Public Accounting Professional Unit and AICPA Board of Directors

Minutes of Meeting: January 25, 2017

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A meeting of the Public Accounting Professional Unit (PA PU) Board of Directors was held on Wednesday, January 25, 2017 via video conference. The meeting convened at 10:40am EST.

**Attendance**

The following Board members were present:

- Kimberly Ellison-Taylor, Chairman
- Eric Hansen, Vice Chairman
- Anita Baker
- Tom Broderick
- Paul Curth
- Terry Grafenstine
- Dan Griffiths
- Melody Feniks
- Barry Melancon
- Mandy Nelson
- Anne Northup
- Margery Piercey
- Jeff Porter
- Bill Pirolli
- Chris Schmidt
- Mary Stone
- Ron Yates

Also present:

- Erik Asgeirsson, President & CEO
  CPA.com
- Michael Buddendeck, General Counsel & Secretary

- Susan Coffey, Executive Vice President
Chairman’s Report

Kimberly Ellison-Taylor, Chairman of the Board, opened the meeting by welcoming the Board members.

Ms. Ellison-Taylor continued by sharing an overview of her interactions with members during the first months as Chairman of the Board of Directors, and she thanked the staff for their support and contributions to the success of the organization.

Approval of the Minutes

After discussion, upon a motion duly made and seconded, the minutes of the December 1, 2016 AICPA Board meeting were approved.

The meeting minutes were authorized for placement on the AICPA’s website.
Approval of Memorandums of Understanding (MOUs)

Ms. Ellison-Taylor asked Board members to approve MOUs allowing the AICPA, as a principal member of the U.S. International Qualifications Appraisal Board (IQAB), to grant minor extensions to the existing mutual recognition agreements (MRAs) with Chartered Accountants Ireland, and with the Chartered Accountants Australia and New Zealand, to April 30, 2017.

After discussion, upon a motion duly made and seconded, the MOUs were approved.

Approval of Associate Member Category for USA non-CPAs

Ms. Ellison-Taylor reviewed the previous actions of Council in Fall 2015, when it approved the creation of a non-voting Associate member category for U.S. non-CPA CGMA designation holders, or those who have entered a pathway to obtain the CGMA designation, if those individuals satisfy education, examination and experience requirements as set by the Board. She described the proposed requirements and milestones for a non-CPA U.S. resident to obtain the CGMA designation, and for entrance into the CGMA Associate membership category.

After discussion, upon a motion duly made and seconded, the Board approved the activation of the non-voting Associate member category for U.S. non-CPAs in the following resolution:

WHEREAS, At its Spring 2011 meeting, Council; a) authorized formation of a CGMA Associate membership category for individuals outside the United States who hold the CGMA designation or who have entered the pathway to obtain the CGMA designation, b) resolved that, unless changed by Council, any U.S. resident must be a voting AICPA member to obtain the CGMA and, c) authorized the Board of Directors to take any action necessary regarding the CGMA designation and CGMA Associates; and

WHEREAS, At its Fall 2015 meeting, Council removed the restriction with regard to U.S. residents who seek to obtain the CGMA designation and authorized opening the CGMA designation to qualified professionals in the U.S. who are not eligible to become voting members of the AICPA if such individuals satisfy education, examination, and experience requirements as set by the Board of Directors;
NOW BE IT RESOLVED, That qualified professionals in the U.S., who are not eligible to become AICPA voting members, shall be eligible to become non-voting CGMA Associates and to obtain the CGMA designation as outlined in the material presented to the Board; and

BE IT FURTHER RESOLVED, That AICPA staff is hereby authorized to take any action necessary to implement the resolution of the Board with regard to CGMA Associates and the awarding the CGMA designation to individuals who are CGMA Associates and satisfy education, examination, and experience requirements.

