A MESSAGE FROM THE PRESIDENT

Long Island Chapter Members,

It’s with great excitement and pride that we announce our very own Past President and active member of our Chapter, Marc P. Palker has been appointed IMA Global Chair Elect for the fiscal period 2015-2016! As a member of the IMA for 10 years, I remember my first dinner meeting that I attended at the Milleridge Restaurant (remember those days?). Marc was the first one to greet me and introduce me to the members. I remember feeling a great sense of camaraderie around those at the cocktail hour and that this was a place I wanted to belong. Over the years, as my involvement in the Long Island Chapter grew, I can say that I have not met a person who knows more about the IMA or is a better advocate than Marc. I know that we are fortunate to have him as a leader and a friend.

It is exciting to see the continued growth of the IMA, now over 75,000 members worldwide! The CMA certification is also growing. As a banker, I have met with many CFO’s and senior financial executives over the years that have the CMA designation and they have expressed how this has given them the credential not only to prepare them for their role but to also let the constituents outside of their organization know they are prepared. If you are considering the certification, please reach out to me and I would be happy to introduce you to some member CMA’s that can share their insight.

I look forward to seeing you at our April 14th dinner program.

Warm Regards,

www.LongIsland.IMAnet.org

Thank You To Our April Sponsors

BDO
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America’s Most Convenient Bank®

April 14, 2015 Meeting

The Milleridge Cottage - Jericho, NY
Cocktail Hour begins at 6:00 pm - Business Attire

The State of the LI Commercial Real Estate Market

Panelists:

Christopher E. Kent, Esq. Nicholas T. Terzulli, Esq. Ted Trias
Farrell Fritz Nassau County IDA Rechler Equity Partners

Moderated by Tom Attivissimo, CEO, Greiner-Maltz

For more information and to register for the event, please visit our website at www.LongIsland.IMAnet.org
Professionals: Are you in transition? Looking for a change from your current situation? Just want to keep updated on what Hiring Managers and Recruiters are looking for?

You are invited to attend this free workshop

Interact with speakers from The Society for Human Resource Management - Long Island Chapter (SHRM) who will be advising on what it takes to get to your next position. Get real time advice on resume format, social media, networking and what HR Hiring Managers and Recruiters are looking for in a candidate.

Cost of workshop: Free
April 14, 2015  Time: 5 – 6pm
The Milleridge Cottage  -  585 N. Broadway  Jericho, NY 11753

Seating is limited! Guarantee your seat by pre-registering with Carmela Borzelleri, CPA at employment@ima-longisland.org

Business Attire Please

Attendance at the regular 6pm - 8:30pm monthly cocktail hour and dinner meeting will require separate registration and payment. Please visit www.LongIsland.IMAnet.org for monthly dinner details and registration.
2014-2015 Dinner Meeting Schedule

May 12, 2015  FINANCIAL EXECUTIVE OF THE YEAR EVENT

Quarterly Breakfast Series

April 28, 2015  Internal Control & Fraud Update

July 28, 2015  Long Island Economy - Martin Cantor

Gleim Discount on CMA Study Material

LI IMA Chapter members receive a significant discount off all CMA study materials, as well as Gleim CPE (including new ethics course).

CONTACT Melissa Leonard at melissa.leonard@gleim.com or call 1-800-874-5346 x131 to take advantage of this offer or contact Arthur Sanders, at asanders@optonline.net or call 516-697-3900 for more details.

PLEASE VISIT: www.gleim.com/IMAChapter for more information on the CMA Exam or how Gleim can help prepare you for success.

Meeting Times

Please note the dinner meetings at The Milleridge Cottage in Jericho, NY will now take the following format:

6:00pm to 7:00pm  Registration & Professional Networking
7:00pm to 7:30pm  Dinner Served
7:30pm to 8:30pm  Speakers / Q&A / Wrap Up

The right word may be effective, but no word was ever as effective as a rightly timed pause.

Mark Twain
Are You Management Material?

Want to move into a management role? It takes more than business savvy and decision-making skills, research by The Creative Group suggests. When advertising and marketing executives were asked to name the most important factor they consider when promoting professionals to management positions, more than half (53 percent) said they look for candidates with strong motivational or leadership skills. Interpersonal or soft skills followed, with 19 percent of the response.


