



# Skody Scot & Company, CPAs, P.C.



Auditing & Accounting  
Consulting/Advisory

Tax/Information Return Preparation

*“Specializing in servicing the not-for-profit  
community for over 30 years”*



## FIRM PHILOSOPHY

**Skody Scot & Company** is a full-service, Manhattan public accounting firm that specializes in servicing not-for-profit organizations, professionals and closely held businesses. The firm provides services to clients in the New York Metropolitan area as well as to clients in other national and international locations. The firm has three partners and a full complement of professional and talented staff.

**Skody Scot & Company** has been in business for over 27 years and is proud of its reputation of providing clients with a level of competence equal to that of the largest New York CPA firms. This along with reasonable and competitive fees, has prompted many clients to switch to them from larger national and international firms. The partners pride themselves on being available throughout the year to answer any questions that arise - whether appearing simple or complex. They aim to create an atmosphere of open communications and professional respect that enable their clients to feel comfortable and confident in the advice they receive. As a trusted advisor to numerous Executive Directors, Officers and Boards of Directors, they know their job doesn't end when an audit, tax return or consulting engagement is completed. Since the goal is a long-term relationship, their job of helping and supporting their clients never ends.

The information contained in this booklet will help you get acquainted with the firm. It gives an overview of the many services **Skody Scot & Company** provides, the many civic and community activities it supports and the recognition it has received.

## PROFESSIONAL SERVICES

- FINANCIAL AUDITS
- REVIEWS & COMPILATIONS
- ACCOUNTING SUPPORT
- TAX EXEMPT APPLICATIONS (1023/1024)
- RETURN PREPARATION (990/CORP/INDIV)
- EFFICIENCY CONSULTING
- POLICY AND PROCEDURE MANUALS
- ADVISORS TO BOARD OF DIRECTORS
- BUDGET DEVELOPMENT AND ANALYSIS
- SOFTWARE CONFIGURATION

# NOT-FOR PROFIT ORGANIZATIONS

If one was to combine every type of Not-For-Profit (NFP) organization in the U.S. today, the result would probably constitute the largest economic operating segment of our economy. The NFP sector includes every conceivable type of activity from public charities (food, shelter, financial support) to membership organizations, health and welfare, religious, cultural institutions, educational, private operating and non-operating foundations, economic development, political and the list goes on. Although most are exempt from federal, state and local income taxes, many cannot receive tax deductible contributions from individuals and corporations and others must pay an excise tax or are subject to unrelated business income taxes. In addition, NFPs differ significantly from a typical commercial enterprise in:

- ◆ Increased transparency and reporting to federal (IRS) and state (attorney generals) regulatory agencies; grantors, donors and the public
- ◆ Increased Board of Directors involvement in managing the organization's affairs
- ◆ More scrutiny and liability over compensation and related party transactions
- ◆ More detailed accounting needed to track activities by location, function, program, grant, restriction and event
- ◆ Potential requirement to have financial statements audited by a granting agency and an independent CPA

And even though NFPs are ***not in business to make a profit***, they must operate efficiently and effectively, conserve their resources and fulfill their mission while maintaining their reason for tax exemption.

## Knowledge and Experience:

**Skody Scot & Company** understands the unique attributes of NFP organizations because their partners and staff have been servicing this sector for over 25 years. Their accumulated experience and industry-specific knowledge has allowed them to advise their clients on everything from tax and reporting



compliance to avoiding lawsuits. They have helped their clients apply for tax exempt status and have an unparalleled success rate in getting those applications approved by the IRS. They have steered their clients away from doing things that could jeopardize their tax exempt status and have reassured numerous Boards of Directors that their organizations are financially sound. They have made countless suggestions to upper management for becoming more efficient and improving their internal controls. And, they have provided guidance on obtaining affordable insurance, setting up retirement plans, writing grant proposals, designing efficient accounting systems, hiring qualified CFOs and accounting staff, and advising board members on their fiduciary duties and responsibilities.

