I Call to Order and Roll Call - 9:45 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 appropriate 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. President, Daniel Geltrude called the meeting to order at 9:45 A.M. The following roll call was taken:

Keith Balla, CPA Excused
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
Maria Vallejo, Esq. Excused

Also present at the meeting were Michael DeFrancisci, Acting Executive Director; Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Ralph Thomas, Executive Director, NJCPA; Jeff Kaszerman, Director of Government Relations, NJCPA and Mike Polito, Past President, NJCPA.
II Minutes of the Meeting of September 15, 2016

On a motion made by Ainsley Reynolds, seconded by David Milkosky, the Board voted to approve the September 15, 2016 Public Session minutes with corrections. The vote of the Board was unanimous.

III President’s Remarks

Board President Geltrude had no report for the Board.

IV Executive Director’s Remarks

Acting Executive Director DeFrancisci informed the Board that he has been working on the application process to make it easier for the applicant and for the staff. Licensee fees is a topic that should be discussed and legal advice would be needed.

The current fee and licensing schedule is a two-step process and applicants are licensed one of three ways:

1. By Exam - Candidates are approved through NASBA and pays them a $75.00 fee. No fee is paid to the Board.
2. By Reciprocity or Endorsement - Candidates who are registered in another state are accepted by the Board. There is a $175.00 fee which includes a waiver of exam charge of $100.00.
3. By Grades – Candidates grades are accepted from another state. There is a $75.00 application fee, however there is no charge for waiving the exam.

All candidates, once the above steps are completed, pay a licensing fee depending on the date they are approved that falls within the triennial period. Currently the triennial period is for (2015, 2016 and 2017). The fee charged is $90.00, $60.00 and $30.00, respectively.

Proposed fee change

1. By Exam - No change.
2. By Reciprocity or Endorsement – Do away with waiver of exam fee however continue charging application fee of $75.00.
3. By Grades – No change.

All candidates, pay an application fee except for those that are referred through NASBA and depending on the date they apply, pay the triennial licensing fee.
• One-time fee only – BOA staff as well as fiscal will only have to process one payment.
• No need to re-contact applicants, after their application has been approved and wait for them to send in a second payment.
• By paying “up-front”, applicants will be more responsive to staff requests for information
• By doing away with the exam waiver fee, the applicant processing fees are streamlined.

On a motion made by John Dailey, seconded by Ainsley Reynolds, the Board voted to accept the recommendations of A/ED DeFrancisci and to move forward with his attempts to realign the process.

VI Committee Reports

A CPA Examination Committee

Harold Model informed the Board that NASBA was sending out an email to the exam candidates limiting the articles that they can bring with them to the exam site to ensure security. The exam candidates are not allowed to take any of the questions upon completion of the exam.

B CPE & Ethics Committee

DAG Palan provided the CPE & Ethics Committee report on behalf of Keith Balla. DAG Palan reported that over 30 CPE requests from licensees provided from non-registered providers. All CPE provided to the Committee are current thru September 15, 2016.

The Committee is setting up a meeting with Board staff to template review process so initial reviews can be performed by staff and only problem CPE should be forwarded to the Board for review.

C Education & Reciprocity Committee

Ainsley Reynolds informed the Board that he attended the Accounting Educators Meeting on October 7, 2016.

D Monitoring the Profession Committee

David Milkosky informed the Board that the copies of the sample letter will be sent out to the licensees.
E  Nominating Committee

No report was provided.

F  Peer Review Oversight Committee

Sara DeSmith informed the Board that the AICPA visited the Society during the week to review Peer Reviewers. Andrew DuBoff also attended the meeting to ensure that the guidelines were being followed.

Ms. DeSmith informed the Board that a PROC meeting would be scheduled with the next two weeks.

G  RMA Committee

John Dailey informed the Board that the past exams have been placed on the Board’s website. Mr. Dailey informed the Board that he had spoken with Warren Korecky, the writer of the exam to find out if the exams were being recycled. The matter was moved to Executive Session for legal advice.

Mr. Dailey reminded the Board members that the RMA examination will be held on December 2, 2016 at the State Board offices. He requested that any Board members that are available to assist with the proctoring of the exam, provide their name to Acting Executive Director DeFrancisci.

On a motion made by John Dailey, seconded by Ainsley Reynolds, the Board voted to approve Robert Cagnassola, Mike Cessaro and Scott Clelland to participate in the grading of the RMA examination. The vote of the Board was unanimous.

H  Statute/Rules//Regulations Committee

John Dailey apologized for canceling the previous meeting and informed the Board that another date will be selected for the meeting to be held.

I  Communications Committee

John Dailey had no report for the Board.
VII Public Comments

Ralph Albert Thomas, CEO and Executive Director of the New Jersey Society of CPAs (NJCPA). Mr. Thomas updated the members of the Board on the Society’s advocacy efforts regarding State legislative matters. They have been very involved working to advance a bipartisan package to fund the Transportation Trust Fund (TTF) and a tax reform package to eliminate the estate tax over a two year period, increase the exclusions to $75,000 and $100,000 (respectively for single and married taxpayers) for pension and retirement income up to $100,000, reduce the sales tax from 7% to 6.625% over a two year period, increase the earned income tax credit to 35% of the Federal rate and provide a $3,000 credit for veterans honorably discharged. We are also monitoring A4273, a bill to establish a process whereby each professional and occupational board would have a regulatory supervisor. This bill is in response to the US Supreme Court North Carolina Dental Board decision. Additionally, we also monitoring A1444, a gender equity bill and A3064, an anti-arbitration bill. We expect that Pension Obligation, Minimum Wage and Mandatory Paid Sick may be constitutional amendments on the November 2017 ballot.

On the National level, the House passed by voice vote the Mobile Workforce bill, and it was forwarded to the Senate for its consideration. The profession continues to be focused on the discussion draft of the Financial CHOICE Act, which attempts to replace Sarbanes-Oxley (SOX) legislation crafted more than a decade ago. This legislation resulted in the creation of the PCAOB. The primary focus of this discussion draft was to reduce the power of the PCAOB. However, one section of the discussion draft is of concern to the professions as it provides for the PCAOB to disclose the firms and individuals involved in an investigation before the investigation has been completed. In SOX, the names of firms and individuals were kept confidential until results of the investigations were completed. Needless to say, making information public before investigations are completed would be detrimental to the firms and individuals involved.

The NJCPA continues to be willing to assist the Board in its efforts to readopt the State Board of Accountancy Rules and Regulations.
On a motion made by Ainsley Reynolds, seconded by David Milkosky, the Board voted to adjourn the Public Session meeting at 11:05 A.M. to reconvene in Executive Session to discuss ten New Business matter, one Request for CPE Waiver, PCAOB Reports, AICPA Referrals, three Miscellaneous matters and six Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

Michael DeFrancisci
Acting Executive Director