

**The Georgia Society of CPAs  
Fall Council Meeting  
November 9, 2015  
Atlanta, GA**

**Minutes**

<b>Board of Directors:</b>	<b>Council Members at Large:</b>	<b>Council Members at Large:</b>
Amanda Carman	Jenny Barber	James Underwood
Rodney Chandler	Jason Blair	Brandon Verner
K. Scott Collins	Janet Brown	Margaret Waldrep
Karen Drescher	Lawrence Cohen	
Barbara Evans	J. Carlton Collins	<b>Committee Chairs:</b>
Lee Ellen Fields	Lisa Conti-Bacon	John Holden
James Freeman	Adrienne Davis	
G. Tom Harrison	Robert Dow	<b>Past Presidents/Chairs:</b>
Kirk Jarrett	Laurie Dyke	Ruth Bartlett
Ben Lee	Carlton Hodges	Colin Blalock
Lowell Mooney	Clay Huffman	William Bomar
Terry Parker	Bo Jackson	C. Michael Cauley
Boyd Search	Denise Grove	Julian Deal
	Shawn Hale	Royce Duncan
<b>Chapter Presidents:</b>	Justin Harmon	John Giddens
Rebecca Agnew	Mark Johnson	Paula Mooney
Jessica Cawley	Brian Klinkert	Denise Mummert
Frank Durban Jackson	Kevin Lipford	Marlan Nichols
Kathryn Fletcher	John Masters	J. Allen Poole
Frances Gahagan	Martha Merritt	Bob Prator
David Julian	Chris Miller	Carolyn Riticher
Alan King	Kathleen Moreno	Darrell Thaw
Jerry Maxwell	Howard Mosby	Jim Underwood
Jack Milner	Larry Nichols	Mike Verner
Carl Peabody	Denise O'Connell	S. Scott Voynich
Jason Pease	Joel Pascaner	
Robin Rudisill	John David Pettigrew	<b>Staff:</b>
Geoffrey Smith	Anita Pittman	Don Cook
James Warren	Brad Reeder	Elizabeth Cook
Bruce Wood	Donald Roland	Callie Hammond
James Young	Emily Sanders	Nikelle Klareich
	Paula Sands	Jennifer Poff
<b>Chapter Representatives:</b>	Michael Skinner	Greg Wilder
Valerie Bowron	Beverly Smith	Calvin Wong
Ralph Knight	Sondra Smith	
Elizabeth Morrison	Dwight Sneathen	
Joli Stuckey	Debbie Thaw	

**I. Call to Order**

Lowell Mooney, chair, called the meeting to order at 9 a.m. The National Anthem followed and Dr. Mooney recognized all veterans in attendance.

**II. Invocation**

Martha Merritt provided the invocation.

**III. Staff recognition**

Lowell Mooney recognized the GSCPA staff.

**IV. Recognition of Past Presidents and Chairs**

Lowell Mooney recognized past presidents and chairs in attendance.

**V. Chair's Report**

Lowell Mooney provided his chair's report. Dr. Mooney asked first time attendees to please stand and be recognized.

GSCPA's recent membership survey confirmed that CPE and advocacy are considered the most advantageous benefits of membership.

A new task force has been created to review the AICPA's exposure draft on proposed changes to the CPA exam. The new exam is expected to release in 2017. Task Force members in attendance were recognized. A report from this group will be placed on GSCPA's website for members to review.

In September, the Board of Directors met for a strategic planning retreat led by Clarke Price.

GSCPA recently appointed a task force to focus on diversity and inclusion initiatives. The AICPA has appointed a 19 member commission to study diversity and inclusion which includes GSCPA's CEO, Boyd Search. Dr. Mooney recognized those who serve on the task force.

Ron Bobo was recognized for his service on the State Board of Accountancy. Dr. Mooney asked Julian Deal to come forward and introduce Mr. Bobo's successor. Mr. Deal began by recognizing Mr. Bobo for his service and introduced Clay Huffman as the new State Board member.

Dr. Mooney encouraged people to become more active in the Society and the profession by volunteering for Millennial Money or participating in programs with local colleges and universities. He shared that the Annual Food Fight which took place throughout Georgia recently raised over \$100,000 and over 11,000 pounds of food.

Dr. Mooney informed everyone the 2016 Annual Convention will be at Atlantis Resort in

Paradise Island, Bahamas. The dress code for this year's event will be resort casual for all events except the Chair's Banquet which will be resort attire.

**VI. Approval of Minutes**

A motion was made and approved to accept the minutes as presented.

