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DEAR MEMBERS

In a recent [Robert Half International Survey](#), CFOs were asked, “Does your company reimburse its employees for the continuing education units needed to maintain their professional designations, such as CPA or CMA?” Only 29% of those responding indicated that their companies provided full reimbursement, 17% provided partial reimbursement and 50% indicated that no reimbursement was provided.

While no further context or analysis was provided, Robert Half used the survey as an opportunity to point out the competitive advantage afforded to employers offering education benefits in the marketplace not only in terms of attracting and retaining the best employees but also in maintaining a skilled workforce.

Lifelong learning is a core value of the CPA profession and our mission at the AICPA is to “provide members with the resources, information, and leadership that enable them to provide valuable services in the highest professional manner to benefit the public as well as employers and clients.”

We encourage our members to take a performance rather than a compliance approach to continuing education, and in demonstrating the value of professional education and training to employers, following these five steps:

1. **Begin with a development plan** – create a personal vision of your career path and a plan for adding greater value in your current situation.
2. **Assess your personal strengths and development opportunities** - you will find [CAT](#), the AICPA Competency Self-Assessment Tool, a valuable resource for this critical step.
3. **Identify specific training opportunities** - to address the needs revealed in Steps 1 & 2.
4. **Identify milestones and behaviors** – especially for less tangible types of learning, identify specific behaviors or milestones that will help you document your own progress in implementing the skills learned, knowledge acquired and most importantly, the value-added to your employer.
5. **Review and repeat** – make your career and professional development a priority and implement an annual process to make sure you are on track with your own goals.

Speaking of career development, the deadline for applications for the next AICPA volunteer year (Oct. 2006 – Oct. 2007) has been extended to May 15, 2006. If you would like to give back to the profession at the same time as developing as a professional, consider volunteering for one of the many opportunities available at the AICPA by going to [Volunteer Services Web site](#). If you have any questions regarding the applications process, or volunteerism in general at the AICPA, please contact our colleague David Ray at 212/596-6030 or via email at committee@aicpa.org.

Finally, see the article under Career Corner about the nominations deadline for the Business & Industry Hall of Fame – honoring CPAs in business and industry performing at the highest levels.

Best regards,

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Charlottesville, VA
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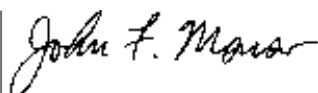
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[AICPA National Restaurants Conference](#)

Las Vegas, NV
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John F. Morrow, CPA
AICPA Vice President
The New Finance

TOP STORIES

B&I Pension Survey: Companies Unable to Provide Adequate Pensions

We recently conducted a survey where when we asked if U.S. companies could continue providing employees with pensions that adequately cover their retirement years, nearly three in four (74 percent) of the respondents to a recent survey of CPA execs in business and industry said no.

A significant number (57 percent) of the 3100 CEOs, CFOs, Controllers and other CPA decision makers responding to the survey believe the rising healthcare costs are the biggest barrier to a company's ability to offer pension benefits. While more than half (54 percent) indicated that the erosion of these benefits would hurt recruiting and retention efforts, nearly a third (30 percent) said the pressures to compete in the marketplace outweighed the pressures to provide retirement benefits.

These results are particularly worrisome when considered in conjunction with a separate poll conducted by Harris Interactive for the AICPA which revealed that 51 percent of Americans age 45 and older have greater worries about short-term financial issues - rising energy costs, uninsured medical expenses, the price of gas and credit card debt - than they do about longer-term concerns like caring for aging parents, lack of savings for an emergency and even retirement itself.

Another interesting finding of the [B&I Pension Survey](#) is that well over half the respondents (59 percent) believe Americans have to educate themselves about retirement savings strategies.

While it is hard to argue against the notion of personal responsibility, research reported on in a recent [Workforce.com article](#) excerpted by BusinessFinanceMag supports the business case for providing financial education to employees. Those results indicate that despite increasing social acceptability of personal debt, debt problems cause stress and anxiety that sap workers' productivity, cause health problems and increase the likelihood they will leave a job in search of better pay.

The article goes on to highlight the efforts that some employers have taken to address this problem such as brown-bag or commercially sponsored lunch sessions and basic financial education courses offered as part of employee assistance programs. Although the impact of these programs on individual behavior is impossible to measure, the benefit, the providers argue, is an increase in morale and retention.

