

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

BOARD OF DIRECTORS

MINUTES OF MEETING – APRIL 28-29, 2011

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AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

BOARD OF DIRECTORS

MINUTES OF MEETING – APRIL 28-29, 2011

A meeting of the AICPA Board of Directors was held Thursday, April 28 and Friday, April 29, 2011 at the AICPA's Durham, North Carolina Office. The meeting convened at 8:30 am on Thursday, April 29.

Attendance

The following Board members were present:

Paul Stahlin, Chairman
Greg Anton, Vice Chairman
Robert Harris, Immediate Past Chairman
Tommye Barie
Allyson Baumeister
Rich Caturano
Patricia Cochran
Bob Graham
Rodney Harano
Carter Heim
Mark Hildebrand
Jeff Hoops
Henry Keizer
Teresa Mason
Bill McKenna
Barry Melancon
Jay Moeller
Karen Pincus
Bill Reeb
Bill Schneider
Monica Sonnier
Charles Weinstein

Also present:

Rich Jones, President & CEO
Washington Society of CPAs

Dennis Tomorsky, Chief Executive Officer
Wisconsin Institute of CPAs

Bill Titera, Chairman
Assurance Services Executive Committee

Michael L. Walden, William Neal Reynolds Distinguished Professor,
North Carolina State University

Michelle Hillman, Senior Vice President, Ad Council

Erik Asgeirsson, Chief Executive Officer
CPA2Biz

Michael Buddendeck, Assistant General Counsel

Susan Coffey, Senior Vice President
Member Quality and International Affairs

Robert Durak, Senior Technical Advisor
Accounting Standards

Ed Karl, Vice President
Taxation

Cynthia Lund, Vice President
State Society Affairs

Janice Maiman, Vice President
Communications and Media Channels

Jim Metzler, Vice President
Small Firm Interests

Richard Miller, General Counsel and Secretary

Hemchandra Nerkar, Director
Information Technology

Dan Noll, Director
Accounting Standards

Jeannie Patton, Vice President
Students, Academics & Membership

Amy Pawlicki, Director, Business Reporting, Assurance
and Advisory Services & XBRL

Mark Peterson, Vice President
Congressional and Political Affairs

Tony Pugliese, Senior Vice President
Finance, Membership & Operations

Cheryl Gravis Reynolds, Director
Communications

Jay Rothberg, Vice President – Office of the CEO

Carol Scott, Vice President
Business, Industry and Government

Scott Spiegel, Chief Financial Officer

Arleen Thomas, Senior Vice President
Member Competency and Development
Victor Velazquez, Vice President
Strategy and Human Resources

Introduction and Chairman's Report

Paul Stahlin, Chairman of the Board, opened the meeting by welcoming the Board members. He introduced Dennis Tomorsky, Chief Executive Officer of the Wisconsin Institute of CPAs and Rich Jones, President and CEO of the Washington Society of CPAs, as representatives of CPA/SEA.

Mr. Stahlin reported on his activities since the January Board meeting which included participation in the NASBA Summit, Beta Alpha Psi, NABA and ALPFA Board meetings. Mr. Stahlin also reported that he visited several CPA firms and state CPA societies.

Mr. Stahlin and the Board members reviewed the evaluations from the regional meetings of Council and the general consensus was that the meetings were very well received.

Mr. Stahlin reported that David Moynihan, a member of the Peer Review Board, had to submit his resignation from the Board to assume new peer review responsibilities in New York State. He recommended that Toni Lee Andrews of Virginia succeed Mr. Moynihan on the Peer Review Board until the expiration of his term in October 2011. After discussion, upon a motion duly made and seconded, the Board approved Ms. Andrews as a new member of the Peer Review Board.

Approval of Minutes

After discussion, upon a motion duly made and seconded, the minutes of the January 20-21, 2011 executive session and regular session meeting, were approved.

The regular meeting minutes were authorized for placement on the AICPA's web site.

Overview of Economic Developments in the Durham Area

Dr. Michael L. Walden, William Neal Reynolds Distinguished Professor and Extension Economist at North Carolina State University, briefed the Board on the nation's economy and in particular developments in North Carolina. He explained how the state's primary industries had changed from textiles, tobacco and furniture to a more diverse mix including machinery, food processing and vehicle parts. He cited the state's educated workforce, competitive costs, space, natural amenities and private/public collaborations as positives for North Carolina. He said the recession was over, but that the local area would have slow recovery predicting that unemployment would decrease from the current 7.0% to 6.5% by 2012.

