

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

Date & Time: Thursday, May 16, 2013, 8:58 a.m. to 12:58 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
 John Shillingsford
 Richard T. Van Osten
 F. Michael Zovistoski
 Joanne S. Barry, *Executive Director*

Staff Present: Amy Broderick
 Ernest Markezin
 Patrick Payano
 Bradley Pryba

MINUTES

EC12 — I — 0
Call to Order

President Gail M. Kinsella noted that a quorum was present and called the meeting to order at 8:58 a.m. She thanked the Executive Committee for their time and dedication. Ms. Kinsella added that she hoped the members of the Executive Committee would reflect on the year and feel that they achieved something for the organization. She asked the Executive Committee members to join her in wishing Mr. Kirkland well in his upcoming role as President.

EC12 — I — 1
Minutes

Ms. Kinsella asked if Executive Committee members had any changes or comments to the minutes of the February 12, 2013, Executive Committee meeting. After further discussion, Ms. Jensen moved to approve the February 12, 2013, minutes, and Mr. Zovistoski seconded the motion. The motion passed without objection.

EC12 — I — 2
President's Report

a. Board Resignation

Ms. Kinsella announced that the Board of Directors had regretfully accepted the resignation of Mr. Domenick J. Esposito.

b. NABA, Inc.'s 2013 National Achievement–Public Accounting Award

Ms. Kinsella congratulated Mr. Kirkland on receiving the National Achievement–Public Accounting Award.

c. AICPA May Council Meeting

Ms. Kinsella announced that representatives of the Society would be visiting Capitol Hill next week in conjunction with the AICPA Council meeting.

d. Society Award Winners

Ms. Kinsella announced the winners of the Society awards:

NYSSCPA Distinguished Service Award–
Jeffrey R. Hoops

Dr. Emanuel Saxe Outstanding CPA in Education Award–
Robert Kawa
Cynthia A. Scarinci

Outstanding CPA in Industry–
Beth van Bladel

Ms. Kinsella congratulated the winners and added that it is exciting to see CPAs in Industry being recognized.

EC12 — I — 3
President-elect's Report

a. Governance Forum Update

Mr. Kirkland announced that the Governance Forum would be held from September 26–27, 2013, at the Desmond Hotel in Albany. He thanked Ms. Nereida Gomez, Manager

of Committees and Administrative Services, and her staff for all of their work.

b. New Board Members' Orientation

Mr. Kirkland stated that the Committee Chairs meeting went very well. He added that he had encouraged the committees to work with chapters and to be diligent when submitting required information to Society staff. Mr. Kirkland stated that staff had done a great job of summarizing the requirements for the Committee Chairs. He then announced that the New Board Members' Orientation was scheduled to be held on May 17, 2013, and added that he expected it would go smoothly.

c. Meeting with Nassau Chapter Representatives

Mr. Kirkland thanked Ms. Kinsella for allowing him to handle issues in preparation for his presidency. He had met with Mr. Scott Sanders and Ms. Lisa Haynie from the Nassau Chapter, to discuss the NYSSCPA's legislative policies.

d. Diversity Initiatives

Mr. Kirkland stated that Ms. Cathy Landau-Painter had volunteered to help with the diversity initiatives. Mr. Kirkland added that the feedback from the Big Four Firms was encouraging, and noted that he hopes to grow the COAP program.

Mr. Kirkland announced that over the previous week, he had attended the Westchester Installation Dinner, the NABA meeting held at Baruch College, and a Nassau Chapter meeting. He noted that he was touched by the work that CPAs are doing and mentioned that CPAs do not do enough to demonstrate the good work that they do for the community.

a. Chapters Update

Mr. Maltese stated that the chapter presidents had recently had their final conference call. He added that some of the new chapter presidents participated on the call and that a committee chair was also on the line. Mr. Maltese stated that with the help of Mr. William Pape, Director of Member Relations, and Ms. Lelia Dickenson, Manager of Chapter

Relations, they were able to give a synopsis of the chapters to the new presidents.

