



American Woman's Society of Certified Public Accountants—NJ Affiliate

Quarterly Newsletter

First Quarter 2009

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What is IFRS?

By Stacey P. Tedeschi
Managing Director, Accounting & Finance Services,
Resources Global Professionals

"International Financial Reporting Standards" (IFRS). You may affectionately call it "Eyefer's", "IFer's" or just plain "you have to be kidding me er's". By now I expect most of you have heard of this new accounting phenomenon that is sweeping the global markets. What's that you say? You have **not** heard of the next wave to the *Accountants Full Employment Act* (originally enacted during the SOX 404 implementation)? Well then you are in for a treat! I am sure we are all feeling the pressure of the global

crisis, so in an effort to lighten things up, let me take you on a trip down IFRS Lane at about 100,000 feet (if you love the detail, feel free to give me a buzz and I can bore you for hours!).

What is IFRS?

The common terminology around IFRS that you will hear most often is *A single set of globally accepted, high-quality accounting standards*. In the past, the world was full of many financial languages. There was a different GAAP for just about every country. In the early days, this arrangement was fine as most businesses were contained within their own country and money stayed inside the borders as well. However, as the capital markets have moved into **global** capital markets and businesses are now
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President's Message

Happy Spring! As we look forward to the end of another tax season, we are thinking about ways that our members can become more involved in the NJ Affiliate. One easy way to do this is by participating in our monthly board meetings. You do not need to be a board member to participate. Our meetings are open to all members and we value your participation and feedback. Board meetings are held via conference call on the 3rd Wednesday of each month from 12:30-1:30pm. Our next meeting is Wednesday April 22, 2009 (4th Wed due to 4/15 deadlines). Please email awscpa.nj@comcast.net for call in details if you would like to participate.

We are beginning to fill our board positions for July 1, 2009 – June 30, 2010. I ask you to thoughtfully consider joining the board and getting more involved. No prior experience is required and your time commitment can be as flexible as you need. Descriptions of board positions are posted to our website at www.awscpa.org/nj. If you are not able to make a commitment to be a board member, here are some additional ways that you can get involved that do not require a significant time commitment:

- Participate in our monthly board meetings
- Write an article for the quarterly newsletter
- Help proofread the newsletter
- Help maintain our accounting records by entering monthly transactions

- Participate in a presentation at a local college

I would also like to pass on some information from one of our corporate partners at the national level. The AWSCPA and Mass Mutual held a conference call on January 27th to make affiliates more aware of the Mass Mutual Breast Cancer Awareness Initiative and the Lifebridge program.

Through their Breast Cancer Awareness Program, Mass Mutual and its agents have donated over \$400,000 to the American Cancer Society and other cancer related organizations. Each time Mass Mutual agents present their Pearls of Wisdom program in September or October, Mass Mutual donates up to \$1,000 to a cancer related organization. The Pearls of Wisdom program has many different financial topics for women and their families and friends. The NJ Affiliate hosted a Pearls of Wisdom program last October and will do so again this year in support of breast cancer.

The Mass Mutual Lifebridge program provides free life insurance for low income individuals with dependents to help provide financial support for their dependents. Mass Mutual is the only company with this type of program and their goal is to give away 20,000 term life insurance policies with a death benefit of \$50,000 each. If you know someone who may qualify for this program, please contact us at awscpa.nj@comcast.net for more information.

Beth Manzi, President, NJ Affiliate

Survival Guide to Busy Season '09

By Dena Moscola, Founder/CEO
Resolutions Coaching & Training

As the New Year begins, busy season kicks in and the economic roller coaster continues, it is natural to feel confused, nervous, sometimes panicked and overwhelmed. But it is in those times that your emotional control is most critical to you and those around you. The way you manage through this will have impact on how you come out of it.

It takes focus, discipline, a conscious effort and commitment. It requires an holistic approach by managing all aspects of your life because when one area is "off" the others suffer. This is not a time to withdraw, this is the time to work smart, sleep and eat right, nurture relationships, position yourself for the future and somewhere in there you need to have fun!

