

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

Date & Time: Friday, August 15, 2014, 9:01 a.m. to 12:16 p.m.

Location: NYSSCPA Offices, 14 Wall Street, 19th Floor, New York, New York

Presiding Officer: Scott M. Adair, *President*

Executive Committee Members Present: Joseph M. Falbo, Jr., *President-elect*
 Timothy P. Hedley, *Vice President*
 Scott D. Hosler, *Vice President*
 F. Michael Zovistoski, *Secretary/Treasurer*

Anthony T. Abboud
 Barbara E. Bel
 Joanne S. Barry, *Executive Director*

Executive Committee Members Absent: Harold L. Deiters III, *Vice President*
 Cynthia A. Scarinci, *Vice President*

Richard T. Van Osten

Staff Present: Amy Broderick
 Robert Busweiler
 Ernest Markezin

Patrick Payano
 Bradley Pryba

MINUTES

EC14 — O — 0
Call to Order President Scott M. Adair noted that a quorum was present and called the meeting to order at 9:01 a.m.

EC14 — O — 1
Action Items

a. Approval of Minutes of June 2, 2014, Executive Committee Meeting

Mr. Adair asked if Executive Committee members had any changes or comments to the minutes of the June 2, 2014, Executive Committee meeting. After further discussion, Ms. Bel moved to approve the June 2, 2014, minutes, and Mr. Zovistoski seconded the motion. The motion passed without objection.

b. Membership Report

Ms. Barry presented the membership report. She asked the Executive Committee to approve 239 new applicants for membership, bringing the Society's membership total to 27,965. Ms. Barry noted that free student members were not included in the total, and that the total membership, *including* free student members, was 28,683.

After further discussion, Mr. Hosler moved to approve the membership report, and Mr. Abboud seconded the motion. The motion passed without objection.

c. AICPA Council Vacancy

Mr. Adair asked the Executive Committee to approve the appointment of Mr. Mark L. Meinberg to the vacancy on the AICPA Council. Mr. Hedley moved to approve the appointment of Mr. Meinberg, and Mr. Zovistoski seconded the motion. The motion passed without objection.

d. Approval of Emerging Tech Entrepreneurial Committee

Mr. Markezin gave the Executive Committee a brief overview of the Emerging Tech Entrepreneurial Committee and asked that they approve the Emerging Tech Entrepreneurial Committee (E-TEC) as a new statewide committee. After further discussion, Mr. Falbo moved to approve the creation of the E-TEC Committee, and Mr. Zovistoski seconded the motion. The motion passed without objection.

EC14 — O — 2
Officer Reports

a. Chapters Update

Mr. Hosler announced that statewide visits had concluded. He noted that the chapters expressed concern over the contract approval process and that they requested better communication regarding their contracts. Mr. Hosler also noted that the chapters had expressed concern over some miscommunications regarding the FAE Ethics Course, and that there is an overarching feeling that chapters are operating separately from the Society. The Executive Committee further discussed the FAE Ethics Course and changes to the AICPA's ethics code.

Mr. Hosler stated that overall things are going well on the chapter level. Ms. Barry noted that the chapter presidents-elect will attend the Governance Forum in September and stated that the Governance Forum presents a good opportunity to discuss chapter issues.

b. Society Comments

Mr. Hedley announced that seven letters had been issued and briefly overviewed those letters for the Executive Committee. Mr. Hosler added that the comment letters should be promoted as a

member benefit.

c. Committees Update

Mr. Markezin announced that 43 new committee applications had been received, with 13 of those coming from new Society members. He added that 62 committee meetings had been held during June and July, representing an average of 7 meetings per week.

d. Nominating Process

Mr. Zovistoski announced that the Nominating Committee comprises 11 members, 2 of which are appointed by the Board. He explained that the 9 elected members must submit petitions to be considered. Mr. Zovistoski noted that 10 petitions had been received this year and that unless one person voluntarily withdraws his or her name, an election would be held.

e. Audit Update

Mr. Zovistoski announced that the auditors had submitted their draft report and that the Audit Committee, chaired by Mr. Warren Ruppel, would meet on August 28, 2014 to review the draft. Mr. Zovistoski noted that there had been no journal entries or adjustments, and thanked Mr. Payano and his staff for their hard work.

Mr. Zovistoski added that the year ended on a positive note, with cash and investments up. He then gave the Executive Committee an overview of the financial statements.

**EC14 — O — 3
Strategic Plan**

Mr. Adair stated that a meeting would be held on August 28, 2014, and that an update would be given at the Governance Forum. He added that he hoped to have something to adopt at the December Board meeting.

