



NCACPA Board of Directors Meeting Minutes

October 2-3, 2019

Grand Bohemian Hotel, Asheville, NC

Austin Wachter, CPA, Chair, Presiding

Members Participating

George Beckwith
Whitney Gann
Mike Gillis
Shawana Hudson
Scott Hughes

Kelli Knoble
Jared Korver
Jonathan Kraftchick
Beth Monaghan
Abi Raja

Rob Rowan
Scott Showalter
Arleen Thomas
Michelle Tracz

Staff Participating

Sharon Bryson, Mark Sotichick, Nikki Vann, Amelia Hodges, Lorrie Leonhardt, Teka Miller, Jackie Asekhauno, Moira Gill, Carly Rutledge, and Lisa Seaton.

Guests

NC State Board of CPA Examiners (NCSBCE) Deputy Director, David Nance; NCACPA Legislative Counsel/Lobbyist Dave Horne, Esq., Smith Anderson; Donald Thompson, CEO Walk West, Inc.; Peter Hans, President of the North Carolina Community College System.

Administrative Matters

Call to Order

Austin Wachter called the meeting to order and welcomed members of the NCACPA Board, staff of the NC State Board of CPA Examiners (NCSBCE), various members of the NCACPA team, and other invited guests. Austin invited the CPAs in attendance to stand and recite the "Oath of a North Carolina CPA."

Consent Agenda

Austin inquired if the Board had any questions/comments concerning the June 20, 2019 Board of Directors meeting minutes. There being none, a motion was made and unanimously approved to accept the minutes as written.

Strategic Discussions

Governance & Operational Effectiveness

Peer Review Update

Nikki Vann shared an update on the potential partnership of the Maryland Association of CPAs (MACPA) and NCACPA as relates to peer review administration. MACPA has been in the process of seeking approval from its Board of Directors related to fee and billing schedule changes, which would align with NCACPA procedures. MACPA board approval is needed before moving forward with the collaboration between

NCACPA and MACPA. No NCACPA board action is needed until MACPA receives approval on the above matters.

Enhanced Engagement

Diversity & Inclusion Interactive Discussion and Deep Dive into Increased Advocacy & Awareness

Austin Wachter introduced special guest Donald Thompson, CEO of Walk West, who led a conversation of diversity and inclusion (D&I) initiatives. Following a candid discussion on the importance of - and barriers to - D&I, Donald assisted the board in collectively determining actionable steps to take based on groundwork previously laid, and goals around the impact NCACPA desires to make in the future. Donald stressed that we begin by keeping it simple, that we are not overly ambitious, and that we maintain "tone at the top" support of our D&I initiatives.

Based on a highly interactive group discussion, the following actionable steps were suggested for consideration:

- Share D&I educational content with our members (i.e., a webinar series).
- Incorporate "sound bite" D&I content within NCACPA educational programs, which could take the form of survey questions, or providing a brief verbal update on the success of Association D&I efforts.
- Create consistent D&I definition and messaging throughout all events, meetings, and engagements.
- Create "committees" within the board to establish goals and maintain accountability and measure progress. For example, a group dedicated to defining D&I, a group focused on D&I programming, etc. Ensure follow-up is discussed at future board meetings.
- Make our D&I efforts repetitive, everyday events...and focus on how to incorporate D&I into what we're already doing.

It was agreed further consideration of each of these suggestions would occur, with the first action being the creation of a small ad-hoc task force to further define diversity and inclusion....with their primary objective being to produce a unified, shared definition for our Association.

Increased Advocacy & Awareness

CPA Pipeline Interactive Discussion

Peter Hans, President of the North Carolina Community College System (NCCCS) joined the board meeting to share his experience and knowledge of the educational opportunities available to North Carolinians. After providing some history and background of the NCCCS, Peter opened the discussion by suggesting how NCACPA and the NCCCS could work together to address the changes in the accounting profession, especially the trends in increased automation. Several key ideas were discussed:

- Current curriculum in high schools and community colleges is under-challenged compared to where technology is trending.
- Marketing for the community college system is essential to identify and promote career pathways, making them appealing to students...and communicating that the NCCCS and the accounting profession are modern, diverse, and full of opportunities.

Peter cited the incredible value that would result from NCACPA and the NCCCS working together to identify career options for immediate employment and spotlighting opportunities in the accounting profession. He suggested NCACPA reps meet with the NCCCS Chief Academic Officer to discuss curriculum needs and related marketing opportunities. It was agreed dialogue between the NCCCS and NCACPA will

continue as we address both the needs of the profession and our state's community college system, and how these two entities can best work together.