Your emotions cannot be allowed to follow the same pattern as our economy especially during busy season. You cannot bury yourself in work and ignore the rest of your life. That will result in a blurred vision of your days and more stress. The key is to juggle the season's demands with conscious intention to stay in control despite the insanity.

The place to start is your mindset. What is your point of view and how is it working for you? The thoughts you have will dictate how you feel. Therefore, how you are viewing things will either tire you or energize you. Doesn't it make most sense to fight to view things from a perspective that will help you instead of wear you down?

Neuroscience: The study of the nervous system (www.neuroscience.com) proves the way you think effects how you feel. Several years ago, the AMA (American Medical Association) began documenting research proving what you think about, talk about and/or experience within a 45 minute time frame before going to sleep will repeat in your mind while you are sleeping. If you watch the news before bed, go to sleep after an unresolved argument, do late night emails, etc. your sleep is not as deep as it could be if you had more positive thoughts before bed. Those who have a peaceful routine prior to sleep, sleep better. Why? Because what you think about most reflects how you feel. When you are most relaxed and feel best, stress is less and deep sleep is more likely. Therefore, when you feel best, you can relax easier. Taking that to your daily life - when you feel best you have more energy and can be most productive.

During busy season, you cannot afford to do anything that will contribute to fatigue or stress. You must fight to stay in control of your thoughts actively doing things to help yourself regularly. Make an effort to focus on at least one thing from the list below each day - especially during busy season. You will notice the difference.

Survival Tools:

- Remind yourself - no matter what, you will get through it
- Create new goals - write them down - get excited
- Avoid refined sugars

- Drink extra water
- Be open to change
- Take 5 minutes a day to just "be"
- Make a gratitude list
- Nurture your networks
- Support your team
- Plan your survival reward to mark the end of busy season and get excited
- Never worry about things out of your control - even if it is unfair. Instead, ignore it or strategize to get through it
- Pay attention to your emotions and take control so they work better for you
- Distract yourself from negative self talk to stay focused
- Listen to uplifting music
- Watch **only** positive TV shows and movies
- Avoid negative people
- Watch the news less
- Encourage others to think positive
- Give to those less fortunate

Create simple, special moments at home with loved ones:

- A special night with games, movies dinner and drinks
- Take a hot bubble bath with scented candles and a glass of wine
- Prioritize time for exercise
- Schedule time for loved ones
- Take one thing out of your day and do not replace it with anything!
- Before you say there is no time, ask yourself how important this is to you?

Stop procrastinating and start doing!

Those who persist succeed!



Dena Moscola is the Founder and CEO of Resolutions, a national coaching and training firm established in 1997, specializing in professional and personal development. Resolutions uses a blended learning approach consisting of one on one executive coaching, team coaching, assessment tools, LIVE workshops and training programs, e-learning, customized services and teleclasses. We partner with individuals and organizations to build communication, conflict management, team building, relationship strengthening and personal achievement skills.

As our Nation's economy struggles, Resolutions has placed a priority emphasis on helping individuals positively manage through these times, position for a successful recovery and create a higher quality of life along the way. We, at Resolutions are here to support you. We are working with everyone's budgets to make sure you can continue to develop yourself and your people to stay positive and PRODUCTIVE despite hard times. That is the most important thing right now. Contact me directly now to find out how. resolvedm@aol.com 973-627-6551

What is IFRS? (continued from page 1)

domiciled in many countries, speaking different financial languages is just getting confusing!

How did we get here?

US GAAP, enacted in the 1930's, has had a long successful run while the concept of one set of standards was first "officially" discussed a relatively short time ago in the 2000-2002 timeframe. During this time, three key things happened in the accounting world that started the convergence of US GAAP and International Accounting Standards; the SEC issued a concept release on international accounting standards; the International Accounting Standards Board (IASB) was created; and, the FASB and IASB entered into an agreement that charted a course for bringing US GAAP and IFRS closer together. I am pretty sure that when we entered into these discussions, being the center of the universe and all, the US may have believed that US GAAP would be that "global set of standards". In fact, we were so sure, the SEC required foreign filers to prepare a reconciliation of their local GAAP financials to US GAAP! However, the rest of the world clearly had other ideas and through actions taken during 2003-2005, it was clear US GAAP would NOT be the standards of choice:

- Australia, Hong Kong, New Zealand and South Africa committed to the adoption of IFRS
- The European Commission mandated the use of IFRS for listed companies by 2005
- China adopts IFRS like accounting (long story!)
- Canada, Korea, Japan, Chili and India all set timelines for IFRS adoption/convergence (typically by 2011)
- The SEC lifted the foreign filer reconciliation to US GAAP requirement

At this point in time, over 100 countries either permit or require the use of IFRS. By 2011, more than half of the Fortune 500 will be domiciled in IFRS countries. The United States is the LAST Capital Market to discuss the transition to IFRS. It is time we got on board and start learning the language the rest of the world is speaking.

What can we expect with IFRS?

In most instances, the *application* of IFRS and US GAAP will result in similar accounting; however, the devil has surely proven to be in the details. Here are some key differences to consider:

- Although US GAAP stands for Generally Accepted Accounting **Principals**, how we actually account for transactions is anything but principal based. US GAAP has defined itself through bright lines and detailed guidance on accounting for just about every transaction known to man. I prefer to call it US GAAR (rules vs. principal). IFRS is truly principal based. In more circumstances than not, the application of IFRS is going to require that accounting professionals use their *judgment* (do we actually remember what that is?). As a result of using judgment, expect more detailed analysis to support the financials.
- IFRS is a much less extensive body of literature than US GAAP. I could fill my home with every FASB, SOP, EITF and other literature to support US GAAP. The literature supporting IFRS is a book that can sit comfortably on the passenger floor of my car and the passenger riding with me would not even notice the smaller foot space!! There are many reasons for this decrease in literature. Half of it is addressed in the fact that there are not as many "rules" as US GAAP. In addition, there is no detailed industry-specific guidance, which is a huge part of US GAAP.
- IFRS allows more policy "choices". In many instances IFRS is

similar but not the same as US GAAP. As such, any policy choices, critical accounting policies and estimates will require clear and robust disclosure. Lessons learned in Europe show an average of a 56% increase in the size of their financials, some more than doubled and Europe does NOT have SOX disclosure requirements!

Why IFRS?

Besides the fact that the rest of the world is on board with this initiative, it only makes sense that the US would want to follow, as the "benefits" of adoption are numerous. Let's break the primary drivers down as follows:

- **Company Demographics:** Many companies already have subsidiaries listed on exchanges outside the US and those subsidiaries are, more likely than not, IFRS compliant. In addition, if most of a company's competitors are using IFRS, isn't there an advantage to speak their language?
- **Investment Activities:** Most corporations are actively engaged in cross-border M&A activities already. With the advent of the G20 Summit, *global leaders* are coming together to solve *global issues*, shouldn't we have a *global language* in order to effectively communicate and solve problems?
- **Proactive Leadership:** Many companies are already seeing the benefit of efficiencies around a global reporting process. Tax, Treasury and Legal executives, who typically were only involved in the "consolidated" entity, have more exposure to foreign subsidiaries when there is one "set" of books. The move to one set of accounting standards can result in significant efficiencies in the use of technology.

Is there a "summary" to all this?

Yes. In summary, plan for monumental change! The SEC has proposed a roadmap that, should certain events happen between now and 2011, would mandate all SEC filers be compliant as follows:

- 2014: Large Accelerated Filers
- 2015: Accelerated Filers
- 2016: All remaining filers

I say "monumental" because, contrary to what you may believe, this is NOT just an accounting and finance issue. Think about how one accounting policy change can affect the entire organization. When a change is made it needs to be documented and tested and tied to the SOX certification process (IA). When a change is made our systems need to reflect those changes (IT). If those changes are made and affect any business metrics you may need to revise employment contracts that reward based on metrics (HR). If those changes change the value of an asset, say inventory, your supply chain organization needs to assess the impact on pricing etc (Operations). And, finally, changes to any accounting policies may result in changes to book income vs. tax (Taxes) and may change how debt covenants are met (Treasury).

So, in summary, this is BIG. And, as the SEC mandates it, it is not "optional" nor can we plan for it lightly.