**EC14 — O — 4
Professional
Competency**

a. FAE Update

Ms. Barry explained that three Society Board members serve as FAE Trustees and stated that the FAE Business Plan is changing with the market. She added that FAE had just launched “MyCPE” to track CPE from both FAE courses and outside providers. Ms. Barry also announced that FAE had partnered with other state societies to sell FAE products.

b. AICPA Lawsuit Challenging IRS Tax Preparer Program

Mr. Adair briefly overviewed the AICPA’s lawsuit challenging the IRS’s voluntary tax preparers registration program encompassing tax preparers who are not CPAs or attorneys.

The Executive Committee discussed whether to offer public support for the AICPA. Mr. Adair asked the Executive Committee members to reach out to others to get feedback on the issue.

c. *The CPA Journal* Update

i. Editorial

Ms. Barry announced that *The CPA Journal* had a new editor who has a very strong background and will also work with Mr. Markezin on other publications and initiatives.

ii. Publishing

Ms. Barry stated that less than a year ago, the Society had changed their advertising sales company and that advertising sales are doing very well. She added that the new company is getting to know the Society's business and is also selling advertisements in other publications and on the website.

EC14 — O — 5
**Recognition and
Visibility**

a. Communications Department Initiatives

To be addressed at a future meeting.

b. Media Relations Report

Ms. Barry gave the Executive Committee a brief overview of the Media Relations Report.

EC14 — O — 6
**Recruitment and
Retention**

a. Membership Dues Structure

Mr. Adair stated that the Society needs to set up a task force to look at the dues structure and to make recommendations for the 2016–2017 fiscal year. Ms. Barry added that the dues structure needs to be examined and revised. The Executive Committee discussed firm membership, retiree membership, and lifetime membership categories, as well as offering bundles and discounts.

b. COAP Update

Ms. Barry gave the Executive Committee an overview of the COAP program. She announced that the program has been running for 28 years and that in 2014, the Society had programs running at 11 colleges across the state. Ms. Barry stated that she wanted to track the COAP graduates and that the Society has contracted with graduate students to reach out to COAP graduates to see where they are. The Executive Committee further discussed staffing requirements for the COAP program.

EC14 — O — 7
Advocacy

a. Legislative and Regulatory Update

i. Non-CPA Ownership

Mr. Pryba announced that the bill had passed in the Senate but did not move in the Assembly. Mr. Pryba added that he expects to see the bill progress in the same manner again next year unless the Democrats take over the Senate.

The Executive Committee further discussed nonlicensed partnership issues in other professions, as well as the likelihood of the bill passing.

ii. Private Investors License Law

Mr. Busweiler briefly explained the issue for the Executive Committee, and noted that it could require forensic accountants to register as private investigators. He added that the Society would propose legislation to exempt CPAs from this licensure requirement.

iii. Bitcoin Regulations

Mr. Busweiler explained that states had proposed regulations that would regulate virtual currencies in the same way that they regulate banks. He reported that this issue is developing and is on the Society's radar.

iv. Cash Basis Accounting

Mr. Busweiler explained that tax proposals had been put forward to limit the use of cash basis accounting. He noted that the Society supports cash basis accounting and that the Society is keeping an eye on the issue.

v. Report on the New York State Department of Taxation and Finance

Mr. Busweiler announced that he and Mr. Pryba had attended the forum and that it provided good insight into the tax commissioner's priorities.

a. Governance Forum Update

Mr. Adair gave the Executive Committee an overview of the schedule for the Governance Forum.

b. Quality Review

i. Sponsoring Organization Agreement

Mr. Markezin announced that the Society had been approved by New York State as a Sponsoring Organization for mandatory quality review. He gave the Executive Committee an overview of the plan of administration.

ii. Peer Review Billing

Mr. Markezin announced that the annual administration cost was budgeted at \$695,000 for the 2015 fiscal year, and added that Society dues are not used to fund the program.

c. Ethics Road Map

Mr. Pryba gave the Executive Committee an overview of ethics offerings and of possible areas for future ethics concentrations. The Executive Committee further discussed possible offerings.

EC14 — O — 9
Executive Session

No executive session was held.

EC14 — O — 10
Adjournment

Mr. Hedley moved to adjourn the meeting, and Mr. Abboud seconded the motion. There being no objection, the meeting adjourned at 12:16 p.m.

Respectfully submitted,

F. Michael Zovistoski
Secretary/Treasurer