House Bill 924 Update

Sharon Bryson and Dave Horne updated the Board on HB924 - *Teacher Contract Changes*, which passed the state legislature in July 2019. The bill notably includes a personal finance graduation requirement of all high-school students in the North Carolina public school system, which will become effective in January 2021.

NCACPA has been in communication with the North Carolina Council for Economic Education (NCCEE), which is the organization charged with creating the personal finance course curriculum. Scheduling a meeting is in process between NCACPA and NCCEE, and an additional meeting between NCACPA and the North Carolina Superintendent of Public Instruction, Mark Johnson, is also in the works. The Association hopes to have a role in the training of public-school teachers who will lead this new curriculum, and we have already received interest from dozens of NCACPA members who wish to participate in this effort.

Governance & Operational Effectiveness

Vision & Mission Statement Task Force Report

Scott Showalter provided an update to the board on the progress the task force made in evaluating the current NCACPA vision and mission statements. It was acknowledged the need for changes was based on current and future profession trends, and the desire to adopt statements that will provide long-term relevancy and promote ongoing strategic growth. The task force evaluated statements from other state societies, industries, and relevant non-profits. After much discussion on the presented statements, the following were approved by the board:

- Vision Statement Recommendation:
A highly valued accounting profession advancing the success of individuals and organizations.
- Mission Statement Recommendation:
Enhancing the accounting profession and the community it serves through advocacy, connections, education, and resources.

It was agreed NCACPA will need a comprehensive communication plan to include channels for feedback from members and volunteer leadership, with specific reference to an article in the *Interim Report*, and a video recording of Scott's presentation for future use.

Identification of Future Board Characteristics and Skills Needed

Austin Wachter shared the results from the recent Board survey regarding current skillsets by term year. It was noted that the preferred skills should also be considered for the nomination of not only directors, but also a potential treasurer and chair-elect. The Board discussed various desirable skills the Nominating Committee should consider and seek in future directors. They are:

- Firm size, both large and small;
- Diversity, keeping with our D&I strategic initiatives;
- Non-CPAs, including those in another business sector such as technology or economics, with a deep link to the accounting profession.

Financial Matters

Shawana Hudson presented NCACPA's 2019 audited financial statements and provided an overview to the board with regards to communication matters for those in governance. There were no material weaknesses or material unadjusted differences within the financial statements, and NCACPA received an unqualified audit opinion. There being no questions, a motion was made, and the audit was approved.

With respect to the August 2019 financials, the Association has pulled out some cash that is invested in a sweep account so we can earn more interest. On the P&L side, based on normal activities of the Association, we had budgeted for a deficit of \$430,000, but based on our performance to-date the deficit is much smaller, at approximately \$230,000.

Shawana shared a report of the Investment Committee meeting held in September. Vanguard provided an update on the current investment climate. The Association's investment policy states that we maintain an even mix of equity and fixed-income securities. Vanguard recommended that we reduce the investment in real estate, so we have accepted that advice and will rebalance the portfolio accordingly.

Austin reminded the board that during the budget discussion in the January 2020 conference call, we will ask for recommendations as to how we can best use our financial reserves, including the balancing of the budget versus investments. We will want to provide a unified message to the membership to clarify how we invest. Shawana indicated we are soliciting the help of our advisors to assist us with language around our investment strategy.

Nikki provided a brief update on the Association's 401K program. She will attend an upcoming meeting with the advisor and third-party administrator for the investment account. Nikki confirmed that when payroll is processed, the 401k payments are made and transferred immediately into the investment account. Likewise, the fund analysis is completed, and annual contribution and matching funds are made by the April 15 deadline.

Discussion of BOD Member Responsibilities re: Foundation & PAC Donations

Board members were encouraged to continue to support our NC CPA PAC, as well as the NC CPA Foundation. Austin stressed the imperative goal of having 100% board member participation in each. He provided an update on board donations, noting we have 12 PAC contributors and 12 Foundation contributors.

Other Business

Teka Miller, NCACPA Director of Membership, shared *2019 Ring in The Members* revenue is approaching \$95,000, and that we have achieved a 31% renewal rate among those lapsed members who were contacted by NCACPA staff members.

Nikki Vann shared an update on the Executive Dashboard project. The team is working with their third-party vendor on the implementation of our cloud-based business intelligence platform and will also be participating in boot camp training, with the next step resulting in an Executive Dashboard.

Adjournment

There being no further business to conduct, the meeting was adjourned. The next meeting of the Board of Directors is scheduled for January 15, 2020, and will be held as a conference call.

Respectfully submitted,
Sharon H. Bryson, M.Ed., CEO
Secretary to the Board