The national study was developed by The Creative Group, a specialized staffing service for interactive, design, marketing, advertising and public relations professionals. It was conducted by an independent research firm and is based on 400 telephone interviews -- 200 with advertising executives randomly selected from agencies with 20 or more employees and 200 with marketing executives randomly selected from companies with 100 or more employees. Advertising and marketing executives were asked, “In your opinion, which of the following factors weighs most heavily when your company promotes professionals to management positions?” Their responses:

| Motivational or leadership skills | 53% |
| Interpersonal or soft skills | 19% |
| Strategic business expertise | 13% |
| Technical expertise | 8% |
| Seniority or tenure with the company | 7% |
| 100% |

“Being an effective manager means more than giving orders and making sure projects are completed on time,” said Diane Domeyer, executive director of The Creative Group. “Leaders must inspire their teams and boost employee engagement to steer their companies to greater heights.”

The Creative Group outlines five key traits for those seeking a promotion to a supervisory role:

1. **Vision.** A sharp understanding of where your business is going is essential to success. Great leadership relies on a clear vision of the future as well as the ability to inspire others toward your goals.

2. **Focus.** Effective managers keep their eyes fixed on the prize. They know when to sacrifice short-term wins to pursue bigger-picture objectives.

3. **Creativity.** The most successful leaders share a willingness to turn established business practices on their heads and foster a culture of smart risk-taking. A passion to innovate and advance the company overrides their fear of failure.

4. **Flexibility.** Good managers know change in the workplace is constant and that agility is central to getting ahead. This means they can pivot at a moment’s notice to take advantage of opportunities as they arise.

5. **Resilience.** Sometimes the act of striving toward business goals means you will fail. The best bosses can bounce back and turn a setback into a well-timed gain.

New IMA Framework Gives Organizations Tools for Successful Operational Change Initiatives

IMA® (Institute of Management Accountants) has released a new Statement on Management Accounting (SMA), *Managing Organizational Change in Operational Change Initiatives*. The SMA’s framework defines the concepts and principles that must be considered when making organizational changes - changes that management accountants are uniquely qualified to help their organization accomplish. The full paper is available on IMA’s website.

The implementation of new systems and processes is doomed to fail without proper organizational change management, yet it’s consistently overlooked. The latest SMA was designed to help organizations consider the human perspective and reactions to change, learn how to ease the impact, and minimize associated issues and risks to help employers ease the emotional impact to change and measure success.

“This framework describes typical employee reactions when change is occurring in the workplace, and it ties these phases to the stages of a typical project management methodology,” said Raef Lawson, CMA, CPA, Ph.D., IMA’s vice president of research and policy. “It is intended to give organizations tools to control the change management process and assess the success of their initiatives.”

The framework was written by Katie Terrell, an instructor at the University of Arkansas in the Walton College accounting department where she focuses on accounting information systems and the impact on human behavior.

First introduced in 1981, IMA’s Statements on Management Accounting present the association’s position on a range of issues relevant to the profession. To view IMA’s previous SMAs and other thought leadership reports, visit IMA’s website.
The CMA - Set the Standard - How Far Will You Go?

The CMA (Certified Management Accountant) credential demonstrates your mastery of management accounting knowledge and skills. It assures employers of your competency on the job to improve organizational performance.

Exclusively for IMA (Institute of Management Accountants) members, the CMA credential drives the career potential of candidates beyond their peers.

The CMA Credential . . .

**Prestigious** - Self-selected credential earned through testing.

**Professional** - IMA’s Salary Survey shows strong career growth and greater earning power.

**Rigorous** - Testing, education, job experience, and continuing education requirements.

**Empowering** - Promoting your credential allows you to become a leader in your profession.

**Competent** - Attests proven on-the-job skills.

The CMA certification can expand your opportunities in your current position and for the long term. Leading employers - from multi-national corporations to private firms, academic institutions, and not-for-profit organizations - seek out CMAs to hire and promote in positions requiring critical accounting and financial management skills.

Today, CMAs hold key positions in a wide range of companies. Earn the CMA and join a network of more than 40,000 certified peers worldwide.

See how you can set the standard with the CMA . . .

For further information please visit the IMA website at www.imanet.org or contact me.

Arthur Sanders
Asanders1@optonline.net
Cell phone (516) 697-3900

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The Institute of Management Accountants (IMA)
Long Island Chapter is Proud to Announce

**Marc P. Palker, CMA**

has been named Chair - Elect IMA Global for the Fiscal Period 2015-2016

Our Long Island Chapter congratulates one of our Past Presidents and a preeminent leader of the Long Island Chapter, Marc P. Palker on this distinguished achievement. Marc has served the IMA for over 40 years and is an active member of IMA’s Global Board of Directors and the Long Island Board. Marc is a principal at MPP Associates where he serves public, private, and not-for profit companies as a part- time or interim CFO.