Mr. Maltese noted that the Northeast Chapter may need some help, as they are not meeting regularly. He added that the Rockland Chapter seems to be disconnected from the Society and announced that he had encouraged the chapter to become more involved with the statewide organization.

b. Society Comments

Ms. DelleBovi thanked Ms. Kinsella for appointing her to this position. She then stated that 28 comment letters had been issued. Ms. DelleBovi thanked the committee and the drafters for their work, and added that Mr. Markezin had been instrumental in the process and had done a fabulous job. Mr. Kirkland and Ms. Kinsella echoed Ms. DelleBovi's sentiments. Ms. Kinsella added that she would be sending thank-you notes to the principle drafters. Mr. Markezin thanked the Executive Committee for their support.

c. Committees Update

Ms. Jensen stated that the committees continue to be very active, and added that this was a testament to Mr. Markezin and Ms. Gomez. Ms. Jensen stated that new people continue to be attracted to committees. She added that having committee chairs on the chapter presidents calls has been productive.

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

Ms. Kinsella announced that the ballots had been counted, congratulated Mr. Adair on his election as President-elect, and thanked him for his hard work as Secretary/Treasurer.

a. Election Process Update

Addressed above.

**b. Financial Statements for the Month Ended
March 31, 2013**

Mr. Adair explained that the March 31, 2013, financial statements show that the Society is doing well, and added that the cash balance continues to grow. He also stated that the FAE Business Plan was going according to schedule.

Mr. Adair announced that there had been a large increase in prepaid expenses, as the Society had provided the

landlord of the new location with a \$500,000.00 check, in lieu of a standby Letter of Credit. He added that the check had since been returned to the Society, as the standby Letter of Credit had subsequently been provided.

Mr. Adair reported that the Society no longer needs to borrow from future dues, and added that the Society is doing much better financially. He thanked Ms. Barry and Mr. Payano for their efforts.

Mr. Adair then explained that the Society had made its first borrowing from the line of credit to cover new furniture expenses.

c. Review of Chapter Policies

Mr. Adair explained that the FAE Trustees had asked that the Society consider updating two chapter policies regarding collaboration with other organizations and CPE administration.

He gave the Executive Committee an overview of the current CPE Administration Policy and noted that both the FAE Trustees and Society management felt that the fees associated with the Society running chapter programs should be eliminated. Mr. Payano added that eliminating the fees will make the process smoother. The Executive Committee further discussed the chapter CPE Administration Policy, and Mr. Kirkland suggested creating a task force to look into revising the policy and revising pricing.

Ms. Barry noted that the policy regarding cosponsorship of FAE events also needed to be reviewed. She noted that the Nassau Chapter had been considering cosponsoring events with another organization, and stated that it was a Society/FAE decision, not a chapter decision. Ms. Jensen added that expectations and policies needed to be set.

Ms. Kinsella thanked Messrs. Adair and Payano.

a. Legislative and Regulatory Update

Ms. Barry explained that the Board of Directors had approved moving forward on the issue of non-CPA ownership of firms, and that legislation had been introduced by Senator Kenneth P. LaValle. She noted that the issue of using the “CPA” designation in the firm title came up several times during meetings, as it could create two classes of CPA firms. Mr. Pryba stated that the

legislation was back in the drafting phase.

He then noted that the Required Reporting of Elder Abuse bill was not currently active.

Mr. Pryba overviewed several bills pertaining to the New York School District internal audit function. He noted that the Society may have the opportunity to testify at hearings regarding the Nonprofit Revitalization Act of 2013.

b. Dues Update

Ms. Barry announced that 11% of dues had been collected and that the hard copy dues mailing had recently been sent out to members. She noted that membership numbers were increasing.

c. Excellence in Financial Journalism Awards

Ms. Barry stated that the event went very well and added that it is a premier event in the communications area.

d. Annual Dinner Journal Sales Update

Ms. Barry announced that \$83,000.00 had been raised for the COAP program, as compared to \$81,658.00 the previous year.

e. Relocation/Branding Update

Ms. Barry gave an overview of the status of the relocation. She announced that the move had been tentatively scheduled for July 25, 2013. Ms. Barry then explained that the Big Four firms had donated money to assist in improving the Society's audiovisual capabilities, adding that the Society had received a donation from another firm and that she would continue to solicit donations from smaller firms.

Ms. Barry announced that she was planning an open house to introduce the members to the new downtown location. She also announced that the Society and the FAE had contracted with a vendor to redesign their logos as part of an image enhancement/branding campaign for the organizations.

f. Relationships with External Partners

Ms. Barry noted that she continues to meet with the Big Four firms on a quarterly basis.

