

**The Georgia Society of CPAs  
Spring Council Meeting  
May 2, 2016  
Jekyll Island, GA**

**Minutes**

<b>Board of Directors:</b>	<b>Council Members at Large:</b>	<b>Council Members at Large:</b>
Amanda Carman	Judy Arnold	Ellen Sweatt
Rodney Chandler	Cromwell Baun	Debbie Thaw
K. Scott Collins	Jason Blair	James K. Underwood
Barbara Evans	Janet Brown	Brandon Verner
Lee Ellen Fields	Walt Bryde	Margaret Waldrep
James Freeman	John Carson	Randall Webb
G. Tom Harrison	Lawrence Cohen	
Kirk Jarrett	J. Carlton Collins	<b>Committee Chairs:</b>
Ben Lee	Lisa Conti-Bacon	John Holden
Lowell Mooney	Robert Dow	
Terry Parker	Darla Eden	<b>Past Presidents/Chairs:</b>
Boyd Search	Denise Grove	Colin Blalock
	Shawntell Hale	William Bomar
<b>Chapter Presidents:</b>	Carlton Hodges	Stewart Carlin
Rebecca Agnew	Clay Huffman	Michael Cauley
Frank D'urban Jackson	Bo Jackson	Julian Deal
Kathryn Fletcher	Brian Klinkert	John Giddens
Frances Gahagan	Tommy Lee	Paula Mooney
Becky Hines	Tim Lyons	Terry Parker
David Julian	John Masters	J. Allen Poole
Alan King	Martha Merritt	Bob Prator
Jerry Maxwell	Chris Miller	Harvey Tarpley
Jack Milner	Kathleen Moreno	Darrell Thaw
Carl Peabody	Larry Nichols	Jim Underwood
Jason Pease	Paul Oddo	S. Scott Voynich
Robin Rudisill	Joel Pascaner	
Geoffrey Smith	Rose Patti	<b>Staff:</b>
Dwight Sneathen	John David Pettigrew	Kara Bastarache
Laura Stair	Anita Pittman	Don Cook
James Warren	Kay Proctor	Callie Hammond
Bruce Wood	Lisa Robinson	Nikelle Klareich
James Young	Donnie Roland	Jessica Mytrohovich
	Paula Sands	Steve Olson
<b>Chapter Representatives:</b>	Michael Skinner	Greg Wilder
David Geer	Beverly Smith	Calvin Wong
Ralph Knight	Sondra Smith	

**I. Call to Order**

Lowell Mooney, chair, called the meeting to order at 9:04 a.m. He welcomed new members of Council and asked for everyone to introduce themselves to their neighbors sitting around them. Dr. Mooney invited everyone to stand to sing the National Anthem.

**II. Invocation**

Walt Bryde provided the invocation.

**III. Recognition of Past Presidents/Chairs**

Lowell Mooney recognized the past presidents and past chairs in attendance.

**IV. Approval of Minutes**

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

**V. Meritorious Service Award Presentation**

Scott Voynich presented the Meritorious Service Award on behalf of the Meritorious Service Award Committee to the late Royce Duncan. Mr. Voynich read a resolution that was put together by the Georgia House of Representatives—House Resolution 1142—honoring the life and memory of Royce Duncan. Mr. Voynich invited Nancy Duncan and Royce’s family and guests to the front of the room before reading the Meritorious Service Award scroll. Nancy Duncan spoke on behalf of Royce, thanking his “CPA family,” reflecting on how much he loved coming to these meetings and how much he loved this group and the profession.

**VI. Chair’s Report**

Lowell Mooney provided his chair’s report. Dr. Mooney thanked Boyd Search and the GSCPA staff for all of the planning and staging that goes into planning these Council meetings. He recollected on the Fall 2015 Council meeting, which was held at the GSCPA offices, and encouraged members to stop by the office or sign up for CPE there.

He noted the absence of Jennifer Poff, former GSCPA staff member, and shared that she is now the Executive Director of the Houston CPA Society. He wished her the best and noted that the Board of Directors passed a resolution at its last meeting thanking her for her contributions to the Society.

Mr. Search and Dr. Mooney have continued to travel across the state visiting and speaking at chapters. Since the Fall meeting they have visited nine additional chapters, bringing the total to 15, with more chapter visits scheduled. Chapters are being evaluated using a chapter scorecard system to better align chapter activities with the Society’s strategic initiatives.

The next version of the CPA Exam will launch in April 2017. Dr. Mooney put together a task force about the proposed changes to the Exam. The task force completed its assigned charge.

