



# NCACPA Board of Directors Meeting Minutes June 21, 2018 Benton Convention Center, Winston-Salem, NC Rollin Groseclose, CPA, Chair, presiding

## *Members Participating*

Rollin Groseclose

Eddie Sams

Whitney Gann

Austin Wachter

Sarah Bruce (via conference call)

Dianne Uzzell

Shawana Karkouki

Donna Taylor

Scott Hughes

George Beckwith

Kelli Knoble

Amin Ainolhayat

Michelle Tracz

## *Staff Participating*

Sharon Bryson, Mark Sotichack, Nikki Vann, Amelia Hodges, Lorrie Leonhardt, Moira Gill, Chandler Wright, Holly Bazemore, and Alexis Verbic.

## *Guests*

NC State Board of CPA Examiners (NCSBCE) Executive Director, Bob Brooks; and Deputy Director, David Nance; NCACPA Legislative Counsel/Lobbyist Dave Horne, JD, Smith Anderson; Heather Cozart, Dixon Hughes Goodman LLP (via conference call); Gracie Johnson-Lopez, Diversity & HR Solutions; and Rick Niswander, NCACPA AICPA Board Liaison, East Carolina University.

## **Administrative Matters**

### *Call to Order*

Rollin Groseclose called the meeting to order and welcomed members of the NCACPA board, staff of the NC State Board of CPA Examiners (NCSBCE), the NCACPA Management Team, and other invited guests. Rollin individually introduced two new board members in attendance, Michelle Tracz and Scott Hughes, and asked them to say a bit about themselves - after which the CPAs in attendance stood and recited the "Oath of a NC CPA."

### *Consent Agenda*

Rollin Groseclose inquired if the board had any questions or comments concerning the minutes of the March 22, 2018 Board of Directors meeting. There being none, a motion was made by Dianne Uzzell, seconded by Shawana Karkouki, and unanimously approved by the board to accept the minutes as written.

### *NC CPA Foundation Leadership Gift*

In response to the passing of NCACPA Chair-Elect Bill Ezzell in April, board member Scott Showalter previously proposed (via Connect) that each Board member make a leadership gift to the NC CPA

Foundation of \$1,000 in Bill's honor. Rollin mentioned he was pleased to see donations coming in, and looked forward to seeing each board member contribute.

## Strategic Discussions

### Governance & Operational Effectiveness

#### *Association Governance*

With the passing of 2017-18 NCACPA Chair-Elect Bill Ezzell – from a governance perspective – Rollin explained where we are now as a board, and where are we headed.

1. The board needs to elect a qualified individual to fill the vacancy of the 2017-18 Chair-Elect position (Pursuant to Article VIII, Section 2 of the bylaws). NCACPA Board member Scott Showalter previously agreed to accept the 2018-19 Chair-Elect position. With the loss of Bill, Scott agreed to step into this vacancy. Rollin asked if there were any questions or comments. There being none, George Beckwith made a motion to accept Scott Showalter as 2017-18 Chair-Elect, Donna Taylor seconded, and all approved.
2. Rollin conveyed there is also a need to fill the 2018-19 Chair-Elect position. The 2018 NCACPA Nominating Committee was asked to recommend a candidate for this role, and prior Association Board member Austin Wachter was named. On June 27 the NCACPA Annual Business meeting will take place, and at that time a vote will be taken to approve Austin Wachter as Chair-Elect, Shawana Karkouki as Treasurer, along with Directors Michelle Tracz, J. Scott Hughes, and Walter Davenport (Pursuant to Article VII, Section 2 and 3 of the bylaws).

Rollin mentioned the two Directors previously named by Bill Ezzell to serve on the 2018-19 Executive Committee are Jonathan Kraftchick and Kelli Knoble. Only an affirmation is needed from the board – a vote is not required.

The rescheduled 2018 Annual Business meeting will be held as a webinar, and all board members were asked to register, as a quorum of 50 members must participate in order for the voting to take place. Also, the 2018 Leadership Summit and Recognition Dinner will be held on July 31 and August 1, at the Raleigh Marriott City Center, Raleigh.

Rollin thanked all board members whose term is ending, at which time Donna Taylor expressed appreciation to Rollin for extending his term until the June 27th Annual Business meeting...and the entire board recognized Rollin for his outstanding service as 2017-18 Chair.

### Enhanced Membership Engagement

#### *Diversity & Inclusion Task Force Report*

Heather Cozart, Chair of the NCACPA Diversity & Inclusion Task Force, started the conversation (via conference call) by providing an overview of the Diversity & Inclusion statement, strategy and definition compiled by the Task Force. She then reviewed the recommended goals identified to promote an inclusive culture which aligns with the NCACPA Strategic Initiatives.