I hope you have enjoyed our 100,000-foot flight over IFRS. Remember, the devil is in the details and boy are there details!!!!

Introducing: Michele Russomanno, Seton Hall University Student

By Colleen Delaney and Jenica Jesena
Student Relations Co-Directors



Michele Russomanno is one of the AWSCPA - NJ affiliate's student recruiters. She attended the first meeting at which Kathleen Cashman of WOMEN Unlimited, Inc. spoke about critical success factors for women. Michele

described the presentation as something really powerful and thought provoking for her. This meeting persuaded her to join the AWSCPA and subsequently take on the role as a student recruiter. As a student recruiter she has arranged for three presentations by AWSCPA Board members to be given to her accounting society.

While this may be the way that we met Michele, it is far from the only extra-curricular activity in which she participates. Michele is the Secretary of the Beta Alpha Psi accounting society at Seton Hall as well as the Vice-President of the Entrepreneurship Club. In addition, she has been a student member of the NJSCPA since her senior year of high school. Although most students do not join accounting societies at such a young age, Michele jumped at the opportunity while still in high school. After a recommendation from her advisor, she applied for a scholarship through the NJSCPA her senior year. As part of that process Michele was able to attend some of the society's events, which not only fueled her decision to enter the accounting field but taught her the value of networking.

Michele has since joined various societies and clubs that have afforded her several opportunities which include internships with public accounting firms like WithumSmith+Brown and JH Cohn as well as an externship with Rothstein Kass. She

stresses the importance of networking at an early age for students that are currently entering college with accounting as a major or students already pursuing an accounting degree. Michele attributes her internship opportunities to the networking that she has done throughout high school and college. Having worked at a small and medium sized accounting firm, she has accepted a summer internship with KPMG in order to gain exposure to the different cultures that exist between different sized firms.

If you didn't think that Michele was already busy enough, she is enrolled in Seton Hall's five year Bachelor of Science / Masters of Science Dual Program in Business Administration. While many may struggle to complete such a rigorous program in five years, Michele is on track to finish in four! In order to complete such an impressive feat, she has taken eighteen credit semesters as well as summer classes throughout her college career. She is well on her way to a successful career in the accounting field!

Member Corner

By Erin Booth, Member Services Director

Member News

Congratulations to Jenica Jesena, our Co-Director of Student Relations who passed the CPA exam and was accepted into the Masters of Taxation Program at Fairleigh Dickinson University!

New Members

Welcome to our newest AWSCPA NJ Affiliate Members!

April Agnello - Audit Associate, Grant Thornton

Margaret Paulakis - Senior Audit Associate, Grant Thornton

Lisa Guido - Senior Associate, Rothstein Kass

Community Outreach Spotlight: Susan G. Komen for the Cure®

By Susan Reed

Community Outreach Director

Nancy G. Brinker promised her dying sister, Susan G. Komen, she would do everything in her power to end breast cancer forever. In 1982, that promise became Susan G. Komen for the Cure® which launched the global breast cancer movement. Today, Komen for the Cure is the world's largest grassroots network of breast cancer survivors and activists fighting to save lives, empower people, ensure quality care for all and energize science to find the cures. Thanks to events like the Komen Race for the Cure®, they have invested more than \$1.2 billion to fulfill that promise, becoming the largest source of nonprofit funds dedicated to the fight against breast cancer in the world.

At Komen for the Cure® the promise is the mission to end breast cancer forever by . . .

Empowering people to take charge of their health care through awareness and early detection and, if diagnosed, to survive. **Ensuring quality of care for all**, regardless of race, ethnic background, language, income or insurance status. **Energizing science** to find the causes and cures of breast cancer and, ultimately, to prevent breast cancer in the first place

Breast Cancer Then and Now

Since 1982, Komen for the Cure has played a critical role in every major advance in the fight against breast cancer – transforming how the world talks about and treats this disease and helping to turn millions of breast cancer patients into breast cancer survivors. We are proud of their contribution to some real victories:

- More early detection – nearly 75 percent of women over 40 years old now receive regular mammograms, the single most effective tool for detecting breast cancer early (in 1982, less than 30 percent received a clinical exam).
- More hope – the five-year survival rate for breast cancer, when caught early before it spreads beyond the breast, is now 98 percent (compared to 74 percent in 1982).
- More research – the federal government now devotes more than \$900 million each year to breast cancer research, treatment and prevention (compared to \$30 million in 1982).
- More survivors – America's 2.5 million breast cancer survivors, the largest group of cancer survivors in the U.S., are a living testament to the power of society and science to save lives.