Best Company Profile: Financial Literacy Program in Action

Patricia Cochran, CFO of Vision Services Plan and member of our Business and Industry Executive Committee, is one who believes that providing this sort of benefit to employees is good business. At VSP, a Fortune Magazine "100 Best Companies to Work For in America" company for seven years in a row, Patricia has partnered with her human resources group to provide a series of seven one-hour financial literacy brown bag luncheons conducted by CPAs on her finance team using resources provided by the [AICPA 360 Degrees of Financial Literacy Campaign](#). The topics covered in VSP's seven sessions address the following life stage issues from the Financial Literacy Campaign model:

1. Parenthood
2. Retirement
3. Home Ownership
4. Sandwich Generation
5. Marriage and Couples

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6. College Financing
7. Life Crises

According to Patricia, the employee response to these sessions has been very positive with over 50 people in attendance at the first two sessions at their offices in Rancho Cordova Ca, plus several more who joined via teleconference from their Ohio location. She adds that her staff people conducting the seminars also think it is great. The sessions require little prep because "the PowerPoint slides and handouts are fabulous, and they enjoy being the financial experts and getting that recognition from their fellow employees." What's more, it is a great development opportunity for the presenters.

Controllers Wanted – Help to Plan the AICPA Controllers Workshop

AICPA is looking for a few good controllers to help plan the Annual Controllers Workshop held each year. Conference fees are waived for the planning committee, and you have the opportunity to work with a group of peers who will shape the kind of event that you want to attend. Controllers from small, medium or large organizations are welcome to participate. For further information, please fill out the [form](#) and submit.

Final SEC Small Company Advisory Committee Recommendations Submitted

In recent issues of BusIndNews we have been keeping you abreast of the activities for the SEC Advisory Committee for Smaller Public Companies, especially as they relate to this Committee's proposed recommendations to provide relief from the requirements of SOX Section 404 for smaller public companies. Also, in our last edition we highlighted the [AICPA's Comment Letter](#) addressing the exposure draft of these recommendations.

On April 24, 2006 the Committee issued its final recommendations to the Commission. The provisions applicable to relief from SOX are summarized below. However, if the comments made by SEC Chairman Cox in his testimony before the Senate Banking Committee on April 25 are any indication of what to expect from the Commission, smaller companies should not "bank" on relief. Cox was quoted in a CFO.com article as saying "My goal as chairman is to find a way to make 404 work. It should not be a question of whether to apply it to companies of all sizes, but how."

In summary, what has been proposed is a new categorization scheme based on market capitalization:

- **Larger Public Companies**
 - Market Cap is the upper 94% of all public companies (>\$787 million)
- **Smaller Public Companies**
 - Market Cap is the lower 6% (< \$787 million), consisting of:
 - **Microcap Companies**
 1. Market Cap is lowest 1% (below \$128.2 million), and
 - **Smallcap Companies**
 1. Market Cap is next 5% (\$128.2 - \$787 million)

Within this proposed schema the Advisory Committee is recommending:

1. **Exemption from SOX 404**, subject to achieving certain governance standards, and subject to all other SEC rules, for:
 - Microcap Companies with < \$125 million annual revenues

- Smallcap Companies with < \$10 million annual revenues
2. **Exemption from External Audit Involvement in SOX 404**, for
 - Smallcap Companies with > \$10 million, but < \$250 million in annual revenues
 - Microcap Companies with between \$125 and \$250 million in annual revenues
 3. **New Auditing Standard (ASX)** - in the event that the Commission does not adopt their recommendation for exemption from the audit requirements of S404 for Smaller Public Companies, the Committee is recommending the development of a new cost effective auditing standard (ASX) for the audit of design and implementation of internal control.

How this breaks down in terms of number of companies is summarized in the following table extracted from the [SEC Advisory Committee Final Report](#):

Category	# in Category	% in Category	Relief from Sec 404	Relief Sec 404 Audit	Relief Totals
Microcap	4958	52.6%	49.6%	1.69%	51.2%
Smallcap	2444	25.9%	6.7%	12.9%	18.9%
Smaller Publics	7402	78.5%	56.3%	13.78%	70.1%
Larger Publics	2026	21.5%	.09%	.09%	
Total	9428	100%	56.3%	13.8%	70.1%

There is still a lot to happen on this issue before we get to a decision, with some questioning whether the SEC even has the authority under SOX to make changes. It is an interesting process to watch. We will keep you informed.

SEC Approves PCAOB Rules on Ethics, Independence, Tax Services

The SEC has approved PCAOB proposed rules concerning ethics, independence, tax services and contingent fees. Of the rules approved, they include the identification of circumstances where providing tax services impairs independence and view a registered public accounting firm as not independent if they have a contingent fee arrangement with an audit client. For more information and a list of effective dates, visit the [PCAOB Web site](#) View the [AICPA's comment letter](#) on the recommendations for more information

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TECH CENTER

Mandatory XBRL Filing – Sooner Than Later?

