



NCACPA Board of Directors Meeting Minutes June 18, 2020 Kelli Knoble, CPA, Chair, presiding

Members participating

Walter Davenport	Kelli Knoble	Abi Raja	Bryan Swerbinsky
Whitney Gann	Jared Korver	Jose Rodriguez	Arleen Thomas
Shawana Hudson	Alex Lehmann	Rob Rowan	Michelle Tracz
Scott Hughes	Beth Monaghan	Scott Showalter	Austin Wachter

Staff participating

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

Guests

NC State Board of CPA Examiners Executive Director, Bob Brooks; NCACPA Legislative Counsel/Lobbyist Dave Horne; CEO, Pillar Consulting, Dr. Bahby Banks; and EY Americas Director of Inclusiveness Recruiting, Ken Bouyer.

Administrative Matters

Board Chair Kelli Knoble called the meeting to order and welcomed members of the NCACPA board, including new 2020-2021 board members Jose Rodriguez and Bryan Swerbinsky, and members of the NCACPA team. Kelli noted several guests would be joining us later in the meeting.

Sharon recognized the NCACPA staff on their planning of our first virtual Newly Licensed CPA Recognition celebration occurring this evening, noting registrations for the event have topped 140, and are still climbing. Sharon added we are honored to have Chief Justice of the NC Supreme Court, Cheri Beasley, administering the Oath of a North Carolina CPA during the event. She also commented a number of NCACPA Board members, State Auditor Beth Wood, NC State Board President Michael Massey, Young CPA Cabinet members, committee leaders, and staff all participated in recording videos for the Recognition.

CPAs in attendance recited the *Oath of a North Carolina CPA*.

Consent Agenda

Kelli inquired if there were any comments concerning minutes of the March 18, 2020 Board of Directors meeting (held via conference call). There being no questions or comments, a motion was made and unanimously approved to accept the minutes as written.



Strategic Discussions

Increased Advocacy & Awareness

Advocacy Update, 2020 Legislative Priorities, and NC CPA PAC status

Sharon referenced the legislative report document in the pre-read materials and highlighted several of those areas. Both Sharon and Dave Horne acknowledged the coordinated member outreach - and the response from our members regarding engagement with their respective state legislators – has had a significantly positive impact on our advocacy efforts. Sharon gave special recognition to Jason Poole, Chair of our Advocacy Advisory Council, as he has been involved with our advocacy initiatives at both the state and federal level.

Sharon commented that although we have not actively solicited PAC contributions in 2020 due to COVID-19, we have raised \$36,619.20 since April 1, 2019. This includes \$10,000 from the Deloitte federal PAC and another \$5,000 from PricewaterhouseCoopers LLP, earmarked for our general advocacy efforts. It was noted our goal for PAC donations thru September 30, 2020, is \$50,000. Kelli referenced the expectation that 100% of our board members contribute annually to our PAC and thanked everyone in advance for doing so.

NC State Board/NCACPA Succession Planning Task Force Update

Sharon noted the NCACPA/NCSBE Succession Planning Joint Task Force has held two meetings to date. The first meeting involved a high-level discussion focusing on a rule change at the State Board level. The second meeting was a broader conversation about possibilities and questions related to a rule change and also a focus on the appropriate transfer of client records. The third meeting is scheduled for August of 2020. Sharon thanked the NCACPA task force members, including Ken Gibbs, Mike Gillis, Ben Hamrick, and Kelli Puryear. Mark added NCACPA will be reaching out to professional liability carriers to receive their input regarding the succession planning topic as well.

Strategic Quadrant Focus on Governance & Operational Effectiveness

Coastal Peer Review, Inc., formation

Mark presented an overview of the collaborative venture between NCACPA and MACPA (Maryland) in forming the Coastal Peer Review, Inc., program. Since March, finalized efforts have included a memorandum of understanding, financial projections, program decisions, and articles of incorporations/by-laws that have been reviewed by legal counsel. Sharon acknowledged the support of the Peer Review Committee, and the ongoing efforts of Mark Sotichack, Nikki Vann, and Mary Kelly throughout this entire process. Kelli acknowledged the Executive Committee has spent significant time reviewing the information being presented to the board and shared specific elements of that discussion previously held with the NCACPA team. Based on a question posed, Mark provided insight as to what success would look like regarding this venture, with the primary definition being sustainability of the peer program for our members, as well as MACPA's.



Kelli inquired if there were additional comments concerning this collaborative venture. There being none, a motion was made and unanimously approved regarding the formation of Coastal Peer Review, Inc.

Diversity & Inclusion

Our D&I Efforts/ Our Path Forward?

Sharon introduced Ken Bouyer, EY Americas Director of Inclusiveness Recruiting, and current NCACPA D&I consultant, Dr. Bahby Banks, CEO of Pillar Consulting. After each of our guests shared their respective professional backgrounds and personal perspective regarding our session topic, there was a period of interactive discussion. Key takeaways from the discussion included:

- What will each of us do differently going forward...as we use our privilege for good.
- Be aware hiring is only the beginning, as many of our black professionals have lost their identity while trying to fit into the current structure of accounting firms. In addition to hiring, consider the environment you are creating for the development and retention of minority staff.
- Our black professionals are struggling right now, and employers have the responsibility to check in with them.
- Reminder to ask ourselves how we each approach D&I from where we sit.
- We have to ask ourselves why these issues matter to us on an individual basis. Our guests indicated many individuals in "the frozen middle" are now having a related "aha moment."
- Transition the mentality of NCACPA, firms, and organizations, to consider D&I as a major component of their organizations.
- It was noted NCACPA must take actionable items – both internally and externally – incorporating a D&I infrastructure that is measurable.
- There was discussion concerning recognition of the line between reacting and responding...and that as our goal is to get it right - we must choose efficiency over expediency.
- Communication in this area is all about respect and empathy, and that we must ask questions of each other and ourselves in order to move forward.