**VII. Nominating Committee Election**

Terry Parker, chair of the Nominating Committee, presented the ballot of nominated members to Council.

**VIII. Legislative Update**

Don Cook introduced the state representatives on the panel. The panel included Representative John Carson, Representative David Wilkerson and Representative Howard Mosby. Boyd Search moderated the panel.

Mr. Search asked the group to share what they presume will be discussed during the upcoming legislative session.

Representative Wilkerson shared casinos in Georgia will be an item for discussion. Education and transportation will also be on the agenda because these are seen as items that bring business to the state. Representative Wilkerson also shared the work the Society has done over the past few years has changed the perception of GSCPA and its members. People are starting to turn to CPA legislators for guidance in explaining numbers and other items when trying to pass a particular budget or bill.

Representative Carson stated it should be a short session because of the upcoming primaries in May. He believes the discussion on casinos will be delayed until 2017, but education will be on the agenda. Representative Carson has introduced a bill (HB 445). The bill would create a flat state income tax rate of 4% and raise sales tax by 1%. The Conformity Bill will be another topic of discussion early in the session.

Mr. Search asked the panel to share what they deem to be the greatest threat to the profession.

Representative Mosby answered that changes to tax reform and getting rid of IRS codes poses a big threat.

Representative Wilkerson stated encouraging people to enter the profession and gaining a greater understanding of the pipeline is crucial for the future of the profession.

Representative Carson agreed with Representative Wilkerson stating that talent is a real threat to the profession.

Mr. Search concluded the panel by asking what the representatives believe is the state of the State.

Representative Carson stated we are doing well, but need to address the water crisis.

Representative Mosby adding that we need to attract more talent to the area.

Representative Wilkerson stated that while growth in corporate has been fine we need to bring back the trade careers.

**IX. Audit Committee Report**

Lowell Mooney called John Masters, chair, Audit Committee, to the podium to present the audit report. Mr. Masters recognized the members of the Audit Committee. Metcalf Davis performed this year's audit and reviewed three entities – The Georgia Society, The Educational Foundation and the Insurance Trust. The Society received a clean opinion on all three entities.

The audit report has been received by Council.

**X. Appointment of Audit Committee Member**

Lowell Mooney recommended Jenny Barber for appointment to the Audit Committee. A motion was made and approved to accept the nomination of Ms. Barber to the Audit committee.

**XI. Treasurer's Report**

Rodney Chandler presented the Treasurer's Report. The balance sheet remains the same from the prior year; however, on the statement of activities GSCPA is below expectations on CPE revenue. The decrease in revenue is being offset by a positive variance from rentals and AICPA agreements. The Society expects CPE registrations will meet budgeted margins by the end of December.

Department and administrative expenses are showing an \$81K positive variance.

Investments have decreased by \$200K. The Investment Committee is monitoring this and the market has started to turn around since September.

The Council has received the Treasurer's report.

*The Council Meeting recessed for the Educational Foundation Meeting.*

**XII. The Educational Foundation Report**

Beverly Smith, president-elect for the Foundation, provided the report. The Foundation did a strategic review of all programs in August 2015 and created 6 strategic principles to guide them going forward. A Strategic Planning Task Force has been created and is currently charged

with reviewing the mission statement. Ideas on the mission of the Foundation will be presented at the Spring Leadership Council Meeting.

Ms. Smith asked Dwight Sneathen to come forward and present the Outstanding Accounting Educator award to Kathy Moreno.

James Freeman provided an update on the Foundation Golf Tournament. The event will be held on May 23 at The Manor in Milton, Georgia. Sponsorship levels have changed with a new opportunity to sponsor students and educators who may want to register for the tournament. The tournament has netted \$63K over the past three years.

Ms. Smith reminded everyone that donations for scholarships and outreach are still needed. The Annual Giving Campaign has targeted messages this year and new donors will be incentivized with gift cards. During the last fiscal year, less than 1/3 of all council members made a donation.

The Foundation is developing planned giving options. Planned giving packets are now available and more information can be found on the website or by contacting the Educational Foundation staff liaison, Nikelle Klareich.

*Council Meeting called back to order.*

**XIII. Nominating Committee Election Results**

The council members elected Michael (Mike) Verner, Michael (Mike) Skinner and Darrell Thaw to serve on the Nominating Committee.