As noted above, SEC Chairman Cox may not be a big fan of providing exemptive relief from SOX Sec 404 to smaller public companies, but he is certainly a strong supporter of XBRL. This [CFO.com](#) article references a comment Chairman Cox made in his Senate Banking Committee testimony last week and notes that a third of Cox's speeches have emphasized the benefits of XBRL, leading to speculation about mandatory filing.

Ask the Tech Expert Service

"Ask the Expert" service on the Store's home page which allows you to direct specific technology questions to our colleague Rich Lanza at rlanza@cpa2biz.com.

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CAREER CORNER

Calling all Hall of Famers!

The Eighth Annual AICPA Business and Industry Hall of Fame Awards induction ceremony will be held this year at the **2006 Controllers Workshop in Las Vegas on July 21**.

The Hall of Fame is made up of a very select group of people who have all, in their own way, made superior achievements and contributions over the course of their careers as financial professionals. Every year, we take a close look at each nominee and choose up to five individuals who we feel best represent the winning spirit of today's strategic CPA.

For more details on what constitutes a strategic CPA worthy of Hall of Fame status or to nominate someone you know who has these characteristics, go to [Hall of Fame](#) and submit a [nomination form](#) by the **May 31** deadline.

AICPA Personal Financial Specialist (PFS) Credential

CPAs in business or industry who provide services in retirement planning, investments, risk management and insurance, or other areas of financial planning should consider obtaining the AICPA's PFS credential. The PFS credential is granted exclusively to CPAs with considerable financial planning experience who want to demonstrate their knowledge, skill, and experience by holding the PFS credential.

CPAs in business or industry who earn the PFS credential can:

- Enhance their image as competent and trustworthy financial advisors.
- Demonstrate commitment to continuously improving financial planning skills and expertise, resulting in increased professional competency.
- Demonstrate commitment to keeping up-to-date in a profession currently experiencing information overload.
- Become part of a community of CPA financial planners with similar interests
- Distinguish themselves as professionals because of the powerful combination of the CPA with a financial planning designation that is exclusive to CPAs.

For more information about the PFS credential and the new simplified application, visit <http://pfp.aicpa.org/Memberships/Personal+Financial+Specialist.htm>.

AICPA Offers Executive Education Customized for CPAs – July 12-14

The AICPA has created an executive education program in conjunction with the University of Southern California Marshall School of Business in Los Angeles.

The programs, one customized for executives in business and a separate program for those in public practice, focuses on strategic planning, communication and leadership skills and offers participants a chance to return to a campus environment and benefit from a renowned faculty with real-world experience. Class size is limited and the program is intensive, in-depth and interactive. The highly participatory and dynamic learning environment uses case studies, current business models, experiential exercises and a team approach.

Registration fees are \$2,495 for AICPA members and \$2,995 for nonmembers. Those who register for the financial executives program by June 7 can save \$200. For more information, call (888) 777-7077 or visit the [detailed program description](#) at CPA2Biz.com.

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Financial Training Decision-Makers: For information on in-house training and tools to manage professional development, go to [AICPA Learning](#) or call 1-800-634-6780, Option 1.

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UPCOMING WEBCASTS

CFO Roundtable Series Q2 2006 – May 17 - [Financial Fraud from the Fraudster's Perspective](#)

In this live, interactive, AICPA Webcast learn about financial fraud from a different perspective – directly from those who committed financial fraud and paid dearly for doing so. Learn from their mistakes, understand their motivations and the pressures they were under and, ultimately, see what caused them to cross that line they never expected to cross. Click on the title link to register for this webcast.

SEC Quarterly Update Series 2006 -2nd Quarter–June 21, 2006

Mark your calendar for the second installment in this series – details coming soon.

All webcast information can be accessed at [AICPA Learning](#).

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CONFERENCE SPOTLIGHT

AICPA Controller's Workshop

The [AICPA Controller's Workshop Conference 2006](#) will be held in Las Vegas at The Bellagio, July 19-21, 2006. The induction ceremony for the 2006 AICPA Hall of Fame awards sponsored by Ajilon will be conducted at the Controller's Workshop this year, adding to the attraction of an always popular event. Be sure to register early as this conference is always a sell-out.

Construction Industry Executive Forum

This conference is a brand new forum for the construction industry focusing on a combination of topics for the owners, COOs and CFOs. This symposium being held at the **Hilton La Jolla Torrey Pines on July 20-21**, offers trending issues, more opportunity to network with peers and excellence of speakers in the industry. The session lengths also are a great way for allowing a more in-depth discussion of the various topics. For more details, click on [Construction Industry Exec Forum](#).

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