

**NEW JERSEY STATE BOARD OF ACCOUNTANCY  
PUBLIC SESSION MINUTES  
MAY 19, 2016  
SUSSEX ROOM - 6<sup>TH</sup> FLOOR**

**I Call to Order and Roll Call - 9:35 A.M.**

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, Daniel Geltrude called the meeting to order at 9:35 A.M. The following roll call was taken:

Keith Balla, CPA	Present
John F. Dailey, Jr., CPA	Present
Allison Dunko, CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
David J. Milkosky, CPA	Present
Harold Model, CPA	Present
Joan Paciga, CPA	Present
Eileen Poiani, Ph.D	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present (10:00 A.M.)
Maria Vallejo, Esq.	Present

Also present at the meeting were Fran Widrich, Acting Executive Director; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff and Jeff Kaszerman, Director of Government Relations,

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## **II Minutes of the Meeting of April 21, 2016**

On a motion made by Ainsley Reynolds, seconded by David Milkosky, the Board voted to approve the April 21, 2016 Public Session minutes with corrections. The vote of the Board was unanimous.

## **III President's Remarks**

Board President Geltrude informed the Board that a new interim Executive Director has been placed on the Board. Fran Widrich has stepped in until the new Executive Director has been confirmed.

Fran Widrich is a team leader at the Division of Consumer Affairs and supervises several Executive Directors.

## **IV Executive Director's Remarks**

Acting Executive Director Widrich informed the Board that she started working for the Division as an intern and will not be leaving until the new Executive Director has been confirmed. Acting Executive Director informed the Board that she mostly works with the healthcare Boards. She informed the Board that she also has a team that assist her with her tasks along with the Board of Accountancy staff.

## **V New Business**

### **A Steve Shapiro**

Correspondence was received from Mr. Shapiro regarding contingency fees and a representation before the IRS. The client is apparently going thru financial hardship. Under NJAC 13:29-3.8, what Mr. Shapiro is proposing to do is permitted under the regulation.

On a motion made by John Dailey, seconded by Keith Balla, the Board voted to inform Mr. Shapiro that as long as the contingent fees are not related to the preparation of the clients tax returns but is only related to the representation before the IRS he is permitted to perform the work according to the regulations. The vote of the Board was unanimous.

## **VI Committee Reports**

### **A CPA Examination Committee**

Harold Model did not have a report but did mention that on June 30, 2016 the Society would be having a webinar to changes that are being made to the CPA exam.

### **B CPE & Ethics Committee**

Keith Balla reported that a conference call was held and CPE credits were approved. CPE credits for David S. Jacobs, Georgiana Bavais, Glenn D. Aumiller, Henry Verrecchia, Karen S. Littlefield, Michaela D. Birdsall and Sophia A. Alexiades which are sent electronic credits back.

The Law and Ethics courses reviewed were Loscalzo and IPD. On the Loscalzo course there were minor changes that needed to be made. IPD were sent several modifications. The modifications were received from IPD but the Committee had not had an opportunity to review them. The Committee recently received the Surgent McCoy course for review.

On a motion made by Keith Balla, seconded by Eileen Poiani, the Board voted to approve the New Jersey Law & Ethics course provided by Loscalzo. The vote of the Board was ten voting in favor with John Dailey recusing himself.

### **C Education & Reciprocity Committee**

Ainsley Reynolds had no report for the Board.

Information was received from Brian Mldenetz wherein he had a questions regarding the education requirements for the CPA exam and CPA license once the rules go into effect on July 1, 2017.

Effective July 1, 2017, in order to qualify to sit for the CPA exam, individuals will need to have a 120 credit degree with 24 credits in Accounting and Auditing and 24 credits in Business subjects. Once the one year of experience has been completed, individuals will need to have 150 credits to become licensed. Once the individual has qualified to take the exam, there is no need to reapply to qualify to sit for the exam on July 1, 2017. Once the CPA exam is passed, the individual must have 150 credits inclusive of 24 credits in Accounting and Auditing and the 24 credits in Business subjects.

#### D Monitoring the Profession Committee

David Milkosky reported to the Board that the first batch of letter have been mailed out to the licensees that checked off the box that they would have completed their CPE credits during the renewal. Ms. Wilson informed Mr. Milkosky that she has begun receiving responses from the licensees. Some licensees responded that they checked off the incorrect box.

Mr. Dailey informed the Board that he spoke with Maria Coldwell from NASBA and she informed him that the NASBA has gone thru a major rebuild of their Nashville office which includes the IT department. Mr. Dailey informed the Board that they offer two levels of services. The original services provided to the Board was that NASBA would gather the licensee information and send it to the Board at no charge. Then they informed the Board that they would perform the audit and charge \$70.00 for the licensees not in compliance. The audit service would cost approximately \$50,000.00.

Mr. Dailey spoke with Ms. Coldwell and she informed him that the second service would be available sometime between November and December.

#### E Nominating Committee

Keith Balla had no report for the Board.

#### F Peer Review Oversight Committee

Sara DeSmith reported to the Board that a tele-conference meeting was held on May 9<sup>th</sup>. There are two matter that will be discussed in Executive Session for possible action. One matter that was discussed was to have the Society continue to be the qualifying organization to execute the Peer Review program.

On a motion made by Sara DeSmith, seconded by John Dailey, the Board voted to approve the Society to continue as the qualifying organization to execute the Peer Review monitoring program. The vote of the Board was unanimous.

Ms. DeSmith requested that John Dailey be placed on the PROC instead of David Milkosky because he is involved with NASBA Compliance Committee.

There are five external members on the PROC but they do not always show up for the meeting.

G RMA Committee

John Dailey had no report for the Board.

H Statute/Rules//Regulations Committee

John Dailey reported to the Board that the first meeting will be held on July 28, 2016 at 9:30 A.M. The Committee will come up with other meetings dates.

I Communications Committee

John Dailey informed the Board that NASBA has provided him a draft of the Board's newsletter which was forwarded to everyone. NASBA must have gone online and obtained pictures of the Board members. One article that NASBA has provided gears to new licensees. Mr. Dailey informed President Dailey that if he would like to provide a President's message it can be added in. The draft was provided to Acting Executive Widrich to provide to the press office to review the contents.

**VII Public Comments**

Jeff Kaszerman, Government Relations Director for the New Jersey Society of CPAs provided comments.

On April 21<sup>st</sup> the NJCPA held its Annual Scholarship Awards Ceremony. \$490,000 was distributed to 85 high school seniors and college students.

On April 29<sup>th</sup> the Society hosted an Issues Watch Update Live with guest speaker Barry Melancon, President & CEO of the AICPA. He spoke about the AICPA's enhanced joint venture initiative with CIMA. He also provided a professional issues update on some of the critical issues facing the CPA profession.

Since the last Board meeting, the following legislative activities have taken place:

A bill mandating paid sick leave was scheduled for a full Senate vote, but was pulled at the last minute because there was not enough support to pass it.

A bill to increase the minimum wage to \$15 was passed out of committee in the Senate.

A Senate Committee is scheduled to vote on May 23<sup>rd</sup> on a bill amending the state constitution to require the state to make multi-billion dollar payments to government worker pension funds on an annual basis.

On a motion made by Ainsley Reynolds, seconded by Eileen Poiani, the Board voted to adjourn the Public Session meeting at 10:20 A.M. to reconvene in Executive Session to review six Old Business matters, the PCAOB reports and two Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

Fran Widrich  
Acting Executive Director