The CTCPA Bylaws Proposals:

Pros and Cons Discussion

Proposal #1
To restructure the CTCPA membership to comprise two main categories of membership: Certified (CPA) Member and Associate (non-CPA) Member.

Select individuals who would qualify to become Associate Members are accounting educators, enrolled agents, paraprofessionals, tax attorneys, and other staff who work under the supervision of a CPA and are sponsored by a Certified Member.

Proposal #2
To modernize the bylaws to reflect how the CTCPA functions administratively in the year 2012.

These changes seek to bring the bylaws in line with today’s business environment.

www.ctcpas.org/bylaws
Vote online November 1 - December 15, 2012.
Discussion

This proposal would update and restructure the five current membership classes of Fellow, Associate, International, Honorary, and Public Accountant to the two main classes of Certified Member and Associate (non-CPA) Member.

A Certified Member would be a CPA in Connecticut or in another state, or the equivalent of a CPA in another country.

An Associate Member would, by definition, be an individual who is not a CPA but who is employed in a professional capacity in a public accounting firm, or who is employed under the supervision of a CPA in industry, government, a not-for-profit organization, or a business entity other than a CPA firm and who provides or facilitates accounting services or advice to one's employer or to the clients of one's employer or to the clients of any other person. An Associate Member would have to be sponsored for membership by a Certified Member. Such membership would terminate at the end of the society’s next fiscal year immediately following the termination of the employment relationship.

Control of the CTCPA would remain firmly and exclusively in the hands of its Certified Members.

Only Certified Members Could:

- Serve on the Board of Directors,
- Serve as officers,
- Serve on the Nominating Committee or Audit Committee, or
- Vote on issues requiring the vote of the membership.

In addition to Certified Member and Associate Member, two other classes would remain: International Member and Honorary Member. International Members are CPAs or the equivalent in another country and would have the same rights as Certified Members. (There are currently five International Members.) Honorary Members are non-CPAs recognized by the society in appreciation for service to the profession. They cannot vote or hold office. (There have been two Honorary Members, now both deceased.)

Proposal #1
To restructure the CTCPA membership to comprise two main categories of membership: Certified (CPA) Member and Associate (non-CPA) Member.

Online Voting is Here!

In the most recent bylaws revision (December 2008), members voted overwhelmingly (87 percent) to conduct future bylaws votes via electronic ballot. Accordingly, the 2012 vote will be exclusively online.

No more tearing out ballots to fold, tape, and return by mail (and no more paper cuts!). You’ll also help save a tree and some postage.

Each member with an email address listed in our database will receive voting information via email. With a simple click, you’ll be able to follow a link to cast your vote.

We need at least 10 percent of the total membership to vote in order for a vote to be considered valid. For an amendment to pass, the vote must carry a two-thirds favorable majority.

Do we have your current email address?
You can update your profile online at www.ctcpas.org/update or send your update to Caitlin Bailey O’Neill at caitlinb@ctcpas.org.

Don’t have an email address?
You can simply visit our website at www.ctcpas.org/bylaws from November 1 to December 15, 2012 to cast your vote.

Currently, 34 other state CPA societies around the country allow non-CPAs to join in some capacity – including New York and Massachusetts.
Two categories that would be eliminated as part of this proposal are Affiliate and Public Accountant.

An Affiliate is defined as a candidate who has passed all parts of the CPA Exam and is awaiting certification. Since the original creation of this category, there have been several changes to the laws and regulations regarding initial certification. These changes have effectively made this membership category unnecessary, as individuals are attaining their needed experience faster in relation to their passing the CPA Exam.

The Public Accountant license was eliminated years ago when state law converted all remaining Public Accountants to CPA status, so this category of affiliation is no longer needed.

**Pros**

This proposed amendment would enable non-CPA professionals who report to CPAs in public accounting, industry, or government to become Associate Members of the CTCPA.

Public accounting firms today provide far more than just accounting services, and, by necessity, employ professionals other than CPAs – paraprofessionals, enrolled agents, tax attorneys, and other staff. Allowing these individuals to participate via limited membership would expose them to a greater knowledge base and the professional ethics to which all CTCPA members must subscribe.

The state of Connecticut recently recognized these changes within the profession and passed Public Act 12-194, "An Act Concerning the Ownership of Public Accounting Firms and the Use of the Title 'Certified Public Accountant.'" This law permits non-CPA minority ownership of public accounting firms, up to 49 percent, by employees who are actively engaged in the administration of the firm or delivery of professional services to clients. It would follow that if these individuals can participate in the ownership of public accounting firms, the CTCPA would benefit from their involvement in the organized profession.