As the accounting firm servicing the largest number of **Business Improvement Districts (BIDs)** in New York City, **Skody Scot & Company** is familiar with the numerous rules and requirements placed on their clients and have been instrumental in helping them deal with governmental agencies (SBS, City Council, etc). They understand the BID organizational structure and know how to provide them with the professional services needed to run their organizations successfully.

Whether it's performing an audit or consulting on how to improve operations, NFP clients know **Skody Scot & Company** is committed to helping them in any way they can. They can count on the firm's many years of experience and the fact that they will always stand behind their work and advice.

*Helping Not-For-Profits Manage Their Mission!*



# OUR PARTNERS

**Laurence Scot, MBA, CPA** holds an undergraduate degree from Queens College, a masters degree from Pace's Lubin School of Business and is certified to practice in NY and NJ. He's taught undergraduate and graduate courses at several colleges; been lecturing and giving seminars to CPAs, bankers, board members, management and the Not-For-Profit (NFP) community for 28 years; created the first in-class certificate programs in NFP accounting, financial management and governmental reporting offered by Manhattan, Fordham, NYU and Baruch; written numerous articles, been quoted in major publications and authored a reference book published by John Wiley. He's the recipient of a number of awards including the U.S. SBA Community Service Award, U.S. SBA Accounting Advocate of the Year Award and the Crain's NY Business Entrepreneur of the Year Award, and has served as Chairman of the Mayor's Small Business Advisory Board, New York City Industries for the Blind and Treasurer of the American Lung Association of Brooklyn.



**Alfred Jacob, CPA** served in the Air National Guard for five years. He received his BS in accounting from St. John's University and is Certified to practice in both New York and New Jersey. He has also earned a Certificate in Personal Financial Planning from the American Institute of Certified Public Accountants. He has more than 40 years of public accounting experience working with small to medium size businesses, individuals and estates and trusts. His experience includes servicing many prominent individuals and businesses in the entertainment and financial services industries.

**William Skody, CPA** graduated with a BA in accounting from Pace University within 2 ½ years, is certified to practice in New York. Prior to starting his own firm, he worked for several well-known public accounting firms. His expertise lies in servicing the Not-For-Profit community which he has done for over 32 years. He is highly respected throughout the New York metropolitan area for his knowledge and experience with Business Improvement Districts, Economic Development corporations and public charities. He believes strongly in giving back to the community and donates a great deal of his time to many worthwhile causes and organizations including sitting on several Boards & mentoring high school students.



**Frank Maag, CPA** graduated with a BS in accounting from Rowan University, has a Graduate Certificate in Governmental Financial Management from Rutgers University and is certified to practice in New Jersey. He has over 15 years of experience servicing the Not-For-Profit community and has cofounded a website that provides information and guidance to Not-For-Profit organizations at all stages in their development. To give back to the community, he has served as Treasurer to Family Promise of Monmouth County.

## OUR STAFF



Skody Scot & Company applies a holistic approach to hiring and supervising its staff. After an extensive interview process, all administrative and professional staff undergo intensive training which continues throughout their employment. Training includes both classroom and supervisory, on-the-job training and all firm members holding a CPA license must complete 24-40 hours a year

of approved continuing professional education in accounting, auditing, taxation and advisory services. Unlike many other accounting firms, Skody Scot & Company applies a team approach to servicing its clients. This means their clients get support from more than one member of the firm, which means they don't have to wait weeks to get answers to time-sensitive questions. They are also confident in the knowledge that all information supplied to the firm is held in the strictest confidence. The firm also undergoes quality review (reviewed by another CPA firm) and is proud of the excellent reports it has received over the years regarding its own performance.

# AUDITING AND ASSURANCE

Today, more than ever, board members, management, grantors, contributors, bankers, investors and other readers of financial statements need to be confident that the statements they read are accurate and materially correct. They need to be comfortable in the integrity and experience of the CPA firm who issues an opinion on the veracity of the financial statements.

**Skody Scot & Company** is proud of its reputation of providing high quality assurance services such as Audits and Reviews. Their auditors are very knowledgeable in Generally Accepted Auditing Standards (GAAS) and OMB A-133 requirements. They are also sensitive to the fact that an examination can be intrusive at times and plan their engagements in such a manner as to reduce any unnecessary interference wherever possible.