**Approval of CPE Model Rules Exposure Draft**

Ms. Ellison-Taylor outlined the revisions to NASBA’s Uniform Accountancy Act (UAA) Model Rules regarding CPE programs. She noted that the recent revisions to the CPE Standards necessitated an update to the CPE Model Rules to reflect the new Standards, along with other changes recommended by the UAA Committee, and asked the Board to approve the following resolution to expose the revised rules for comment:

BE IT RESOLVED, That the Board of Directors supports the joint work of the AICPA-NASBA UAA Committee in connection with proposed amendments to the NASBA Uniform Accountancy Act Model Rules relative to continuing professional education (CPE) and hereby endorses exposure of the language in the proposed amendments to the NASBA Uniform Accountancy Act Model Rules that were presented to the Board.

After discussion, upon a motion duly made and seconded, the Board approved the resolution in support of the CPE Model Rules.

**Firms in Transition**

Mark Koziel, Executive Vice President – Firm Services, provided the Board with an overview of the feedback provided on the Firm inMotion presentation from the Spring Council meeting in May 2016. Mr. Koziel specifically noted the differences in feedback received from the various firms based on their respective sizes.

Mr. Koziel’s presentation concluded after gathering Board members’ additional observations.
Opening Credentials to GAA and MRA Bodies

Jeannette Koger, Vice President - Member Specialization & Credentialing, presented background on the extension of AICPA specialized credentials to individuals recognized by non-U.S. accounting bodies. She noted that a pilot program with CPA Canada has been a success, and has created interest from other accounting bodies that are members of the Global Accounting Alliance (GAA) or bodies that have mutual recognition agreements (MRAs) with either the AICPA or CIMA. Ms. Koger reviewed the proposed resolution to extend eligibility AICPA specialized credentials to members of such organizations.

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

BE IT RESOLVED, That any individual who holds a valid accounting designation received from any non-U.S. accounting body that is a member of the Global Accounting Alliance or with which the AICPA or The Chartered Institute of Management Accountants (CIMA) has a Mutual Recognition Agreement, shall be eligible to earn any AICPA specialized credential if such individual is a full and regular member of the non-U.S. accounting body that granted the designation; and

BE IT FURTHER RESOLVED, That from this time forward, any full and regular member of any non-U.S. accounting body with which the AICPA Board of Directors or The Chartered Institute of Management Accountants (CIMA) has a Mutual Recognition Agreement, shall be eligible to earn any AICPA specialized credential.

Insurance Trust Agreements

Scott Spiegel, Vice President - Strategic Partnerships & Corporate Development, provided the Board with a background on the AICPA’s insurance trusts, and outlined several proposed changes to expand the Insurance Trust and Group Trust agreements as follows (proposed changes underlined and bolded):

• Trust (“Eligible Individuals”)
  – an employee of the Company or the Association
  – an individual member of the Company, an individual member of the Association
    and/or an individual member of a state accounting society
• Group Trust ("Eligible Employers")\(^1\)
  – any sole proprietorship, the owner of which is either a member of the Company or the Association,
  – any employer which is a public accounting firm, at least one partner (or other owner or member of the employer) of which is either a member of the Company or the Association, or
  – any employer which is not a public accounting firm, but only if at least 50% of such employer is owned by any one or more persons who are either members of the Company or the Association.

\(^1\) The principal office of the business must be located in U.S. or U.S. territory given ERISA

After discussion, upon a motion duly made and seconded, upon a motion duly made and seconded, the Board approved the changes for the Insurance Trust Agreements.

**Secretary’s Report**

Michael Buddendeck, General Counsel and Secretary, delivered the Secretary’s Report (reflecting membership ballot Nos. 978, 979, and 980 for the time period of 11/20/16 to 1/19/17 admitting 3,478 members, accepting 100 resignations, 60 reinstatements and 569 advances of dues). Upon a motion duly made and seconded, the Board accepted the Secretary’s Report, which is attached under Appendix A of the meeting minutes.

Mr. Buddendeck then provided the Board with a legal update.

**Review Agenda for the 2017 Regional Meetings of Members of Council**

Ms. Ellison-Taylor, along with Barry Melancon, President & CEO and Heather Collins, Director of Governance, presented the draft agenda of the Regional Meetings of Members of Council.

After a review and discussion, the Board approved the agenda.

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There being no further business, the meeting adjourned at 11:57am.