About The North Jersey Affiliate

The North Jersey Affiliate was founded in 1997 on a promise "to make a difference" to a ten-year-old girl who

lost her mother to breast cancer. Affiliate Board of Trustees, Medical Advisory Council, staff and over 700 survivors and activists fulfill that promise every day by delivering the life-saving message of early detection.

Through fundraising events like the Pink Tie Ball, the Affiliate supports community-based breast health education, and screening and treatment programs focusing on underserved and uninsured women. Seventy-five percent of net funds raised by the Affiliate stays within its service area and the remaining twenty-five percent is directed to the Susan G. Komen for the Cure Award and Research Grant Program.

Since its inception in 1997, the North Jersey Affiliate has granted \$14.5 million dollars for breast cancer research and community-based programs. Although the Affiliate has achieved much success, current funding levels for breast health programs do not meet community needs. Increased funding is vital to ensure that all women, regardless of race, ethnic background, language, income or insurance status, have equal access to quality care and treatment.

The Affiliate's 2008 Race for the Cure – its inaugural Race – was an overwhelming success. The event raised \$1.3 million net and was attended by 10,000 runners and walkers, among them The Honorable, Jon S. Corzine, Governor of New Jersey, former New Jersey Governor and Senate President, Richard Codey and Grammy-award winning artist, Gloria Gaynor. The fundraising goal for the 2009 Race for the Cure is \$1.8 million net.

The **2009 Komen North Jersey Race for the Cure®** will be held on Sunday, April 26, 2009 in Essex County Branch Brook Park, Newark. The Race for the Cure® is the world's largest series of 5K race/walks designed to raise funds for research, and local community-based breast health education, screening and treatment programs for underserved women. If you are unable to attend this event but would like to volunteer in another capacity, please call Colleen Miller at 908-277-2904 x31.

We invite you to be a part of the vital movement by joining the AWSCPA's team. You can join by visiting our website at www.komennorthjersey.org/goto/awscpa.



Thank you for joining us in our race to the finish line... to a world without breast cancer.

Calendar of Events

- March 24, 2009 – AWSCPA-NJ Technical Program – The Convergence of International Financial Reporting Standards and US Generally Accepted Accounting Principles - Lynn Horowitz, Resources Global Professionals
- April 22, 2009 - AWSCPA-NJ Board Meeting 12:30-1:30pm (email awscpa.nj@comcast.net to attend)
- April 26, 2009 – 2009 Susan G Komen North Jersey Race for the Cure®
- April 30, 2009 – Professional Development Program (details to follow)
- May 18, 2009—2nd Annual Golf Clinic and 9-Hole Outing
- May 20, 2009 - AWSCPA-NJ Board Meeting 12:30-1:30pm (email awscpa.nj@comcast.net to attend)
- June 17, 2009 - AWSCPA-NJ Board Meeting 12:30-1:30pm (email awscpa.nj@comcast.net to attend)
- June 18, 2009 - AWSCPA-NJ 2nd Annual Gala Dinner

About the AWSCPA

The American Woman's Society of Certified Public Accountants (AWSCPA) is a national organization dedicated to serving all women CPAs. The AWSCPA provides a supportive environment and valuable resources for members to achieve their personal and professional goals through various opportunities including leadership, networking and education. Visit us at www.awscpa.org for more information on the benefits of being a member.

About the AWSCPA-NJ

The AWSCPA-NJ aims to integrate the values of the national professional society of women CPAs into our New Jersey Affiliate and offer networking opportunities, leadership skills, advice and an opportunity to enhance the ability to succeed in your career.

Visit us at www.awscpa.org/nj or email us at awscpa.nj@comcast.net for more information.

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