



# The National Conference of CPA Practitioners

Nassau/Suffolk Chapter

Volume 6, Issue 10 November 2009

## Highlights

**NCCPAP  
Fought  
New York  
State's  
Proposed  
Competency  
Rules  
and Won!**

(Sort Of)

**See  
"We Took  
Decisive  
Action! "  
on  
Page 2**

Date  
Topic

**Thursday, December 3, 2009  
1041 Preparations**

Speakers

Ronald M. Finkelstein, CPA, Esq. of Marcum & Kliegman  
Robert Barnett, CPA, Esq. of  
Capell Barnett Matalon & Schoenfeld

Credits

2 CPE/TAX

Location

Holiday Inn @ Plainview

Time

Dinner/Networking: 5:30 - 7:00 PM

Program: 7:00 - 9:00 PM

Cost Members

On or before Friday, Nov. 27 - \$50.00

After Friday, Nov. 27 - \$60.00

Non-Members

On or before Friday, Nov. 27 - \$75.00

After Friday, Nov. 27 - \$85.00

**Become a member of NCCPAP and we will refund you  
\$25.00!**

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ADP

Date  
Topic

**Wednesday, December 9, 2009  
How To Organize Your Office and Tax Software  
for Tax Season**

Speakers

Ross Kass, CPA of Jablons, Kass & Company, CPAs  
Gary Sanders, CPA of  
Raphael, Sanders, Goldberg, Nikpour & Cohen CPA's

Credits

2 CPE/MAP

Location

On Parade Diner, Woodbury

Time

Registration: 7:30 AM

Program: 8:00 - 10:00 AM

Cost

On or before Friday, Dec. 4 - \$20.00

After Friday, Dec. 4 - \$30.00

**NCCPAP IS SEEKING NEW MEMBERS....PLEASE BE SURE TO TELL YOUR FRIENDS, AND  
CO-WORKERS ABOUT NCCPAP....**

- **We offer special discounts and programs to our membership.**
- **Our Chapter meetings and other events are discounted to our members.**
- **Our Newsletters and E-mail updates to our members are valuable references.**
- **Most of all....our members share a feeling of community and camaraderie.**

**PASS OUR NEWSLETTER ALONG...See Page 7 for MEMBERSHIP APPLICATION.**

To register for any of our  
meetings, please visit

<http://www.ns-nccpap.org/index.php/Register-Online.html>



## **PRESIDENT'S MESSAGE**

### **Welcome to the 2009 Long Island Tax Practitioner Symposium**

I would like to take this opportunity to introduce myself; I am the new President of the Nassau/Suffolk Chapter of NCCPAP. I am delighted that you are attending the 2009 Long Island Tax Practitioner Symposium. Please come up to me and introduce yourself as I am looking forward to meeting you. And please bring your questions and concerns.

Your membership in our organization enables us to offer to you vital, contemporary and relevant programming geared to your practice.

It enables us to be your advocate at the state and national levels. N/S NCCPAP has been involved with many issues in the past years. This year's particular issue has been and continues to be the New York State "Competency" Rules and New York State "Mobility" Issues.

At our monthly Chapter and MAP Meetings, we select speakers and topics geared to bringing you relevant information that we feel will benefit your accounting practices. Our programs can be found on page 6.

We are always trying to improve on this so if you have any suggestions or critiques, please let me know.

*Bruce Berkowitz, CPA*



## **We Took Decisive Action!**

**November 4, 2009**

Dear NCCPAP Members:

We are pleased to report that as a direct result of NCCPAP taking a strong and active leadership role, a serious unintended oversight in the professional competency laws in New York State has been resolved in a positive manner. While this particular issue took place in New York State, these types of situations may be faced by CPAs in other states as other states revamp their own professional competency laws.

An unintended consequence of the legislative and regulatory process that led to a critical change in the professional practice laws of New York State Certified Public Accountants has been corrected by the New York State Board of Regents. On October 19, 2009, the Board adopted emergency recommendations from the State Board of Accountancy that were developed in close collaboration with NCCPAP. These are 30-day trial emergency regulations, but there is no expectation of any objections to the changes. NCCPAP, the National Conference of CPA Practitioners ([www.nccpap.org](http://www.nccpap.org)) was the most vocal and effective group fighting to protect the interests of CPAs in New York and, potentially, nationwide.