She stated that she had been selected to be the Vice Chair of the AICPA Foundation Board of Trustees, as well as to serve on Montclair State University's School of

Accounting Advisory Board and the New York Society of Association Executives Board of Directors.

Mr. Kirkland congratulated Ms. Barry on all of her appointments, and noted that she had done a tremendous job.

g. FAE Update

Ms. Barry announced that the FAE's new business plan was beginning to show results. She added that the FAE had cut expenses and increased their profit margin. Ms. Barry then noted that the focus for the next year would be to continue to grow the profit margin.

**EC12 — I — 7
NYSSCPA/FAE
Affiliation Agreement**

Ms. Kinsella explained that for the last few years, the Affiliation Agreement had been renewed annually. She added that the Agreement formalizes and arranges the relationship between the NYSSCPA and the FAE. Mr. Adair added that the FAE Trustees had discussed the Agreement at their meeting and approved it unanimously.

After further discussion, Mr. Adair moved to approve the NYSSCPA/FAE Affiliation Agreement, and Mr. Kirkland seconded the motion. The motion passed without objection.

Mr. Adair noted that having the NYSSCPA Treasurer on the FAE Board of Trustees helps to streamline the operations of both organizations. Ms. Kinsella added that the working relationship between the NYSSCPA and the FAE had improved, and thanked everyone for their work.

**EC12 — I — 8
Membership Report**

Ms. Barry asked the Executive Committee to approve 420 new applicants for membership, bringing the Society's membership total to 29,081. Ms. Barry noted that the membership goal for this year was 29,000. She added that the Society has a better than 96% retention rate.

Mr. Adair moved to approve the Membership Report, and Ms. Jensen seconded the motion. The motion passed without objection.

**EC12 — I — 9
Hall of Fame Proposals**

Ms. Kinsella explained that at the last Board of Directors meeting, Mr. Richard E. Piluso had made a presentation to the Board regarding the Society's Hall of Fame Award. Mr. Markezin researched the history of the Hall of Fame Award

and explained that the award had been championed by the Society President at the time, Mr. Alan Weiner, and was intended to be awarded to the founders of the profession who were also New York CPAs. Mr. Markezin then explained that Ohio State University administers a national Accounting Hall of Fame for CPAs. He also noted that the Society has a Distinguished Service Award, and explained that the two awards are currently serving very similar purposes.

The Executive Committee further discussed the Distinguished Service Award and the Hall of Fame Award, as well as the national Accounting Hall of Fame Award. Mr. Kirkland suggested discontinuing the Hall of Fame Award, as the current Distinguished Service Award and the Hall of Fame Award are in conflict.

The Executive Committee recommended discontinuing nominations to the Hall of Fame but preserving the status of previous Hall of Fame Award winners. The Executive Committee further noted that the Hall of Fame Award and the Distinguished Service Award serve conflicting purposes.

Mr. Altman moved to approve the Executive Committee's recommendation, and Mr. Maltese seconded the motion. The motion passed without objection.

**EC12 — I — 10
Young CPA Committee
Action Plan (CAP)**

The Executive Committee discussed the Young CPA Committee Action Plan. Ms. Jensen stated that Ms. Jennifer R. George had given great insight into the committee.

Ms. Jensen then moved to accept the Young CPA Committee Action Plan, and Mr. Adair seconded the motion. The motion passed without objection.

Ms. Kinsella thanked the individuals who have been involved in this process, especially Ms. George. Ms. Kinsella also thanked Ms. Jensen and Mr. Markezin for their work.

**EC12 — I — 11
Executive Session**

Ms. Jensen moved to enter into an executive session, and Mr. Altman seconded the motion. There being no objection, an executive session was held between 12:01 and 12:58 p.m. At the conclusion of the session, Mr. Van Osten moved to adjourn the executive session, and Mr.

Zovistoski seconded the motion. There being no objection, the executive session was adjourned.

EC12 — I — 12
Adjournment

Mr. Maltese moved to adjourn the meeting, and Ms. DelleBovi seconded the motion. There being no objection, the meeting adjourned at 12:58 p.m.

Respectfully submitted,

Scott M. Adair
Secretary/Treasurer