**XIV. AICPA Council Report**

Darrell Thaw provided the AICPA Council Report. Darrell is completing his term on the AICPA Council and Barbara Evans will be filling the position. The Council Meeting was held on October 19-21, 2015 at the Ritz Carlton in Maui, Hawaii. Barry Melancon provided a Professional Issues Update and the group heard a presentation on the next generation of the CPA Exam. A few key items to note from the meeting are: tax extenders will be late this year, the AICPA is trying to implement an advanced placement accounting course and reports were delivered on the CPA pipeline and enhanced audit quality initiatives.

The AICPA council members voted to allow non-CPAs CGMA in the US and to allow the AICPA Board and management to move forward with a membership vote in spring on the joint venture.

**XV. Open Forum**

- Brandon Verner provided a convention update and asked everyone to save the dates.

- Darrell Thaw, Jim Underwood, Colin Blalock and Terry Parker presented a check to GSCPA from the Georgia Federal Tax Conference in the amount of \$4,500. \$178K has been given back to the Society since the early 80's from this event.
- The insurance trust renewal was just approved. A slight increase from the prior year, but the percentage remains better than most.
- Royce Duncan shared that the PAC Committee has met over last few months and continues to solidify relationships with legislators.

#### **XVIII. Q&A with Larry O'Neal**

Marlan Nichols introduced Larry O'Neal, chief judge of the Tax Tribunal. Boyd Search moderated the question and answer session.

Judge O'Neal shared that he expects the volume of cases to increase as people become more aware of the Tax Court and see its effectiveness. The court is designed to be an inexpensive and expeditious process for conflict resolution and decisions under appeal are expected to set precedents going forward.

Mr. Search asked when HB 100 was passed were there any expectations that are being met or have fell short?

Judge O'Neal responded that in 2007 when he spoke at the Savannah Tax Forum, people said they would rather deal with IRS instead of Georgia Department of Revenue because they felt there was no opportunity to get case heard and resolved.

In a typical day, there are a 100 appointments that go through the Tax Court. Judge O'Neal encouraged CPAs to become more actively involved on cases at the Tax Court level because in most cases the CPA is just as much responsible as the tax payer. Judge O'Neal believes that CPAs representing clients in tax court will become more of the norm in the future.

Judge O'Neal shared that the agricultural exemption has seen a huge change where the responsibility of using the exemption is placed on the card holder and not the retailer. Local governments believe the system has been defrauded with card holders buying hunting and fishing equipment instead of agricultural equipment.

Georgia is currently pilot testing income tax auditing. After 15 years a new tax system has been implemented and a new audit division has been put in place.

#### **XVI. AICPA CGMA/Joint Venture Initiatives**

Boyd Search introduced Lawson Carmichael, AICPA's senior VP for strategy, people and innovation. Mr. Carmichael provided insight into the joint venture proposal the AICPA is doing in cooperation with CIMA. The goal of the joint venture is continue to grow the management accounting sector through the Chartered Global Management Accountant (CGMA) designation.

The joint venture was created in 2010 based on strategic priorities geared towards a focus on people, professional excellence, public interest and international focus. Under the joint

venture, the AICPA and CIMA remain separate entities and the joint organization is called Association of International Certified Professional Accountants (AICPA).

Under the proposal, the new accounting association would be the professional voice for accounting worldwide and become the world's leading accounting association. The governance structure of AICPA and CIMA would remain the same and a separate governance structure for the joint venture would develop incorporating leaders from both AICPA and CIMA.

The AICPA is asking state societies to partner under a 50/50 agreement. It will be a requirement to join the AICPA to obtain the CGMA designation and the 50/50 agreement would allow for joint membership recruitment. State Societies and AICPA would share revenue, roles and responsibilities and the costs accrued during the first three years would be reimbursed. Details on the partnership are still being drafted, but the options will be a marketing based partnership or 50/50.

The AICPA is aware that joint ventures cannot achieve maximum efficiencies or agility in responding to member and market demands, but it hopes through this initiative to drive greater consistency, quality and relevance of public and management accounting.

The AICPA has received positive feedback on the proposal and could vote to send this to the membership for final approval to allow non-CPAs into the AICPA's membership in March during the regional Council Meeting.

AICPA is asking state societies to adopt a resolution supporting the AICPA joint venture initiative and already has support from 5 states. It will be up to the individual states to decide how they address admitting non-CPA CGMA members into their membership.

GSCPA's Board of Directors will decide whether or not it will formally endorse a yes vote and whether or not GSCPA pursues a 50/50 agreement with the AICPA.

**XVII. Adjourn**

The meeting adjourned at 2:33 p.m.

Respectfully submitted,



Boyd E. Search, CAE  
Chief Executive Officer/Secretary