We mobilized quickly and effectively, educating legislators and regulators, offering solutions and working behind the scenes to ensure that thousands of New York State CPAs did not lose their ability to practice their profession.

Those of you who know NCCPAP's history know that our roots are in defending the rights of CPAs as well as upholding professional standards. We are accustomed to getting involved on behalf of our members and on behalf of all CPA practitioners. In this case, we needed to respond rapidly, and we did just that. We recognized that the intention of this legislation was not to put thousands of CPA firms out of business – but that, in fact, is what could have happened if these new regulations were not modified. We are delighted that they have been changed. While we are proud of our role in developing the changes, we also deeply appreciate the consideration and responsiveness shown by the State Board of Accountancy and the State Board of Regents.

While the changes to the regulations were drafted with the very best of intentions, i.e., protecting the public by defining CPA competency, the application of these new regulations had the unintended effect of disenfranchising thousands and thousands of New York CPAs who, on July 25, 2009, were licensed and considered competent.

For the small or mid-sized CPA firm, where a partner is responsible for meeting the new requirements, the originally revised provisions could have been a professional death sentence. Many thousands of CPA practitioners have a number of important clients that they provide with attest, tax, and other services. If the CPA, who had been considered competent for many, many years, was not able to meet the requirements of the new definition of competency, he or she would have had to tell these clients that he or she was no longer "competent" to report on their financial statements. One can imagine that this would force the CPA to forego the attest work and it is entirely likely that the CPA would also lose all of the tax and other services that they previously performed for those clients.

*The scope of the problem is even larger when one considers that New York is the first state to define CPA competency, and that other states are likely to follow New York's lead. Thus, the problems created by the July 26, 2009 competency regulations conceivably could have spread to Certified Public Accountants throughout the nation.*

It must be noted that there was very little public discussion of this particular issue. Had we not been monitoring this situation from the start, it's entirely likely that the July 26, 2009 regulations would never have been questioned or challenged – until thousands of CPAs had unwittingly violated the law.

A special subcommittee of NCCPAP Issues Committee, led by Robert Goldfarb, CPA, formulated alternative proposals to redress the adverse impact of the law on all practitioners while accomplishing the ultimate goal of protecting the public. Among these alternatives was the suggestion that licensed practitioners be "grandfathered" for a period of time to allow the CPA to bring him or herself into compliance with the new standards.

NCCPAP was also actively engaged in ongoing conversations with state officials, and in the creation of thoughtful and appropriate alternative approaches to achieving the goals of the legislation – ensuring high standards of professional performance - while protecting the livelihood of all licensed practicing CPAs.

Significantly, for CPAs licensed as of July 25, 2009, the regulations taking effect on July 26, 2009 have been replaced with newer regulations which are also effective as of July 26, 2009. CPAs who were licensed by New York State on July 25, 2009, will now have more than a year to meet the state's new competency standards. Those standards have been revised as follows:

- CPAs who do audits and reviews still must meet the 1,00-hour and the 40 hours of targeted CPE requirement. However, as a result of the October revision, a successful peer review may be substituted for the 1,000-hour requirement.
- New York State CPAs who perform compilations must satisfy the 40 hours of targeted CPE but will not be required to meet the 1,000-hour hurdle.

We know that you share with us a deep appreciation for the efforts of these NCCPAP leaders. Their hard work and dedication has protected our profession, and for that we are grateful.

*Andrew L. Hult, CPA*  
NCCPAP President

### **CHAPTER POLICY**

THE MEMBER FEES FOR REGISTRATION ARE:

\$50.00 WITH \*PRE-REGISTRATION AND \$60.00 REGULAR REGISTRATION, OR AT THE DOOR REGISTRATION.