In September, Dr. Mooney appointed the Diversity and Inclusion Task Force, led by Chair-Elect, Barbara Evans. The group is making great progress to identify and break down barriers to attract and advance minorities to the profession.

Outgoing Board members—Ben Lee, Terry Parker, Jennifer Birtz (not present), and Amanda Carman—were recognized and thanked for their service.

Dr. Mooney reminded everyone that the 2016 Annual Convention will be at Atlantis Resort in Paradise Island, Bahamas and encouraged members to attend.

## **VII. CEO's Report**

Boyd Search welcomed the group to Jekyll Island and to the meeting.

Mr. Search recognized all chapter officers and representatives and thanked them for their service and all of the hard work they put into supporting their chapters.

At its December 2015 meeting, GSCPA's Board of Directors passed a Yes vote supporting the AICPA/CIMA's joint venture initiative. The joint venture would allow AICPA and CIMA merge while allowing AICPA and CIMA to sustain their current governmental structures.

The AICPA is asking state societies to partner in CGMA membership for non-CPAs, under a 50/50 agreement. To obtain the CGMA designation it will be a requirement to join the AICPA, and the 50/50 agreement would allow for joint membership recruitment. State Societies and AICPA would share revenue, roles and responsibilities, and half the costs accrued during the first three years would be reimbursed. Details on the partnership are still emerging, and GSCPA is considering it and studying it closely.

A lot of attention is being focused on peer review and how we manage it. Part of the discussion relates to whether the main purpose of peer review should be remedial or punitive. A subset of the conversation is how we as a profession administer peer review. A consolidation of administering entities (AEs) is currently being proposed. Right now there are 40 AEs, one of which is GSCPA. By 2018, AICPA is proposing there will only be 8-10 AEs. How this change will be implemented and how firms select which group is their AE are unresolved questions. With Jennifer Poff's recent departure, Kara Bastarache is taking responsibility for staffing the Society's peer review program for now. Board of Directors discussions on the long term future of peer review at GSCPA are continuing, with the goal of making decisions in the next 4-6 months.

In terms of the Society's legislative programs, before Royce Duncan's death he had conversations with Mr. Search in which he shared his hopes and desires for the Society's legislative programs. Darrell Thaw had been recommended by Royce to take over where he left off. Mr. Thaw is the newest chair of our PAC.

Starting in June, Barbara Evans will take over as Chair of the Board. She will be the first African American chair of the Board. Diversity and inclusion issues are near and dear to her heart. She is currently serving as chair of our Diversity and Inclusion Task Force.

Members of Council are members of the Educational Foundation as well. Mr. Search commended the EF Board, led by Ian Waller. Members of the Foundation board, past presidents of the Foundation, and past Foundation board members stood and were recognized.

**VIII. Treasurer’s Report**

Rodney Chandler presented the Treasurer’s report. He noted that the Society’s financial position remains very strong as we look at the balance sheet. Operations revenue is ahead of budget and expenses are below budget. CPE revenue is below budget. However, this is being offset by positive variance from revenue from rentals and CPE products (Live Stream and OnDemand). Expenses are \$84,000 below what was budgeted. The value of our investments has decreased by \$93,000. The Investment Committee is continually monitoring this.

The Council has received the Treasurer’s report.

**IX. Nominating Committee Election**

Terry Parker, chair of the Nominating Committee, presented the committee report. A motion was made and approved to elect Rodney Chandler and Brandon Verner to the AICPA Council delegation.

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

**X. The Educational Foundation Report**

Ian Waller, president of the Foundation, provided the report.

This year, the Foundation has given over \$92,000 in scholarships to 39 students at 15 schools; over \$14,000 in academic excellence awards given to 32 students; and over \$50,000 in chapter matching; totaling over \$160,000 given to students throughout the state of Georgia.

Mr. Waller asked members of Council to consider making a donation to the Foundation.

Mr. Waller presented the list of nominated directors for the upcoming year. A motion was made and approved to elect the directors of The Educational Foundation. An electronic ballot for officers will be sent out after the meeting.

James Freeman encouraged Council members to support the upcoming Foundation Golf Tournament. The event will be held on May 23 at The Manor in Milton, Georgia. The Foundation is continuing to look for additional sponsors of the golf tournament.

*Recess the Council Meeting*

**XI. Public Service Award**

Mark Wyssbrod presented GSCPA's Public Serve Award to Randy Gold.

**XII. Legislative Update**

Don Cook presented the legislative update. He discussed the makeup of the Georgia CPA caucus, which is comprised of: House Representative David Knight (R-130<sup>th</sup> District), House Representative John Carson (R-46<sup>th</sup> District), House Representative Howard Mosby (D-83<sup>rd</sup> District), House Representative David Wilkerson (D-38<sup>th</sup> District), House Representative Allen Peake (R-141<sup>st</sup> District), and State Senator Michael Williams (R-27<sup>th</sup> District).

