



Executive Committee Meeting Minutes

September 18, 2019

Conference Call

Austin Wachter, CPA, Chair, presiding

Administrative Matters

Members Participating

Austin Wachter, Scott Showalter, Shawana Hudson, Whitney Gann, and George Beckwith

Staff Participating

Sharon Bryson and Mark Sotichack

Call to Order

Austin called the meeting to order at 10:00am and thanked everyone for participating.

Approval of Minutes

The minutes of the May 29, 2019 conference call were unanimously approved, with a motion by George Beckwith, and a second by Shawana Hudson. (Scott Showalter joined the meeting after this vote occurred.)

Governance Discussion Items

- **Nominating Committee Meeting:**

Sharon noted the November 18, 2019 meeting of the NCACPA Nominating Committee will focus on areas of expertise needed on the board, along with possible board member nominee names, with the primary focal point being the 2020/21 Chair-Elect and Treasurer positions.

It was agreed a survey should be sent out to board members ahead of the October meeting to self-identify the skills/expertise of the current board. During the October board meeting there will be discussion concerning necessary board member expertise and future knowledge gaps to determine both "skills needed and skills leaving."

- **Treasurer's Report:**

- Shawana reported FY19 audited financial statements were presented to, and approved by, the Audit Committee on September 5, 2019. The Form 990s for NCACPA and the NC CPA Foundation are still open, but are expected to be completed in the next 2-4 weeks.
- The Investment Committee is meeting on September 23, 2019, to both welcome its newest at-large member, Susan Barrett, CPA, COO of Union Bank, and to review the current portfolio allocation/performance compared to NCACPA's investment policy.
- Shawana noted our financial performance through the end of July 2019 is in line with budgeted projections. Revenue is slightly behind budget, but expenses are also less than expected

leading to a positive contribution margin variance. Overall, NCACPA's actual year-to-date deficit from operations is ahead of budget.

- Mark noted the draft financials for the period ended August 2019 show the positive performance trend continuing. Overall, NCACPA's actual year-to-date deficit is ahead of budget by \$118,000 (before unrealized gains on investments) and \$200,000 (including unrealized gains on investments).

Strategic Discussion Items

• Vision & Mission Task Force

Scott updated the Executive Committee that the Vision & Mission Task Force has completed its work and is prepared to present the proposed new mission and vision statements to the Board of Directors at the October meeting. Scott elaborated on this by noting a few important matters:

- Context around education of what a mission/vision statement should encompass and the topics considered by the Task Force are critical to understand before reviewing the statements.
- The board will be asked to vote on the proposed statements at the October meeting as presented. If anyone feels strongly about changes to the statements, Scott will request those suggestions be shared directly with the Task Force for their further consideration, as opposed to the board engaging in revision/wordsmithing of the statements.
- Lastly, there was agreement that board members should be asked to: (1) review informational resources regarding mission and vision statements; and (2) consider the strategic direction of NCACPA compared to the current mission/vision statements to identify what, if any, gaps exist that should be addressed in the new statements. This information will be included in the board's pre-read material for the October meeting.

• Joint Succession Planning Task Force

Sharon noted discussion of a joint Succession Planning Task Force between NCACPA and the NC State Board of CPA Examiners continues, and that formation of such is expected to occur within the next few months. Sharon intends to approach Mike Gillis about serving on the task force (to continue his leadership efforts on succession planning) and to ask that he assist with identifying additional members.

• Future BOD PAC & Foundation Donations

Austin introduced a discussion about increasing the levels of expected giving by board members with respect to both the NC CPA PAC and NC CPA Foundation. There was agreement that setting an expectation of 100% participation at an increased amount makes sense, but there should be consideration around:

- Adding a statement that allows individuals to contribute based on personal financial capacity; and
- In light of the current campaigns/goals of both the Foundation and the PAC, presenting an appeal to board members to consider – if possible – donations above the existing baseline expectation.

Austin and Sharon will be reaching out to several board members (via phone calls) with this message before the October meeting.

BOD Meeting Agenda

There was discussion about the October board meeting agenda, including a brief introduction of two guest speakers:

- Donald Thompson, CEO of Walk West, who will be facilitating board education and an interactive discussion on the topic of Diversity & Inclusion; and
- Peter Hans, President of the North Carolina Community College System, who will participate in an interactive discussion as to the role the community college system plays in the CPA pipeline.

Other Business

- **CEO Update**

Sharon provided a brief update on the following items:

- Prior to the meeting, she officially signed the CEO Action pledge, which commits her and the Association to furthering efforts in the D&I area.
- Sharon is in the process of setting up a meeting with Mark Johnson, North Carolina Superintendent of Public Instruction, to discuss the role of CPAs regarding HB 924.
- Lastly, Sharon noted the upcoming State Board meeting on Monday, September 23, will include the public hearing to discuss any comments, issues, etc. related to the proposed CPE rule changes.

During this discussion, Sharon noted that in a recent conversation with Bob Brooks, Executive Director of the NC State Board of CPA Examiners, he has included the commentary from NCACPA's *Connect* platform in the pre-meeting package for the State Board and intended to introduce the posts as "letters of comment." The Executive Committee concurred with Sharon this would both be an inappropriate use of comments shared on a private member platform, and could detrimentally impact the role of Connect going forward if users begin censoring themselves. Sharon will follow up with Bob to further discuss this matter, and to make him aware of comments she is prepared to make on behalf of NCACPA during the State Board meeting.

- **COO Update**

Mark provided a brief update on the NC CPA Foundation's work this year, including:

- Peer-to-peer fundraising since August 1st of approx. \$25,000, but YTD total contributions are closer to \$80,000, including sponsorship contributions and prior donations.
- The scholarship application window has been open for two weeks and there are already 120 applications in the pipeline.
- The NC CPA Foundation is rolling out a Legacy Scholars Program, where a donor can secure naming rights to a scholarship for an investment of \$50,000. Mark noted there is already one secured commitment, with a second possible commitment by September 30th.

Adjournment

There being no further business, Austin thanked everyone for their participation and adjourned the meeting at 11:28am.

Respectfully submitted,
Sharon Bryson,
Secretary to the Board