\*PRE-REGISTRATION MEANS: A COMPLETED REGISTRATION FORM WITH PAYMENT AND POST MARKED, FAXED OR E-MAILED TO THE N/S CHAPTER OFFICE THE FRIDAY PRECEDING THE CHAPTER MEETING WHICH YOU ARE PLANNING TO ATTEND.

A PRE-PAID REGISTRANT WHO CANNOT ATTEND THE CHAPTER MEETING WILL BE ISSUED A CREDIT TO BE USED BY THE REGISTRANT ONLY FOR A FUTURE MEETING (OF EQUAL VALUE) HELD WITHIN ONE YEAR OF THE MISSED MEETING. CANCELLATION NOTICE MUST BE GIVEN TO N/S NCCPAP CHAPTER OFFICE BY THE END OF THE CHAPTER MEETING DAY.

Refer to back cover for Cancellation and Refund Policy for ALL Chapter Meeting and Seminars.

## **Pension Protection Act**

In the most comprehensive reform of pension funding rules in three decades, Congress enacted the Pension Protection Act of 2006 (PPA), which thoroughly changed the funding rules for defined benefit plans, effective for plan years beginning in 2008. The PPA funding method calculates a required minimum contribution and a maximum deductible contribution, providing a wide range of contribution levels.

New Interest and Mortality assumptions specified by statute are now required in preparing the plan's actuarial valuation report. This development reduces the flexibility which we previously had in calculating the level of contribution. The interest rates (sets of long-, mid- and short-term rates) are revised monthly, while the mortality is updated annually.

**New Funding Method Required for Actuarial Valuations:** This method, known as the Projected Unit Credit Method (as specially adapted to the 2006 Pension Protection Act) will yield a range of contributions. It appears that the lower level will be somewhat inviolate, due to the utilization of the required assumptions noted above. Failure to make a contribution at a substantial level may cause the plan's Adjusted Funding Target Attainment Percentage (AFTAP) to fall below 80%, or, in extreme cases, below 60%. This will saddle the plan with various funding-based restrictions, which go away when the plan's funding improves.

The **Minimum Required Contribution** represents the sum of the cost of accruing benefits during the year and an amortization of the plan's unfunded liabilities.

The **Maximum Deductible Contribution** allows the plan to be pre-funded, which accelerates the plan's funded status. This may cause future contributions to be substantially lower than the current levels and may result in overfunding the plan (see Plan Design on next page).

### **AFTAP:**

Also effective with the 2008 plan year, the Pension Protection Act of 2006 has introduced new reporting requirements, one of which is an annual certification of your plan's funding level. This computation, which is used to determine if there are restrictions on your plan's ability to pay benefits, make amendments or accrue additional benefits, is referred to in the law as the "AFTAP certification". If the AFTAP for a given year falls below 80%, the plan is subject to the following restrictions:

### **Restrictions if AFTAP is between 60% and 80%:**

- Lump sums are restricted (i.e., no one can be paid more than ½ of their PVAB)
- No amendments to increase benefits
- Written notice requirements to participants

### **Restrictions if AFTAP is less than 60%:**

- No lump sums can be paid to anyone
- Benefit accruals are deemed to be frozen
- Written notice requirements to participants

The AFTAP certification is due to be made by the first day of the 4th month following the beginning of the plan year. However, for years after 2008, an AFTAP of 10 percentage points less than the previous years may be assumed. If the AFTAP certification is not completed by last day of the 10th month after the beginning of the plan year, a percentage of less than 60% would have to be assumed for the remainder of the year. In general, a deficient AFTAP may be "cured" by making sufficient contributions to the plan to increase the percentage.

**Plan Design:**

In closely held pension plans, where the company owner (as the sole plan participant or with other family members) wants to maximize the yearly contributions and tax deductions, the maximum deductible contribution under PPA rules may come in handy. If the company contributes the maximum allowed under PPA, after about 3 years the valuation report will not allow any contributions since the accrued benefit (including the current years) is already fully funded even for plan termination liabilities.