The IMA is a worldwide association of accountants and financial professionals working in business. We are committed to helping you and our more than 75,000 members to expand your professional skills, better manage your organization and enhance your career. For more information on the IMA and the Long Island Chapter please visit http://longisland.imanet.org/
DISCOUNTS AVAILABLE for Chapter Members!

Call Melissa Leonard at 800.874.5346, ext 131 or email melissa.leonard@gleim.com

www.LongIsland.IMAnet.org
**CFO Insight - Michael McQuillan**

1. **Tell me a little about Allegiant Health?**
   Allegiant’s business platform will emphasize a total commitment to bringing high quality, innovative brands and products to the general public through the execution of comprehensive marketing, consumer education and promotional programs.

Privately owned and operated since the company’s inception, Allegiant Health’s goal has always been the world-wide trusted source for best-in-class OTC pharmaceuticals and nutritional supplements.

By emphasizing industry leading customer service, just-in-time inventory and extensive R&D capabilities, Allegiant Health has demonstrated the ability to take products from concept to commercialization in a very expeditious and efficient manner.

This commitment to excellence has fueled Allegiant Health as a private label, contract manufacturing and brand development. Company and currently manufactures national brand equivalent products in the key OTC categories of cough and cold, analgesics, antacids and laxatives.

Allegiant Health has installed several new, high speed production equipment and packaging lines with the commencement of a new, sophisticated, fully compliant testing laboratory to further improve the facility’s capacity and efficiency.

2. **How did you get to be the CFO at Allegiant-Health and how long have you been there?**
   I was recruited to Allegiant-Health through personal and business recommendations, and I have been here for two years.

3. **Do you feel it is different being the CFO of a Public Company vs. a Private Company?**
   The biggest difference is meeting the public reporting requirements and the cost associated with it.

4. **What are the challenges your Company faces and how are you dealing with them?**
   The company faces a very competitive contract manufacturing and distribution sector which demands flexibility and efficiency. During the start-up of Allegiant–Health, the company went through a major ERP system conversion and a corporate re-structure which included a transition to standard cost accounting. We performed several rounds of resource maximization, and gap analysis matching both systems and resources into a scalable model that will help promote the company and sustain growth in this sector.

5. **What are your other accomplishments?**
   My past includes experience in large scale system conversion, start-ups and public offerings in manufacturing/distributions, technology, and service industries.
Welcome To Our Newest Members!

Joseph DiBernardo  Shane Kravitz  Andrea Rieger

This Month’s Member Spotlight

Member: Bob Arnold Jr., VP, Arnold Standard Cost Control Services

Bob Arnold Jr, has been busy!

Bob has been an IMA member since 1994. Since 2003 he has served on the LI Chapter Board, holding various positions, including President in the 2008-2009 year. He also held the title of President of the Metropolitan New York Regional Council of IMA for 2013-2014. “I initially joined IMA for the networking opportunities, but have remained an active member of the organization due to much more. Membership in IMA, the practice of its core values, and its education programs have all served as valuable resources in my professional and personal development over the last twenty years.”

In December 2014, Bob was appointed to the Board of Directors of The Bob Feller Act of Valor Award Foundation, a 501(c)(3) educational organization. The Foundation, through the unique intersection of baseball and the US Navy, recognizes and honors those who support our service men and women with the Bob Feller Act of Valor Award. Using Feller’s story to educate the youngest generation about the Honor, Courage and Commitment of the Greatest Generation will help instill in them the virtues of citizenship, service to others, and sacrifice.

Since January 2015 Bob is a Founding Member of Alert Long Island, the local chapter of Act for America (www.ACTforAmerica.org). As the nation’s largest grassroots national security organization in the United States, ACT for America is focused on six major national security issues which include: Confronting Terrorism; Preserving the Constitution; Border Security; Energy Independence; Empowering Women & Protecting Children; and Support for Israel.

Additionally in February 2015 Bob was appointed to the Board of Directors of the Aerospace and Defense Diversification Alliance in Peacetime Transition. ADDAPT facilitates Long Island’s manufacturing industry working together to develop a regional plan that will sustain and grow our historically strong, and our emerging manufacturing sector.

Membership Privileges

Members save with Mercer Insurance!

Not a member yet? Now is the BEST time to join!

Exclusive Offer for new members – Join the IMA and save 10%**

AND we will also waive the processing fee – you save $37!