Mr. Cook encouraged members to get involved through support of GSCPA's PAC or through the Key Person Program. He reminded the group that CPA Day at the Gold Dome will be held January 25, 2017, and asked members to plan to attend.

Mr. Cook provided a general overview of the legislative session. He noted some potential changes heading into 2017: high level positions will likely remain the same, but there have been some changes in appointees and others.

GSCPA has had a presence at every Georgia State Board of Accountancy meeting. Some notable points from those meetings include: The individual license renewal fee has increased to \$100 every two years, due by December 31 in odd years; There was a motion made to increase firm license renewal fee to \$150 every two years, due on June 30, 2016; With regard to CPE audits, new for this reporting cycle, licensees will not know they have been selected for an audit until June/July. (Typically, licensee knows about audit at point of renewal.)

Georgia State Board of Accountancy's fines starting January 1, 2016: Practicing with a lapsed firm license - \$2,000; Practicing with a lapsed individual license - \$1,000; Found missing CPE during CPE audit - \$100. The missed CPE fine will be increased dramatically in the next renewal period.

HB 952 – Responds to the U.S. Supreme Court's decision in *N.C. State Board of Dental Examiners v. Federal Trade Commission*. As written, it provides for antitrust immunity for professional licensing boards. The goal of HB 952 should be to establish the most efficient instrument for supervising potentially anticompetitive board actions in a manner that adheres to what the Supreme Court and the Federal Trade Commission ("FTC") have prescribed. The key concerns with this bill are that it gives Georgia's Governor (or his/her designee) the authority/duty to actively supervise Georgia's professional licensing boards. Active supervision would give the oversight authority the power to: veto any rule proposed by the accountancy board; veto any rule challenged via appeal to the Secretary of State; remand, modify or veto any action taken by the accountancy board. It creates broader oversight than intended by Supreme Court. Conforming to what the Supreme Court and the FTC have prescribed does not require the creation of a new, mandatory layer of bureaucratic oversight through which boards such as the accountancy board must operate. The Supreme Court recommends the

oversight not entail day-to-day involvement of a board's operations/decision making. Rather, that the oversight involvement should be limited to ensure that any perception of anticompetitive conduct is prevented.

HB 742 – Conformity Bill – This bill is the piece of legislation that conforms Georgia Statute to tax changes that have taken place at the federal level. It was filed in the House on January 12, 2016 and signed by Governor Deal on February 23, 2016. GSCPA began conversations on this in early 2015, engaged specific key people on the issue in 2015, and provided member visits and conversations with key legislators and staff at the Georgia General Assembly.

HB 960 – Tax Related Interest – The interest rate on overpaid taxes is equal to the bank prime loan rate as posted by the Board of Governors of the Federal Reserve System in statistical release H. 15 – plus 3%. The interest rate on underpaid taxes is equal to the bank prime loan rate as posted by the Board of Governors of the Federal Reserve System in statistical release H. 15 – plus 3%.

HB 751 – 2017 State Budget – 2017 State Budget passed House and Senate relatively smoothly. The State Board funding request was not touched. The State Board funding request includes \$75,000 for NASBA to conduct CPE audits. This is the largest budget in state's history at \$23.7 billion. New appropriations to Transportation of \$824 million were added as a result of HB 170 (Transportation Bill) from 2015.

HB 722 – Medicinal Marijuana – This bill was Part 2 to HB 1 – Haleigh's Hope. It would have allowed for grow facilities in Georgia. Grow facilities was removed in committee, and it was a big cost to the bill sponsor. The bill ultimately only contained language to add medical conditions. It was never heard in the Senate. It passed the House twice as HB 722 and SB 145.

HB 757 – Religious Freedom – This was the most contentious bill of the session. It passed the House and Senate after extensive debate. After many businesses expressed outrage at this bill, it received a veto. The four main parts of the bill are that it allowed pastors to decide who they marry; allowed religious entities to decide who they hire based on their religious beliefs; tightened language around religious entities with state contracts; tightened language around potential discrimination.

**XIII. Open Forum**

Brandon Verner provided a Convention update and reminded everyone that the early bird signup deadline is May 19.

**XIV. Adjourn**

The meeting adjourned at 1:30 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Boyd E. Search". The signature is fluid and cursive, with the first name "Boyd" being the most prominent.

Boyd E. Search, CAE  
Chief Executive Officer/Secretary