At that point, if the company wishes to continue contributions, the benefits of the current plan can be frozen and a new pension plan started. The plan participants, which are also participants in the frozen plan, already have accrued benefits and the new plan will start accruing benefits from where the prior plan stopped. But now the benefits that accrue under the new plan are not funded for yet, so the valuation will generate a minimum contribution for the new plan to fund the new accrued benefit. Over a period of ten years (which is the norm when funding a pension plan) this method will create total plan assets that far exceed those available under a simple pension plan. This and other plan design strategies have to be carefully studied when seeing to the needs of your clients.

Alex Basseches is a Pension Consultant at Economic Group Pension Services, Inc., an actuarial & employee benefits consulting firm. He specializes in the design and set-up of Defined Benefit and Defined Contribution Plans. For consultations Alex can be contacted at (212) 494-9024 or e-mail [abasseches@egps.com](mailto:abasseches@egps.com)

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## **Nassau/Suffolk Chapter of NCCPAP Officers and Directors 2009-2010**

**PRESIDENT**

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**VICE PRESIDENT**

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Stephen Weisberg, CPA	(631) 499-6666	steve@wlk-cpa.com

## **MEETING SCHEDULE FOR 2009 - 2010**

Holiday Inn @ Plainview  
215 Sunnyside Blvd  
Plainview, NY 11803

On Parade Diner  
7980 Jericho Turnpike  
Woodbury, NY 11797

Dec. 3, 2009*	1041 Preparations	2 CPE/Tax	Holiday Inn
Dec. 9, 2009	How to Organize Your Office & Tax Software for Tax Season	2 CPE/MAP	On Parade Diner
January 12, 2010	QuickBooks - Intuit	8 CPE	Crest Hollow County Club
	Intuit will hold a full day of training programs including Lacerte and "What's New" in QuickBooks given by a Local QuickBooks Expert		
January 21, 2010*	Social Security	2 CPE/Tax	Holiday Inn
January 26, 2010 (Tues)	Utilization & Importance of Engagement Letters for All Engagements & Tax Returns	2 CPE/MAP	On Parade Diner
February 4, 2010*	Federal Tax Update	2 CPE/Tax	Holiday Inn
February 24, 2010	NYS Sales Tax and Nexus Issues - Registration Requirements	2 CPE/MAP	On Parade Diner
March 4, 2010*	Tax Season Roundtable	2 CPE/Tax	Holiday Inn
March 24, 2009	Annual Roundtable - to discuss tax season issues and problems	2 CPE/MAP	On Parade Diner
April 28, 2010	MAP - TBD	2 CPE/MAP	On Parade Diner
May 6, 2010*	S Corp Update and Roundtable	2 CPE/Tax	Holiday Inn
May 26, 2010	MAP - TBD	2 CPE/MAP	On Parade Diner
June 3, 2010*	Workers' Compensation Updates	2 CPE/Tax	Holiday Inn
June 24, 2010	Accounting & Auditing Updates	2 CPE/A&A	Holiday Inn
June 30, 2010	MAP - TBD	2 CPE/MAP	On Parade Diner
July 1, 2010*	Asset Protection	2 CPE/Tax	Holiday Inn
July 28, 2010	MAP	2 CPE	On Parade Diner
August 5, 2010*	FIN 48	2 CPE/Tax	Holiday Inn
August 19, 2010	Ethics	2 CPE/ETHICS	Holiday Inn
August 25, 2010	MAP	2 CPE	On Parade Diner
September 2, 2010*	NYS Tax Update	2 CPE/Tax	Holiday Inn
September 29, 2010	MAP	2 CPE	On Parade Diner
October 7, 2010*	Compilation and Review	2 CPE/A&A	Holiday Inn
October 27, 2010	MAP	2 CPE	On Parade Diner
December 2, 2010*	TBD	2 CPE/Tax	Holiday Inn
December 29, 2010	MAP	2 CPE	On Parade Diner

\* Chapter Meeting

All Meeting Subject to Change



**NCCPAP MEMBERSHIP APPLICATION**  
 National Conference of CPA Practitioners  
 Established 1979



Name of Firm \_\_\_\_\_

Contact Person \_\_\_\_\_

Address \_\_\_\_\_  
No. & Street Town State Zip

Phone ( ) Fax ( ) Email \_\_\_\_\_

Name of Sole Practitioner, Partners or Shareholder(s):