Over the years, the CTCPA has been forced to implement a number of workarounds to improve the value it delivers to members and their firms who employ non-certified staff. A number of these workarounds – and the issues that necessitated them – would disappear if select non-CPAs were able to associate with the society.

- Many CTCPA members recognize the quality of our continuing professional education and choose to send their non-certified staff to our programs but are unable to utilize the member discount when doing so. Approximately a decade ago, to bring additional value to the firms, the CTCPA implemented a program known as the "CPE Subscriber" program. For an annual flat fee, an individual would be able to purchase CTCPA CPE at the member rate for one year. This workaround currently benefits 50 to 100 individuals – and, consequently, their firms – annually.

- Eight CTCPA committees, including the Financial Institutions Committee, the Employee Benefit Plans Interest Group, and the State Taxation Committee, currently include nonmembers. The experience and insight that these individuals working in their respective niches bring to committee meetings are invaluable to the groups’ discussions and planning.

- According to the current bylaws, Pledges are only eligible to retain Pledge status for five years after receiving a bachelor’s degree. In theory, over the course of those five years, an individual could earn the additional 30 credits and experience and pass the CPA Exam, thereby becoming a full-fledged member of the society. For a variety of reasons, however, the certification process can take longer than five years. At a time when these new professionals can greatly benefit from CTCPA affiliation for exam review course discounts, education, advice, and more, they find themselves timing out of the Pledge program and unable to fit into any other category. With the demographic shifts happening within the profession, the CTCPA must be able to fully support these new and young professionals.

- CTCPA has long understood the importance of building strong relationships with the educators who help train the next generation of CPAs. Through conferences and professional development seminars, CTCPA has sought to provide a forum for educators, many of whom are not CPAs and are therefore currently not eligible to join the society, to network with each other as well as meet with practicing CPAs to keep up-to-date with industry trends and hiring managers’ needs.

Allowing these professionals to fully and legitimately associate with the CTCPA would strengthen the membership as a network, a knowledge base, and a unified voice on advocacy issues. Currently, 34 other state CPA societies around the country allow non-CPAs to join in some capacity – including New York and Massachusetts.

This proposal was put forth by the CTCPA Bylaws Committee and accepted and endorsed unanimously by the Board of Directors and the 25-member Advisory Council. Not one member of these three groups dissented in these votes.

**Cons**

Some CTCPA members may perceive the society as an exclusive fraternity “for CPAs only,” and lament the loss of that status.

State law also prohibits non-certified individuals from representing themselves as CPAs. However, allowing non-certified individuals to refer to themselves as “members of the Connecticut Society of CPAs” could potentially create confusion among the public as to whether the individual is a CPA. The onus would be upon the Associate Member, who must adhere to state law and the CTCPA bylaws and Code of Professional Conduct, to make certain not to create any impression that he or she is certified, and to clarify the situation should such an inference be made.
Proposal #2
To modernize the bylaws to reflect how the CTCPA functions administratively in the year 2012.

Discussion
This proposal is administrative in nature. The proposal comprises five main elements; each appears below with a succinct rationale provided for the change.

- **Modernize the definitions of officer responsibilities.**

  These changes reflect the CTCPA’s evolution and growth from an all-volunteer organization to a volunteer organization employing a professional administrative staff.

  For example, the treasurer oversees the CTCPA finances, but he or she does not execute the day-to-day transactions and recordkeeping or manage accounts payable and receivable, etc., as these duties are performed by staff.

- **Increase the size of the CTCPA Advisory Council from 25 members to 30 members.**

  The Advisory Council requested that its membership be increased to further enhance the representation of the diversity inherent to the CTCPA membership, and to increase opportunities for participation in this important leadership body.

- **Change the term used for the “Student Pledge” category to simply “Student.”**

  The term “Pledge” is considered by some to be antiquated and derogatory.

- **Eliminate the requirement to return membership certificates.**

  Very few members return their membership certificates upon resignation or termination. The CTCPA is not equipped to enforce compliance with this provision of the bylaws.

- **Reduce late membership dues payment “grace period” from 90 days to 60 days.**

  In the year 2012, 60 days is a very generous period of time to complete payment of membership dues. Allowing 90 days is unnecessary and causes additional administrative expenses for the organization to resend notices of unpaid dues.

Pros
With these changes, the bylaws will be consistent with the de facto environment in which the CTCPA operates, more than a century after these guidelines were originally created. These changes will enhance operations and allow for future organizational development.

Cons
With regard to accelerating the membership dues payment period, some members may find it disadvantageous to remit their dues in a faster time frame than they are accustomed to.

The CTCPA Bylaws Committee, Board of Directors, and 25-member Advisory Council stand unanimously and enthusiastically in favor of both bylaws proposals.