Dr. Walden answered questions from the members of the Board.

AICPA/CIMA Joint Venture

Barry C. Melancon, President and CEO, reviewed the discussions at the regional meetings of Council and the proposed joint venture timeline.

Arleen Thomas, Senior Vice President – Member Competency and Development, addressed the state society value proposition and potential risks of the joint venture.

Tony Pugliese, Senior Vice President – Finance, Membership & Operations, reviewed the economic model of the joint venture and Janice Maiman, Vice President – Communications and Media Channels, discussed the designation name, logo and brand.

After discussion, upon a motion duly made and seconded, the Board approved the following resolution, which will be presented to the governing Council for its consideration in May 2011.

BE IT RESOLVED, That the AICPA Board of Directors hereby approves the creation by the AICPA and the Chartered Institute of Management Accountants of a joint venture and the issuance of a credential in management accounting and recommends that Council approve the resolutions set out below to achieve that result.

Resolutions for Spring 2011 Council

WHEREAS, the National Accreditation Commission has supported, and recommended, the approval by the Board and Council of a new credential in management accounting to be established through a relationship with the Chartered Institute of Management Accountants (CIMA);

NOW BE IT RESOLVED, That Council hereby authorizes the creation by the AICPA and CIMA of a joint venture to be called the “Association of International Certified Professional Accountants,” to achieve all the objectives as described in the material presented to Council; and

BE IT FURTHER RESOLVED, That Council hereby recognizes that the joint venture will offer a credential in management accounting to be known as the Chartered Global Management Accountant (CGMA), which shall be made available to individuals who meet the qualifications to be established by the Association of International Certified Professional Accountants and the AICPA qualifications as described below; and

BE IT FURTHER RESOLVED, That, unless changed by Council, a special provision will remain in force which provides that anyone who is a resident of the United States and attempts to obtain the credential, must be a voting member of the AICPA at the time they enter the pathway to obtain the credential and must remain a voting member as long as they maintain the credential; and

BE IT FURTHER RESOLVED, That Council hereby authorizes the formation of a new non-voting CGMA Associate member category which shall be

available to individuals who hold the CGMA or have entered the pathway to obtain the CGMA credential and are not eligible to become voting members of the AICPA, and are of good moral character. If reasonably practicable and appropriate, all member benefits will be made available to CGMA Associates, except for voting, eligibility for a seat on Council and as a non-public member of the Board of Directors; and

BE IT FURTHER RESOLVED, That, with respect to the countries and territories for which the AICPA is responsible, any individual who is eligible to become a CGMA Associate must become a CGMA Associate upon entry into the CGMA credential pathway and must be a CGMA Associate to remain in the pathway, and anyone who holds the CGMA credential must be a CGMA Associate in order to retain the CGMA credential; and

BE IT FURTHER RESOLVED, That the AICPA Board of Directors, or its designee, is hereby authorized to take any action necessary to implement the resolutions of Council with regard to the CGMA credential, including, but not limited to, the grant and retention of the credential as to AICPA members and CGMA Associates and enforcement actions related to the credential with regard to those individuals; and

BE IT FURTHER RESOLVED, That any person who is a member of any affiliate or associate category must comply with, and is subject to, applicable sections of the AICPA bylaws including those related to disciplinary actions, as a condition of membership in any such category.

Report from the President and CEO

Mr. Melancon briefed the Board members on a number of organizational and professional issues. He said the AICPA would be taking additional space in Durham and moving its continuing professional education operations from Texas to North Carolina in 2012. He said this would be Rich Miller's last Board meeting as the AICPA's General Counsel and Secretary. He thanked Rich, who will be retiring on July 31, 2011, for his 18 years of outstanding service to the AICPA and the CPA profession. He said Michael Buddendeck, currently serving as the AICPA's Assistant General Counsel, had been selected to succeed Rich. Mr.

Melancon said that if the joint venture with CIMA is approved by Council, he will likely reorganize the senior management team's responsibilities.

Mr. Melancon then spoke of a number of professional issues including developments with respect to IFRS, the SEC and the PCAOB and several technical issues. He said the staff anticipated presenting an updated strategic plan to the Board at its January 2012 meeting.