1. \_\_\_\_\_ CPA License Number: \_\_\_\_\_ State \_\_\_\_\_

Email Address \_\_\_\_\_

2. \_\_\_\_\_ CPA License Number: \_\_\_\_\_ State \_\_\_\_\_

Email Address \_\_\_\_\_

*(Attach additional sheet if necessary)*

**PAYMENT INFORMATION**

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Join and remit online at [www.nccpap.org](http://www.nccpap.org)

**DUES SCHEDULE**

CPA Firm \_\_\_\_\_ \$ \_\_\_\_\_

*(do not include clerical staff)*

1 (Including Sole Practitioners) \_\_\_\_\_ \$230.00

2-3 \_\_\_\_\_ \$260.00

4-10 \_\_\_\_\_ \$420.00

11+ \_\_\_\_\_ \$745.00

CPA from Non-Member Firm \_\_\_\_\_ \$230.00

CPA Employee (Non-Owner) \_\_\_\_\_ \$176.50

Retired CPA \_\_\_\_\_ \$115.00

Referred by: \_\_\_\_\_



**National Conference**  
*of*  
**CPA Practitioners**  
*The National Organization*  
*Representing Only Practicing CPAs*

**NATIONAL HEADQUARTERS**

22 Jericho Turnpike, Suite 110 • Mineola, New York 11501  
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[www.nccpap.org](http://www.nccpap.org)

**LOCAL CHAPTERS**

- Nassau/Suffolk, NY
- Long Island East, NY
- New York City, NY
- Westchester/Rockland, NY
- Northern New Jersey
- Houston, Texas
- Boston, Massachusetts
- South Florida

RETURN SERVICE REQUESTED



Educational Foundation of the  
 Nassau/Suffolk Chapter of NCCPAP  
 22 Jericho Turnpike  
 Suite 110  
 Mineola, New York 11501  
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 30 for the  
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 Contact the  
 Office

If you received more than one copy  
 PLEASE pass this onto a colleague!

**PAYMENT AUTHORIZATION & REGISTRATION FORM**

NCCPAP MEMBER ID # \_\_\_\_\_ LICENSE # \_\_\_\_\_  
 Name \_\_\_\_\_ PAYMENT FOR:  
 Firm Name \_\_\_\_\_ CHAPTER MEETING \_\_\_\_\_  
 SEMINAR DATE \_\_\_\_\_  
 Address \_\_\_\_\_ OTHER \_\_\_\_\_  
 City \_\_\_\_\_ St \_\_\_\_\_ Zip \_\_\_\_\_  
 Phone \_\_\_\_\_ Fax \_\_\_\_\_  
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**MAIL TO:**

N/S NCCPAP, 22 JERICHO TURNPIKE - STE. 110, Mineola, NY 11501  
 FAX TO: (516) 997-5155 EMAIL TO: [egelbien@ns-nccpap.org](mailto:egelbien@ns-nccpap.org)

**Chapter speakers are not affiliated with any exhibitors  
 and NCCPAP does not endorse their products and/or services.**

**CHAPTER MEETING  
 CANCELLATION POLICY**

A PRE-PAID REGISTRANT THAT CANNOT ATTEND WILL BE ISSUED A CREDIT TO BE USED BY THE REGISTRANT ONLY FOR A FUTURE MEETING (OF EQUAL VALUE) HELD WITHIN ONE YEAR OF THE MISSED MEETING. CANCELLATION NOTICE MUST BE GIVEN TO N/S NCCPAP CHAPTER OFFICE BY THE END OF THE CHAPTER MEETING DAY.

**SEMINAR REFUND POLICY**

REFUNDS WILL BE ISSUED FOR SEMINARS PROVIDED NOTICE OF CANCELLATION IS RECEIVED THREE (3) BUSINESS DAYS PRIOR TO PROGRAM DATE. A \$25.00 PROCESSING FEE WILL BE CHARGED FOR 2 CPE & 4 CPE CREDITS SEMINARS, \$50.00 FEE FOR 8 CPE CREDIT SEMINARS.