved. Mr. Busweiler announced that a bill on estate planning throwback tax was being reviewed in Albany. He added that the Not-for-Profit Revitalization bill had been passed and signed by Governor Cuomo. Mr. Busweiler also added that the elderly financial exploitation bill, the non-CPA ownership bill, and the Martin Act were still holding. He then gave the committee an overview of some federal issues.

Mr. Pryba overviewed the final changes that had been made to the non-CPA ownership bill for the Executive Committee. After discussion, Mr. Zovistoski moved to reaffirm the Society's support for the concept of non-CPA ownership and accept the new language in the proposed bill, and Ms. Marino seconded the motion. The motion passed without objection.

Mr. Busweiler stated that Congressman Brian Higgins had asked the Society to give some guidance on his proposed bill for nonimmigrant classification for Canadian nationals who buy or rent residences in the United States.

Mr. Kirkland added that two meetings had been held regarding how the state should address businesses that wish to deal in virtual currency. Mr. Kirkland added that he and Ms. Barry had discussed creating a task force to look into this issue.

After further discussion, Mr. Zovistoski moved to create a Task Force to look into this issue, and Mr. Chan seconded the motion. The motion passed without objection.

**b. Awards Committee Report**

Mr. Markezin reported that the Awards Committee had met, and all winners had been notified. He announced the following winners:

Dr. Emanuel Saxe Outstanding CPA in Education Award – A. Rief Kanan

Outstanding CPA in Industry Award – Suzanne M. Jensen

**c. CPA/SEA Midwinter Meeting**

To be addressed at a future meeting.

**d. AICPA Board of Directors Meeting Update**

To be addressed at a future meeting.

**e. New York State Steering Committee Update**

Mr. Kirkland stated that the Steering Committee discussed support for membership and stated that two firms had committed to recruiting members for the Banking Committee. Mr. Kirkland added that the committee discussed getting more Big Four members on the Society's Board and on committees. He stated that the committee had a very good meeting.

**a. COAP Program Update**

Mr. Kirkland announced that he had spoken with Ms. Barry and Mr. George I. Victor regarding the status of the task force. Mr. Kirkland noted that they had discussed setting up COAP as its own 501(c)(3) and had discussions with Mr. Pryba regarding how to organize that. Mr. Kirkland asked the Executive Committee to consider whether the Society should continue looking into the requirements to set up COAP as its own entity.

After further discussion about the resources required and different options available, Mr. Adair moved to authorize staff to continue exploring different options regarding the setup of COAP and to approve any related costs, and Mr. Ruppel seconded the motion. The motion passed without objection.

The Executive Committee agreed that the organizational issues would be discussed at a future meeting.

**b. Bylaws Changes: Appointment of Auditor**

Mr. Pryba overviewed the proposed Bylaws changes for the Executive Committee and then asked the committee to approve the following change (changes shown with strikethrough):

Annual Audit – At the second meeting of the Board in the fiscal year, the Board shall designate an auditor or firm of auditors to examine the report of the treasurer for that fiscal year. The auditor or a partner of the firm of auditors shall be a member. The auditor or a partner of the firm of the auditors shall not be a member of the Board. ~~The auditor or firm of auditors shall not be designated for more than four successive fiscal years.~~ The auditor or firm of auditors shall be compensated in an amount designated by the Board. The audit report shall be communicated to the membership in such manner as the Board may designate.

After further discussion, the Executive Committee concluded that the provision should be updated to reflect Nonprofit Revitalization Act requirements and directed that all comments should be submitted to Mr. Pryba for inclusion in the materials for the next Board meeting.

EC13 — L — 5  
**Professional  
Competency**

**a. Best Practices Task Force**

Mr. Falbo announced that the purpose of the Best Practices Task Force is to ensure that everything is being done to run the business smoothly. He then outlined some initiatives that the Task Force had discussed to improve business operations, including creating a quick reference guide of chapter policies, and whether a dedicated chapter/committees staff person would be helpful. Mr. Falbo announced that he would provide Mr. Kirkland with a written report of the Task Force's recommendations for review.

**b. FAE Update**

Mr. Zovistoski gave the Executive Committee an overview of FAE activity highlights. He stated that on-demand self study was a significant area of growth for FAE and that FAE was working to grow the library of courses offered. Mr. Zovistoski added that a new project team had been created to assist FAE in converting live webcasts to on-demand products, with the hope that this would be completed by May 1, 2014. He announced that FAE had engaged Aura Innovative Technology to create a new e-store platform that will be launched on May 1, 2014. The platform replaces InReach and will be managed internally. Mr. Zovistoski added that FAE is testing pricing strategies to ensure that prices are competitive, and is participating in a number of recruitment and retention programs to assist in driving membership value. Mr. Zovistoski also stated that the Young CPAs Conference would be held in June, and would be held in two locations in order to increase participation across the state.

EC13 — L — 6  
**Public Trust**

To be addressed at a future meeting.

EC13 — L — 7  
**Recognition and  
Visibility**

**a. Media Relations Report**

Ms. Lutolf presented the Media Relations Report. She announced that the Society's Open House was a fabulous event that provided a great networking opportunity for members. Ms. Lutolf then overviewed the report for the Executive Committee.

EC13 — L — 8  
**Recruitment and  
Retention**

**a. Annual Membership Meeting Task Force**

Mr. Adair announced that the Annual Membership Meeting Task Force met in February to discuss ways to connect past Society leadership with the Society today. He added that the Task Force had looked into developing a database of functions that people may be interested in participating in. Mr. Adair gave the Executive Committee an overview of these functions.

He announced that, at this point, he felt the Task Force could be disbanded.

EC13 — L — 9  
**Executive Session**

No Executive Session was held.

EC13 — L — 10  
**Adjournment**

Mr. Altman moved to adjourn the meeting, and Mr. Zovistoski seconded the motion. There being no objection, the meeting adjourned at 11:36 a.m.

Respectfully submitted,

F. Michael Zovistoski  
Secretary/Treasurer