Most audit engagements end with a list of suggestions on how to improve internal controls and a meeting with management and/or the Board of Directors to explain, *in plain English*, their findings and recommendations. It has often been said that their friendly and professional approach is what sets them apart from the rest.



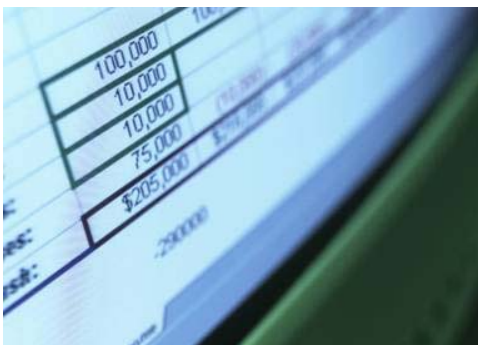
## SERVICES AVAILABLE

- ◆ Financial statement audits
- ◆ Single Audits (formerly A-133 )
- ◆ Internal control audits
- ◆ Forensic audits
- ◆ Agreed-upon procedure examinations
- ◆ Reviews

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# ACCOUNTING SOFTWARE

Most people today understand that accounting software is important and necessary to properly track, and report on an organization's financial activities. But what software to use and how to configure it is a mystery to most people, even to many accountants. This mystery is compounded by common misconceptions such as - all programs are created equal (with the exception of cost) and what's good for one type of organization is good for another type; Or, anyone who's computer literate can install/setup a properly configured accounting program; and, accounting systems and *chart of accounts* are easily modifiable and changeable in the future. To avoid pitfall that can haunt an organization for many years and hinder a smooth functioning information system, the professionals at **Skody Scot & Co.** take a bottom-up approach to assisting their clients in choosing an appropriate accounting program. By taking the time to analyze their clients needs, the correct program can be selected and the appropriate configuration implemented.



# CONSULTING & ADVISORY



The consulting professionals at **Skody Scot & Company** are trained to be proactive and help their clients plan for the unexpected and the future. They do this by understanding the uniqueness of each organization and incorporating its goals and objectives with the constraints of the marketplace. With their knowledge and experience they help their clients see the “big picture” so they can best utilize their resources to achieve the best possible result. In addition to assistance with tactical and strategic planning, **Skody Scot & Company’s** consulting professionals provide the following services to:

- ◆ Tax exemption applications (1023, 1024) & restatement of exemption
- ◆ Developing policy and procedure manuals
- ◆ Assistance with:
  - ◆ Termination of activities, programs & endowments or Org. dissolution
  - ◆ Hiring qualified accounting & financial staff
  - ◆ Budget development & reporting
  - ◆ Support/advocacy during regulatory audits
  - ◆ Being a sounding-board for management & BODs

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## RETURN PREPARATION

Understanding the numerous and complex federal, state and local tax and information reporting laws and regulations takes knowledge and experience. The professionals at **Skody Scot & Co.** have that knowledge and experience and understand the consequences of operational decisions and work continually with their clients to consider the implications of those decisions. To that end, they assist with the preparation of the following returns:



- ◆ 990, 990-EZ & 990-PF
- ◆ 990T & related state returns
- ◆ Federal Data collection form
- ◆ CHAR500 & other state reporting
- ◆ CFR & regulatory reporting
- ◆ W-2s & 1099



# SEMINARS & LECTURES



## Nonprofit "Sticky Issues" Clinic: Form 990 – Traps & Tips for Reporting Properly

Nonprofit Coordinating Committee of New York  
Thursday, October 8, 2015 from 9:00 AM to 11:30 AM (EDT)  
New York, NY

www.npcny.org  
**NONPROFIT**  
Coordinating Committee of New York



## Form 990: Tips and Traps for Compliance and Reporting

Live Teleconference

NOVEMBER 11, 2015  
2:00 pm - 3:30 pm ET

Faculty  
Laurence Scot  
Skodyscot & Company CPAs

## SEMINAR OUTLINE

Day 1 — December 10

FORMATION, FUNDING & FINANCIAL MANAGEMENT OF TAX EXEMPT ORGANIZATIONS

## Ultimate Guide to Tax Exempt Organizations in New Jersey — A 2-Day Practical Course —

### IV. Contributions, Grants and Membership Dues

12:45 - 1:30, Laurence Scot

- Understanding Contribution Classifications
- Distinguishing Contributions from Exchange Transactions
- Proper Classification of Government Grants
- Donor Reporting Requirements
- Treatment of Membership Dues