Report from the Chairman of the Assurance Services Executive Committee

Amy Pawlicki, Director – Business Reporting, Assurance and Advisory Services & XBRL, spoke of the committee's composition, mission, scope, objectives and recent activities.

Bill Titera, Chairman - Assurance Service Executive Committee, addressed how the committee is working so that the profession evolves to meet the challenges of the future. He said major trends include a more heavily regulated world, blurring of service needs, an accelerated pace of technological changes and an increase in public expectations. He discussed how the committee was attempting to address these developments and its projected next steps.

Mr. Titera and Ms. Pawlicki discussed these developments with the members of the Board.

CPA Horizons 2025

Mr. Stahlin reviewed the key activities and milestones of the CPA Horizons 2025 initiative. He said he was very pleased with the member participation and input received to date. Mr. Stahlin said he anticipated bringing

the final CPA Horizons 2025 recommendations to Council at its fall 2011 meeting.

“Feed the Pig” Presentation

Cheryl Reynolds, Director – Communications, Advertising and Brand Management, reviewed the objectives of the “Feed the Pig” campaign and how much has been achieved to date. She said the total donated media since launch of the campaign is more than \$176 million and the FeedthePig.org website has had steady and increasing traffic.

Michelle Hillman, Senior Vice President, Group Campaign Director – Ad Council, briefed the Board on the 2011 Feed the Pig campaign strategy. She reviewed the campaign objective, key research findings and desired outcomes of the campaign. Ms. Hillman reviewed the evolution of Benjamin Bankes and demonstrated several of the new television, radio, print, outdoor and web banner creatives. Ms. Reynolds discussed the next steps and timeline and both Ms. Hillman and Reynolds answered questions from the members of the Board.

Presentation from the Life Insurance/Disability Plans Committee

Jay Rothberg, Vice President – Office of the CEO, reported on the Life Insurance/Disability Plans Committee’s Trustee due diligence review. He said after a review of all the proposals and interviews with the finalists, the committee decided to recommend that Bank of New York Mellon be named the new Trustee effective October 1, 2011.

After discussion, upon a motion duly made and seconded, the Board approved the following resolution with one abstention:

RESOLVED, that, JPMorgan Chase Bank is hereby removed from office as Trustee under the Amended Agreement and Declaration of Trust of the American Institute of Certified Public Accountants Insurance Trust, dated January 2010 (the "Agreement"), such removal to be effective October 1, 2011, following at least thirty (30) days written notice; and be it

FURTHER RESOLVED, that, Bank of New York Mellon is hereby appointed and designated as successor trustee under the Agreement, in place of JPMorgan Chase Bank, such appointment to be effective October 1, 2011, the effective date of the removal of JPMorgan Chase Bank as Trustee; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee, or its Chairman, be and hereby is authorized and directed to make all changes to the language and administration of the Group Insurance Plan, the CPA Life Insurance Plan, the AICPA/CPA2Biz Life Insurance Plans, the Long Term Disability Income Plan, the Long Term Care Plan, the Group Variable Universal Life Insurance Plan, the Level Premium Term Life Insurance Plan and the policies issued by The Prudential Insurance Company of America providing coverage under those Plans to effect this change; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee be and hereby is vested with any and all powers necessary to direct the Trustee of the AICPA Insurance Trust to modify the Plans and policies in accordance with the above Resolutions.

Mr. Rothberg also said that the committee is recommending increasing the limits of coverage under the individual life insurance program. He explained the reasons for this proposed increase. During the discussion, it was suggested that under the Spouses Plan for those who are members of the AICPA and state society and are under 55 years old, the maximum coverage should be \$2.5 million. Mr. Rothberg conferred with the representatives at Prudential and they agreed. Therefore, upon a motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that, subject to approval by the applicable State Regulators, that the maximum amounts of life insurance and related benefits available to those applying for coverage be increased under the CPA Life Insurance Plan – Members, CPA Life Insurance Plan – Spouses, Group Variable Universal Life Insurance Plan, Level Premium Term Life Insurance Plan – Members, Level

Premium Term Life Insurance Plan – Spouses and the AICPA/CPA2Biz Plans, effective October 1, 2011, as follows:

<u>Ages When Applying for Coverage and Memberships</u>	<u>Maximum Amounts of Life Insurance and Related Benefits</u>	
	<u>Effective October 1, 2011</u>	<u>Current</u>
I. CPA Plan – Members, Group Variable Universal Life Insurance Plan and AICPA/CPA2Biz Plans*		
A. Under Age 55		
1. AICPA	\$2,000,000	\$1,500,000
2. State Society of CPAs Only	500,000	500,000
3. Both	2,500,000	2,000,000
B. Ages 55 – 64		
1. AICPA	\$1,500,000	\$1,000,000
2. State Society of CPAs Only	500,000	500,000
3. Both	2,000,000	1,500,000
C. Ages 65 – 69		
1. AICPA	\$1,000,000	\$ 500,000
2. State Society of CPAs Only	250,000	250,000
3. Both	1,500,000	1,000,000
D. Ages 70 – 74		
1. AICPA	\$ 500,000	\$ 250,000
2. State Society of CPAs Only	150,000	150,000
3. Both	750,000	500,000
II. CPA Plan – Spouses (Members Memberships) and AICPA/CPA2Biz Plans*		
A. Under Age 55		
1. AICPA	\$2,000,000	\$1,500,000
2. State Society of CPAs Only	500,000	500,000
3. Both	2,500,000	2,000,000
B. Ages 55 – 64		
1. AICPA	\$1,500,000	\$1,000,000
2. State Society of CPAs Only	500,000	500,000
3. Both	2,000,000	1,500,000

C. Ages 65 – 69		
1. AICPA	\$1,000,000	\$ 500,000
2. State Society of CPAs Only	250,000	250,000
3. Both	1,500,000	1,000,000
D. Ages 70 – 74		
1. AICPA	\$ 500,000	\$ 250,000
2. State Society of CPAs Only	150,000	150,000
3. Both	750,000	500,000

III. Level Premium Term Life Insurance Plan – AICPA Members**

A. Under Age 55	\$2,500,000	\$2,000,000
B. Ages 55 – 64	\$2,000,000	\$1,500,000
C. Age 65	\$1,500,000	\$1,000,000

IV. Level Premium Term Life Insurance Plan – Spouses** (AICPA Members)

A. Under Age 55	\$2,500,000	\$2,000,000
B. Ages 55 – 64	\$2,000,000	\$1,500,000
C. Age 65	\$1,500,000	\$1,000,000

* Ages as of each applicable October 1 and memberships.

** Ages when member applies for coverage.

; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee be and hereby is directed to make all changes necessary to effect these amendments to the CPA Life Insurance Plan – Members, CPA Life Insurance Plan – Spouses, Group Variable Universal Life Insurance Plan, Level Premium Term Life Insurance Plan – Members, Level Premium Term Life Insurance Plan – Spouses and the AICPA/CPA2Biz Plans and policies issued by The Prudential Insurance Company of America; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee be and hereby is vested with any and all powers necessary to direct the Trustee of the AICPA Insurance Trust to modify the Plans and policies in accordance with the above Resolutions.

Mr. Rothberg added that because of favorable claims experience, the Life Insurance/ Disability Plans Committee recommended that the gross contribution premium rates be reduced under the Group Insurance Plan, effective October 1, 2011.

After discussion, upon a motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that, subject to approval by the applicable State Regulators, the gross contribution premium rate structure of the Group Insurance Plan be amended, effective October 1, 2011, as follows:

Monthly Contribution Premium Rates Per \$1,000 Unit of Coverage*		
<u>Ages</u>	<u>Monthly Contribution Premium Rates Per \$1,000* Effective October 1, 2011</u>	<u>Current</u>
Under 30	\$.04	\$.04
30 - 34	.05	.06
35 - 39	.06	.07
40 - 44	.08	.09
45 - 49	.13	.14
50 - 54	.19	.22
55 - 59	.35	.42
60 - 64	.65	.71
65 - 69	1.24	1.33
70 - 74	2.06	2.55
75 - 79	3.32	4.60
80 & Over	4.60	4.60

* Includes life insurance, disability benefits and accidental death and dismemberment coverage.

; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee be and hereby is directed to make all changes necessary to effect these amendments to the Group Insurance Plan and policy issued by The Prudential Insurance Company of America; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee be and hereby is vested with any and all powers necessary to direct

the Trustee of the AICPA Insurance Trust to modify the Plan and policy in accordance with the above Resolutions.