Discounted Rate: $198.00
Promotional Code: LONG2015

Check payable to: Institute of Management Accountants
Download a Membership Application at: http://longisland.imanet.org/

Mail or email application, promotion code, payment or credit card information to:
Kirsten Nicklaus (KNicklaus@pfina.com) • VP of Membership, c/o P&F Industries, Inc.
445 Broad Hollow Road, Suite 100  Melville, NY 11747

Or use the promotional code and register online at: http://www.imanet.org/ima_home.aspx & click on JOIN

**New memberships only (available for a limited time)**
The standard way of valuing a business is thru the discounted cash flow ("DCF") methodology which estimates future cash flows that a business is expected to generate. These future cash flows are then converted to a present value equivalent using an estimated discount rate such as the weighted average cost of capital ("WACC"). However, traditional DCF analysis have limitations in regards to how risk is treated because they are based only on a single-point estimate of variables that drive projected cash flows.

Enter the Monte Carlo simulation world where the forecasting capability is extended to provide a more accurate, efficient and confident decision maker. The traditional DCF methodology is converted into breathing forecast where multiple simulations produce hundreds of thousands, and in some cases millions of simulated scenarios. Here we can quantify risk as the simulations helps determine the chances the risk will occur and the cost if it does. In addition, the valuation specialist can discuss with management if the risk is worth taking.

A Monte Carlo simulation is a method for iteratively evaluating a deterministic model based on one or more random numbers as inputs. Originally named for the famous casino in Monaco, the simulation allows assignment of probabilities and degrees of confidence to model outputs.

In addition to the valuation of businesses, Monte Carlo simulations are often used to value complex investments, portfolios, and derivatives.

There are typically four steps in a Monte Carlo simulation:

- **Step 1:** Determine the appropriate parametric model.
- **Step 2:** Generate a set of random inputs.
- **Step 3:** Run the model based on the generated random inputs for n iterations.
- **Step 4:** Analyze the results.

**Students Get Involved - April’s Big Events**

The IMA is not just a great organization, it is a wonderful path for member students to get the opportunity of a lifetime: knowledge, internship, mentoring, scholarship, networking, job opportunities and a lifelong friendships!

April will be a busy month for the Student Activities Committee. We are hosting with the Employment Committee, a **Student Career Workshop on April 14th** from 4:30pm to 6pm. This will be an interactive discussion with students from local Universities and Colleges and local business leaders. Panel members will include Deloitte & Touche as well as Canon USA, Inc. So keep your eyes open for our soon to be posted Panel Member Profiles!

Don’t forget to take advantage our monthly meeting which starts immediately after the Workshop!

The **Becker Accounting Challenge** is our 2nd event of the month. The “Challenge” will be held at Molloy College on April 28th from 6pm to 8pm, see our website for additional details. The LI IMA is a proud sponsor and member participant of this event. Becker Professional Education plans and runs this great event that will see SUNY Old Westbury, Molloy College and Queens College square off for 2 hours on a variety of challenging topics to see who will be crowned the best of LI. I hope to see many of your there cheering the students on!

Why join an organization if not to get involved. Sure, it is an easy resume builder but in the end involvement is what truly distinguishes you from the crowd and makes you the best professional you can be. It is thru participating in events, developing your soft skills, growing your knowledge, and making real connections with the business community that will set you apart. Be that “cream of the crop”!

Remember, membership is only the key to the door. The journey begins only when you walk thru the door and enter!
Compliance program assessments should utilize both internal and external reviews in order to satisfy the requirements of the government regulators. However, often one or even both are excluded due to a lack of expertise, time and personnel dedicated to this task.

The assessment process requires annual planning and conducting of internal reviews. It also requires the utilization of a qualified consultant from an outside organization to review what is being done and what can additionally be done based upon what is occurring daily in the industry.

Why Conduct Assessments?
Both Federal and State regulators expect organizations to assess the effectiveness of their programs annually to ensure they are supporting a culture of compliance. It is also imperative for program effectiveness in order to certify to the Office of the Medicaid Inspector General (OMIG) that an effective compliance program is in place at year-end. Additionally, there is the non-regulatory pressure that an organization faces from Managed Care Organizations (MCO’s) and insurers to periodically evaluate the performance of their compliance programs.

Pros and Cons of Internal vs. External Assessments:
Based upon the size of the organization, knowledge of the personnel conducting the assessment and priority set by management, internal assessments can:
- Be easier to organize
- Potentially cost less money, but could also cost more long term if not conducted properly
- Allow an organization to utilize existing audit or risk management functions
- Be riskier as there is limited exposure to information and practices

In contrast, external assessments provided by a consultant can:
- Offer increased access to different talent, methods, ideas, practices and oversight
- Require less interference with other priorities of the organization
- Lend credibility to the findings and changes that are recommended
- Provide an additional layer of protection from internal fraud and abuse

So, What is the Best Practice?
The best compliance assessment programs are made up of a combination of both methods. Coordinating efforts so that both internal and external reviews are conducted annually insures the organization is aware of any significant changes that have occurred in their industry while also maintaining strong internal controls on a regular basis. This is the ideal way to maximize the financial credibility of the organization.
LAST MONTH’S MEETING

by Donna Blanc, CFO, HUB Truck Rental Corp.