### V. Financial Management and Reporting

1:30 - 2:15, Laurence Scot

- Need for Internal Controls
- Financial Reporting System
- Basic Non-Profit Financial Statements
- Distinguishing Between Special Events and Fundraising Expenses
- Financial Statements and Compliance Audits

**SKODY SCOT & CO., CPAS**

*Invites you*  
to attend an important & informative seminar on the  
**RECENT ACCOUNTING CHANGES  
EFFECTING ALL  
NOT-FOR-PROFIT ORGANIZATIONS**

Within the last few years the Financial Accounting Standards Board (FASB), the accounting rule making body, has issued several major accounting and reporting revisions that effect every Not-For-Profit organization in the country. Some of these changes are the most significant Not-For-Profit changes issued since 1994.

Topics covered will include the new rules on:

- Presentation of Financial Statements of Not-For-Profit Entities
- Going Concern
- Leases
- Revenue from Contracts with Customers

Thursday, October 5th  
8:30 - 11:30am (light breakfast)  
Union League Club  
38 East 37th Street (Btw Madison & PA)  
Speaker: Laurence Scot, MBA, CPA



To Attend this free seminar  
RSVP by September 25th at [Laurence@skodyscot.com](mailto:Laurence@skodyscot.com)

**SKODY SCOT & CO., CPAS**  
AUDITORS & ADVISORS  
Tele: 212-967-1100 Web: [Skodyscot.com](http://Skodyscot.com)  
Managing Partners:  
[William@skodyscot.com](mailto:William@skodyscot.com) [Laurence@skodyscot.com](mailto:Laurence@skodyscot.com)

"Specializing in servicing the Not-For-Profit community for over 26 years."

- Audits & Reviews
- Return Preparation
- Consulting & Advisory
- Tax Exempt Applications

CHERRY HILL,  
NEW JERSEY  
DECEMBER 10 *and*  
DECEMBER 11, 2015

### Credit Information

NJ CLE - 14.4 (Incl. 1.2 ethics)  
NY CLE - 14.0 (Incl. 1.0 ethics)  
PA CLE - 12.0 (Incl. 1.0 ethics)  
IACET - 1.2  
ICB - 9.0  
CPE for Accountants/NASBA - 14.0 (Incl. 1.0 ethics)  
PACE - 14.0  
See inside for details.

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BUSINESS  
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### Faculty

Harris Neal Feldman, JD  
Pat L. Givlekian, JD, CPA  
Debra E. Guston, JD  
Michael J. Kline, JD  
Frances A. McElhill, JD

Laurence Scot, CPA

*Don't Miss  
This Opportunity!*

- Tips for Filing Form 1023
- Preparation for UBIT and Form 990
- Avoid D&O Liability Pitfalls



# TEACHING & BOOKS



## NONPROFIT FINANCIAL MANAGEMENT AND REPORTING

This 10-session certificate program provides rigorous and in-depth training in NFP financial accounting and management concepts and principles, as well as many reporting requirements for individuals who work in or with NFP organizations.