Mr. Rothberg said the final recommendation by the Life Insurance/Disability Plans Committee was to increase the maximum amounts of dependents life insurance under the Group Insurance Plan for spouses and dependents under 6 months old. After discussion, upon a motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that, subject to approval by the applicable State Regulators, that the maximum amounts of dependents life insurance under the Group Insurance Plan be increased, effective October 1, 2011, as follows:

	Maximum Amounts of Dependents Life Insurance	
	Effective	
	<u>October 1, 2011</u>	<u>Current</u>
Spouse	\$25,000*	\$20,000*
Children:		
A. Ages 6 Months to 21 Years	10,000**	10,000**
B. Under Age 6 Months	10,000**	400**

* Spouse life insurance is equal to 25% of the coverage in force on owners and employees up to a maximum of \$25,000 (proposed) or \$20,000 (current), as applicable.

** Fixed amount of life insurance; not subject to amount of coverage in force on owners and employees.

; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee be and hereby is directed to make all changes necessary to effect these amendments to the Group Insurance Plan and policy issued by The Prudential Insurance Company of America; and be it

FURTHER RESOLVED, that, the AICPA Life Insurance/Disability Plans Committee be and hereby is vested with any and all powers necessary to direct the Trustee of the AICPA Insurance Trust to modify the Plan and policy in accordance with the above Resolutions.

Report from the Finance Committee

Richard Caturano, Chairman of the Finance Committee, reported on the Institute's current financial results. He said the net operating loss forecast of \$1.4 million was discussed and approved by the Finance Committee and compared with a budgeted profit of \$300,000. He said most of the projected loss was the result of severance costs related to the Texas office relocation to North Carolina and revised assumptions in the lease loss provision for the Jersey City, New Jersey lease which expires in July 2012.

Mr. Caturano said management continues to monitor cash flow projections and was currently projecting no draw on its \$27 million line of credit in Fiscal 2011, which will be the second year in a row the Institute has been able to do this. He said the main reason for there being no use of the line of credit was the continued success of the Uniform CPA exam with higher than budgeted volume.

He said investments in both the long-term and pension portfolio continue to do well and were performing at or above peer indices. He added that the pension plan investments were currently at a 50%/50% mix of equities to fixed income, and based on investment performance, could be rebalanced before the end of the fiscal year so that equities were reduced to 45% of the assets as part of the de-risking strategy discussed at prior Board meetings.

Tony Pugliese, Senior Vice President – Finance, Membership and Operations, reported that the dues forecast remains at the original budget of \$97.3 million. He said the membership renewals were still very positive with a retention rate of 94.37% versus the budgeted target of 94.75%. He said

management was forecasting 350,000 regular voting members and 372,000 total members for the end of the fiscal year, both record numbers for the AICPA.

Mr. Pugliese then reported on the proposed budget for Fiscal 2012. He said the budget had an operating deficit of \$7 million, which relates to the Institute's investment in activities to support the Joint Venture with the Chartered Institute of Management Accountants. He said excluding the AICPA's investment in the activities to support the Joint Venture the budget would be breakeven. Mr. Pugliese said the budget included a \$10 dues increase for most membership categories and a \$15 dues increase for the Tax Section. He said the budget called for a 94.75% membership retention rate. Mr. Pugliese highlighted the revenue and expense variances from the prior year and reported that the budget included a Capital Budget of \$8.2 million.

After discussion, upon a motion duly made and seconded, the Board approved the proposed budget for Fiscal 2012.

The financial statements for the current year are at **Appendix A** in the official minutes of the AICPA.

Mr. Pugliese said that management recommended and the Finance Committee approved the Institute's consolidating its CPE operations in Durham. He said management expects to complete the move by March 2012 and that this move will require additional space in Durham.