Heather referenced that during their work, the Task Force engaged the support of consultant Gracie Johnson-Lopez, President of Diversity and HR Solutions, Raleigh. Gracie fielded questions from the board stemming from information found in the report, spoke to the overall topic of diversity, and also addressed recommended goals of the D&I Task Force. A robust conversation continued with questions, as well as comments on various views of this initiative. It was agreed to move forward by sharing the Task Force

recommendations with attendees at our upcoming NCACPA Leadership Summit, with the intent that a related path forward would be included as part of that discussion.

Heather was thanked for her leadership, and the entire D&I Task Force was recognized for their efforts on behalf of the Association, and for presenting this information to the Board.

## Increased Advocacy & Awareness

### *Membership Awareness*

Rollin introduced Rick Niswander, NCACPA AICPA Board Liaison, who gave a brief overview of AICPA's joint venture with CIMA. He stated that while much has been accomplished, there is still significant work to be done as part of combining two major membership organizations.

Rick then introduced the topic of *Future-Proofing the CPA: Pathways to CPA Licensure*, previously discussed at both Spring Regional Council, and during the May AICPA Spring Council meeting. Rick stressed this proposed concept is still very much in the formative stage, and that member input is vital. The board shared their thoughts, along with their questions and concerns. Comprehensive notes of the discussion were taken and as requested, will be sent to the AICPA for consideration (please be aware those notes are attached to this document.)

### *Profession Advocacy*

Dave Horne and Sharon Bryson presented on the Association's latest advocacy efforts, highlighting progress made since the March board meeting.

### **NC Department of Revenue (NCDOR) Income Tax Extension Repeal**

A provision allowing an automatic state extension for taxpayers who are granted a federal extension (for income tax returns and franchise tax) was signed into law on June 12, 2018 in SB 99, *Appropriations Act of 2018* (Sec. 38.4(a)). This will be effective for taxable years beginning on or after January 2019. It was acknowledged Rep. Bill Brawley was a champion for the Association in pushing for this provision to be included in the state budget.

Sharon and Dave reiterated that this provision would not have been possible without the outreach of a number of our members to their legislative representatives.

It was also stressed that the key to NCACPA's continued successful advocacy efforts will be a combination of preparation, participation, and persistence.

### **Legislative Agenda Update**

Dave touched on SB 75, *Constitutional Amendment – Maximum Income Tax Rate of 5.5%*, which will appear on ballots as a referendum in the November elections. Headed into the long session, NCACPA will continue to monitor SB 735, *Various OLB and Administrative Law Changes*, and HB 974, *Occupational Licensing Board Reforms*.

Market-Based Sourcing: The Association will work on a coordinated approach with the DoR leading up to the long session, and also reach out to key legislators who can help move this issue forward.

- Power of Attorney: NCACPA has had conversations with the NC Bar Association, and have their full support. We will begin discussions with the Department of Revenue leading up to the long session.

- Depreciation Adjustment (Section 179): NCACPA met with the legislative analysis team in late April, and they appeared receptive to our proposed revision to the current statute.
- Data Privacy Reform: NCACPA will monitor forward movement made on this proposed legislation, which stands to negatively impact small businesses in the state.

### **Wayfair V. South Dakota**

The Supreme Court overruled the Quill case in favor of South Dakota, indicating states can collect sales tax from companies that have a sales presence in that state. This raises questions surrounding the current economic nexus statute, and the impact on multistate corporations.

### **Member-Driven Committees**

Sharon updated the board on the newly-formed Advocacy Advisory Council, which met in June. The Council is a small group responsible for the oversight of legislative priorities and PAC activity, as well as increasing member involvement in advocacy.

### **NC CPA PAC**

Sharon reported a significant increase in donors and funds raised since the March board meeting (from two to 80 donors, and \$350 to \$9,350). The new branding of the NC CPA PAC was also shared.

### **Advocacy Communications**

Moira Gill, Advocacy & Communications Strategist, briefly presented on the Association's latest efforts in advocacy communications with the membership. This included the new CPA Impact newsletter, increased content, and a new (forthcoming) section of the NCACPA website.

## **Other Board Responsibilities**

### *Financial Matters*

Treasurer Dianne Uzzell directed the board to the 4/30/18 fiscal year unaudited financials. Dianne thanked the staff for their hard work, at which time Donna Taylor acknowledged the Professional Development team for running very successful programs that contributed substantially to the Association's bottom line. Dianne added there was nothing to report from the Investment Committee at this time, as they will be meeting in July. She concluded her report by noting the NCACPA annual audit is currently in full swing.

## **Adjournment**

There being no further business to conduct, the meeting was adjourned. The next meeting of the Board of Directors is scheduled for August 22, 2018, and will be held as a conference call.

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