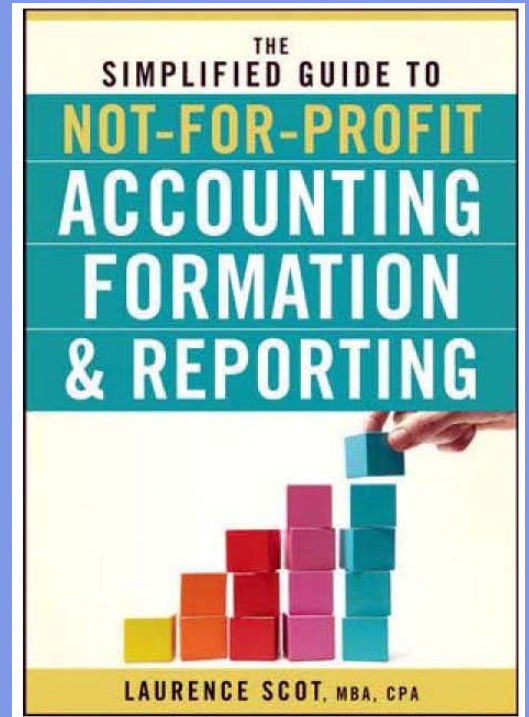
The program covers a wide range of NFP accounting, financial and regulatory concepts, including many new pronouncements, specific to the operations of NFP organizations.  
Laurence Scot, MBA, CPA - Instructor

**PROGRAM DATES:**  
October 2 - December 4, 2019 (10 sessions)  
6 - 8 p.m.

**TUITION:**  
\$1,300

**LOCATION:**  
247 W 36th Street  
New York, NY 10018  
Includes all class materials and, once completed, a certificate of attendance.

FOR MORE INFORMATION AND REGISTRATION, EMAIL [EZAVALA01@MANHATTAN.EDU](mailto:EZAVALA01@MANHATTAN.EDU).



Available on  
Amazon.com



## Not-for-Profit Bookkeeping and Financial Management Certificate Programs

**All bookkeeping and reporting is not alike!**

Learn the **specific benefits and reporting requirements unique to not-for-profits**. Whether you are new to not-for-profit bookkeeping and reporting or are in a leadership role and want to better understand the concepts and terminology, Fordham can help you become more accurate, knowledgeable, and conversant in the financial requirements and activities that affect most not-for-profits in New York State.



**Starts Sept. 29**  
Lincoln Center Campus

**Certificate in Not-for-Profit Bookkeeping and Accounting**  
This comprehensive three-course certificate program covers a wide array of concepts and principles unique to maintaining the books and records of a typical not-for-profit organization. You'll learn how to develop a budget, set up books using QuickBooks, donor and grant reporting, payroll, how to prepare financial statements and how to comply with the NY State Nonprofit Revitalization Act.



**Starts Oct. 2**  
Lincoln Center Campus

**Certificate in Not-for-Profit Financial Management and Reporting**  
Ideal for NFP management, board members, accountants, lenders and stakeholders, this one-course program covers a wide range of financial and regulatory concepts that are specific to not-for-profits. Learn the terminology, how to apply for tax exemption, and understand Form 990. Learn what you need to present to board members, donors and regulatory agencies, and take advantage of tax benefits that apply to your organization.

Email: [Laurence@skodyscot.com](mailto:Laurence@skodyscot.com)

[www.fordham.edu/pcs/nfp](http://www.fordham.edu/pcs/nfp)



## CERTIFICATE IN NOT-FOR-PROFIT ACCOUNTING AND GOVERNMENTAL REPORTING

Not-for-profit organizations are an integral part of our economy and society, and knowledgeable accounting staff members are instrumental in assuring that these entities accomplish their goals and achieve their mission. This certificate program provides focused, comprehensive, real-world training in the area of not-for-profit accounting and governmental reporting to individuals who work in, or plan on working in, not-for-profit or governmental financial accounting.



*"We hope you found this booklet interesting and informative. Feel free to contact us if you would like more information about our many professional services or how we can help you or your organization achieve its goals."*

*William Skody, CPA  
Laurence Scot, MBA, CPA  
Co-Managing Partners*



*Helping Not-For-Profits Manage Their Mission!*



## **SKODY SCOT & COMPANY, CPAS**

520 Eighth Avenue  
Suite 2200  
New York, NY 10018  
Tel: 212-967-1100  
Fax: 212-967-2002  
[www.skodyscot.com](http://www.skodyscot.com)  
Email: [Laurence@skodyscot.com](mailto:Laurence@skodyscot.com)  
Email: [William@skodyscot.com](mailto:William@skodyscot.com)