After discussion, upon a motion duly made and seconded, the Board approved the following resolution:

WHEREAS, the Board has reviewed management's proposal to lease the remaining space on the third floor in Palladian II office complex located at 240 Leigh Farm Rd., Durham, NC 27707;

NOW, THEREFORE, BE IT RESOLVED, That the President & CEO, the Senior Vice President – Finance, Membership & Operations, the AICPA's General Counsel, the Vice President – Strategy & Human Resources, and their designees be, and each of them hereby is, authorized and directed to negotiate a 167 month lease agreement, beginning on or around June 1, 2011 and ending on or around April 30, 2025, for the remaining space on the third floor in Palladian II office complex located at 240 Leigh Farm Rd., Durham, NC 27707;

BE IT FURTHER RESOLVED, That the President & CEO, the Senior Vice President – Finance, Membership & Operation, the Vice President – Strategy & Human Resources, and their designees be, and each of them hereby is, authorized and directed to, execute all documents on behalf of the AICPA and perform all acts as they determine may be necessary or appropriate to implement this resolution; and

BE IT FURTHER RESOLVED, That all actions previously taken by an officer, employee or agent of the AICPA in connection with or related to the matters set forth in or reasonably contemplated or implied by the foregoing resolution be, and each of them hereby is, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the AICPA.

Review of the Agenda for the May 2011 Spring Meeting of Council

Messrs. Stahlin, Melancon and Rothberg discussed the proposed agenda for the spring meeting of Council and received input from the members of the Board.

Legal Update and Secretary's Report

Richard Miller, General Counsel and Secretary, provided the Board with a Legal Update.

Mr. Miller then delivered the Secretary's Report. Membership ballots No. 912, 913 and 914 for the time period of January 11, 2011 to April 19, 2011 admitting 4587 members, accepting 111 resignations, 99 reinstatements and 8 advances of dues, were received and approved.

Upon a motion duly made and seconded, the Board accepted the Secretary's Report.

The Secretary's Report is at **Appendix B** in the official minute records of the AICPA.

Executive Session

The Board convened into executive session at 4:00 pm and adjourned at 5:00 pm on Thursday, April 28.

The regular meeting reconvened at 9:00am on Friday, April 29.

CPA2Biz Update

Erik Asgeirsson, President & CEO – CPA2Biz, updated the Board on CPA2Biz' activities. He explained the company's charter and strategic focus. Mr. Asgeirsson discussed the impact of technology on public accounting firms over the past forty years and how cloud computing and mobile applications are affecting how firms operate and service their clients. He said this was an excellent opportunity for CPA firms to reclaim the client accounting market. He showed the board a sampling of the firms, of varying sizes, that were using cloud computing through CPA2Biz to serve their general ledger and billing needs. He explained that CPA2Biz had developed a group of providers to help firms with their firm workflow management, tax workflow, payroll, electronic confirmations, email and other services.

Mr. Asgeirsson said the AICPA and CPA2Biz were working with the state societies on the new Learning Management System and the company is looking at other ways it can meet its charter and help CPA firms grow.

Washington and Tax Update

Mark Peterson, Vice President – Congressional and Political Affairs, briefed the Board on a number of legislative and regulatory issues in which the profession was involved. These included the successful repeal of the 1099 requirements, the tax strategy patent legislation and the SEC and GAO studies on the effectiveness of the 404b requirements for public companies.

Ed Karl, Vice President – Taxation, updated the Board members on the AICPA's efforts to repeal the 3% withholding requirement for government contracts and the Tax Division's discussions with the IRS on Uncertain Tax Positions and the IRS' Office Visit program. Mr. Karl also explained how the Tax Division developed its recommendations and what they are for its Due Date Project.

Messrs. Peterson and Karl then answered questions from the members of the Board and received the Board's input.

Report from the Chair of the Audit Committee

Patricia Cochran, Chair of the Audit Committee, reported that the committee received an extensive update on the Institute's major Information Technology projects. This included a review of the Institute's technology "road map."

She said the Audit Committee reviewed and approved the financial statements for the AICPA Political Action Committee and the Institute's internal audit plan. Ms. Cochran said the committee received a status report on the SAS 115 open items and the Management Comment Letter items. She said the

committee received a status report on the AICPA's external audit with the interim work scheduled to begin by JH Cohn LLP in May.

Ms. Cochran said the committee received an educational session on the Institute's Enterprise Risk Management.

Ms. Cochran reported that the committee met privately with representatives of JH Cohn LLP, the AICPA President, Senior Vice President – Finance, Membership and Operations and the Director of Internal Audit and discussed various operational matters.

Executive Session

The Board convened into executive session at 10:30 am, and adjourned at 11:44 am. Thereafter, the regular meeting reconvened, and there being no further business, the regular meeting adjourned at 11:45 am on Friday, April 29, 2011.