Dr. Banks reported she is in the process of wrapping up her review of NCACPA's prior D&I efforts by studying documents, files, and previous communications. Next steps will include presenting her findings and conducting a cultural survey assessment with NCACPA staff and volunteer leadership. Dr. Banks summarized her comments by saying she feels NCACPA can be very impactful in the D&I space, with the overarching question being... "how far do we want to go?"

Enhanced Engagement

Use of the CPA Title in NC as Relates to a New Candidate's Experience Affidavit & Social Media

Whitney Gann provided an update on actions taken in this area since our March board meeting. She noted the NCACPA Membership Committee has been engaged in providing feedback from new CPAs in our state and additionally, on letter templates provided by the NCSBE that are sent to non-compliant CPAs. Whitney added key deliverables as part of this effort will be:

- An FAQ document covering this entire process (including proper use of the CPA title in a LinkedIn profile, who is authorized to sign a new candidate's experience affidavit, etc.); and
- Resources on our NCACPA website to assist new CPAs moving into our state.



Governance & Operational Effectiveness

Committee Restructure Task Force Update

Chair Scott Showalter provided an update on the task force by first recognizing members of the group: Amin Ainolhayat, Michelle Tracz, Melisa Galasso, Kristin Pappas, Jack Schmoll, and Osei Sencherey - with Jackie Asekhauno and Sharon Bryson serving as staff liaisons. Scott noted the overall purpose of the task force is to determine if existing committee structures are fully aligned with our NCACPA strategic plan. The timeline/objectives are:

- Recommended association committees aligned by strategic quadrants (October 2020 BOD meeting)
- Recommended operating procedures for association committees (January 2021)
- How will recommendations be implemented? (February/March 2021)
- Final implementation of recommendations will begin May 1, 2021

CEO Prioritization Update/Benchmark Report

Sharon recognized the efforts of the NCACPA management team - enabling us to track and communicate progress - while simultaneously dealing with the influx of changes due to COVID-19. Sharon noted specific accomplishments in the first two quarters of 2020, including the engagement of D&I consultant Dr. Bahby Banks, our Peer Review collaboration with MACPA (along with other organizations in our footprint), work of the Committee Restructure Task Force, and an upcoming virtual meeting the management team will conduct with DMJ. Mark commented that with the numerous challenges presented since March 2020 - remote operations, virtual education programming, etc., we remain focused on moving forward with all efforts noted in the Report.

Financial Matters

Year-end Financial Statement Report

Treasurer Whitney Gann reviewed the year-end financial statement as of April 30, 2020, noting we had a slight net surplus due to higher than budgeted CPE revenues that were predominantly offset by additional IT investments, website consulting, and coaching for the staff and management team. It was noted that although COVID-19 impacted our organization in March, the financial impact did not begin until May. Our two largest revenue streams remain membership dues and CPE revenues. Revenues from member dues are down as compared to last year, and while dues are lagging, positive indicators are leading us to believe the lag is more of a timing issue and we expect to see an increase in renewal revenue in June 2020.

While we do have reduced CPE revenues, the margins are comparable to previous years. The team created an analysis to determine new registration numbers needed to breakeven with virtual events. NCACPA is starting to entertain demos for a new conference platform and we will continue to evaluate the learning environment (live vs. virtual) through the end of the year. The primary focus of these decisions remains the health and safety of our staff and attendees while continuing to offer high-quality education.

COVID-19 is challenging NCACPA in multiple ways as we work to provide creative solutions, establish partnerships, and identify additional revenue generators.



Despite poor investment performance due to COVID-19 throughout the first six months of the year, performance has only declined 4% since January 1, 2020. Whitney noted we continue to refresh our budget to reflect cost-cutting measures including a reduction in training and travel, and not filling staff vacancies. Nikki and Mark are developing a tool to help us monitor the impact of COVID-19 on our operations, and our financials.

Audit & Investment Committee Status

Whitney noted our external auditors, CohnReznick, will be doing field-work next week and thanked Audit Committee members Abi Raja, Scott Hughes, and Walter Davenport for the expertise they have provided to the audit process. The Investment Committee is planning to meet mid-summer.

Other Board Responsibilities

Mark congratulated NCACPA Director of Professional Development Amelia Hodges, CMM, CMP, who has been named President of the Meeting Professionals International Carolina's Chapter.

Scott Showalter commended the NCACPA staff for their work in partnering with NCSU to conduct the Summer Leadership Conference. This year the conference is comprised of 4 virtual sessions, and to-date, two have been held with significant student attendee participation.

Adjournment

There being no further business to conduct, Kelli Knoble thanked everyone for their participation and adjourned the meeting at 12:57pm.

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