The topic for the March 10, 2015 Dinner was ESOPs - as an Exit Strategy. The evening’s panelists were Eric Zaiman - Senior VP of JP Morgan Chase ESOP Advisory Group, John Miscione - Managing Director of Duff & Phelps and Manlio (Manny) Cafiero - CPA, CFO of Scales Industrial Technologies. The evening’s moderator was Donna Blanc - CPA, CFO of Hub Truck Rental Corp.

The discussion began with Donna as the Moderator informing everyone that she herself is part of an ESOP Company and would be contributing throughout the discussion on her Company’s experience. We informed the audience that ESOP's began going as far back 1974 due to the passing of ERISA - Employment Retirement Income Security Act. As of filing year 2012, the most recent statistics available show there are 6908 ESOP Plans covering $13.8 million participants in the US.

John Miscione led the conversation explaining why companies would consider an ESOP as an exit strategy because other options that are available to a business owner didn’t meet their needs. For whatever reasons a straight sale, merger or purchase by an investment banker might not be exactly the option the selling owner is looking for at that particular time. Both Manny and Donna confirmed that the companies they work for have a solid corporate culture, a good workforce and most importantly an owner who wanted to preserve their employee’s jobs as well as reward the dedicated people who built the company over the years so an ESOP transaction was the ideal exit strategy that was chosen by their owners.

Eric Zaiman expanded further on the funding process of an ESOP transaction and the key role the Independent Trustee plays in this selling scenario. John, Eric, Donna and Manny all agreed and could not stress the point enough that when completing this kind of transaction you require knowledgeable professionals who possess experience in coordinating the entire process. Eric stressed how highly regulated these transactions are by The Federal Government from a Tax perspective as well as by the Department of Labor to protect the Employee. We further discussed briefly the tax advantages that are available to ESOP Companies but this issue is another topic in itself that can be discussed at dinner in the future.

Manny Cafiero took us through his companies 3 stages of ownership percentage transactions. We talked about “opening up the books” to the employees which most people fear when doing a transaction but Manny and Donna shared how they communicate financial performance to their employee stockholders.

There were many excellent questions and answers throughout the presentation. They covered a vast majority of the items that were on our agenda but assisted in making the evening much more interactive. This is not a topic that you can grasp in 50 minutes. I believe the audience walked away with four presenters who are extremely knowledgably and accessible in the future if anyone has an inquiry or if interest should arise. Members were provided with a booklet, “An Introduction to ESOP’s, a publication by the NCEO - The National Center for Employee Ownership. In addition, Eric Zaiman also made a handout available for the audience which explained a transaction in more detail.
ABOUT OUR CHAPTER

The Long Island Chapter of the Institute of Management of Accountants was charted in 1951 by the then National Association of Cost Accountants (“NACA”). Over the years the name was changed to the National Association of Accountants (“NAA”) and now is known as the Institute of Management Accountants (“IMA”). Harold Nohe was the first President of the Long Island Chapter.

In 1970 the Long Island Chapter was split into two Chapters, one in Nassau and one in Suffolk. The first President of the Suffolk Chapter was Paul Urban. The two Chapters co-existed until 1986. The two Chapters met the second week of the month with Nassau meeting on Tuesdays and Suffolk meeting on Thursdays. There were numerous members who attended both meetings.

In 1984 and 1985 both Chapters experienced a decline in membership and meeting attendance.

A committee was formed of Donald Green and Marc Palker from Nassau and Eric Perlman and Charles Schreiber from Suffolk. In 1986 with the permission of the National Office and the Board of Directors, the two Chapters were merged to reform the Long Island Chapter. Donald Green was the first President of the reformed Long Island Chapter.

In 1987 the Past President's met to decide how best to help the Chapter prosper and grow. From these meetings the Financial Executive of the Year Award was born with the first recipient being Sanford Weintraub, CFO of Independent Election Corp of America. This award still exists today and is named after the man whose idea became the finale of our Chapter year, The Milton Zipper Financial Executive of the Year Award Dinner.

As they say, the rest is history……………….

ABOUT IMA

The Institute of Management Accountants (IMA) is the world’s leading organization dedicated to empowering management accounting and finance professionals to drive business performance.

IMA members are today’s leaders, managers, and decision makers in management accounting and financial management. As members we are dedicated to continued professional development, to achieving the highest levels of professional certification, and to supporting each other in our commitment to professional excellence. www.imanet.org