

# South Dakota State BOARD OF ACCOUNTANCY

Vol. 27, No. 2

Public Information Newsletter

July 2007



## RENEWAL TIME IS HERE!

The South Dakota Board of Accountancy began mailing out renewal forms on June 18, 2007. Please be sure to self report any criminal, administrative or civil action(s) taken against you since your last renewal.

All renewal forms must be received in the Board office or postmarked by August 1, 2007. Renewals received after August 1, 2007 will be subject to a \$50 late penalty fee. Failure to receive a renewal notice does not constitute an adequate reason for failing to renew the certificate in a timely manner. (ARSD 20:75:03:03, 20:75:03:08, 20:75:03:12, 20:75:03:13)

ARSD 20:75:03:16 states, any holder of a South Dakota certificate no longer practicing any form of accounting governed under this chapter may choose to register the certificate under a retired status. To be eligible for registration under retired status, an individual must be at least 55 years of age and sign an affidavit attesting to the retired status. Retired status entitles you to an annual registration fee of \$10. You will continue to receive newsletters from the board and will not be required to relinquish your certificate for non-compliance with the rules governing active and inactive status.

Any individual choosing not to renew a certificate shall notify the board of that intention prior to the expiration of that certificate and surrender the certificate to the board immediately upon its expiration. Any individual choosing not to renew that does not notify the board or surrender their certificate will be deemed to have a lapsed certificate. An individual with a lapsed certificate may not continue to perform or offer to perform accounting services in the State of South Dakota (ARSD 20:75:03:02)

Any individual in a lapsed status will be issued a notice of intent for revocation of license by the Attorney General's office. Please visit our website to see if you are listed as a lapsed license holder.

## Board News. . .

### Thank You! to our outgoing Board Member.

John Graham, CPA, has been a member of the Board since 2001. During his tenure, he served as Board Chair. The Board would like to thank John for being a capable leader of the South Dakota Board and for his diligent commitment to serve the accounting profession and the citizens of South Dakota.

## Uniform CPA Examination News

The U.S. Department of Veterans Affairs (VA) will now reimburse eligible individuals for the cost of the Uniform CPA Examination as part of its veteran education benefits program. Veterans, or those on active duty, should download VA Form 22-1990 and eligible children or spouses should download VA Form 22-5490 from [www.gibill.va.gov](http://www.gibill.va.gov).

To apply for reimbursement, send a copy of your test results with a letter requesting reimbursement. The letter should include your name and Social Security number, the name and date of the test, the name and address of the organization issuing the license or certificate (i.e., the appropriate board of accountancy) and the cost of the test. The letter should also contain the statement, "I authorize release of my test information to VA."

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## CONGRATULATIONS TO OUR TOP CANDIDATES

Congratulations to the following individuals for passing all four sections on their first attempt; sitting uninterruptedly.

Name	University
Dana Kaup	University of South Dakota
Tabitha Hubert	University of South Dakota
Sara Andrews	University of Wisconsin
Jennifer Rice	Black Hills State University

## NEW LICENSEES

Ryan Larry Simmons	Sandra Leigh Weaver
Kristina Louise Feaster	Krystal Rae Kompelien
Chris Charles Eitemiller	Jeffrey Lynn May
Cassie Jo Besler	Shelly Marie Burrell
Daniel John Schelske	Krystal Gail Erdmann
Peggy Jill Naessig	Tabitha Ann Hubert
Marissa Rae Moore	Brian Thomas Pickens
Micheal Thomas Finnegan	Richard J. Putnam
Jennifer Mary Pelzel	Dana Dianne Kaup
Ayo Wale Abraham	Casey John Moscrip
Matthew Carl McMillen	Christopher Michael Curran
Samantha M. Kangas	

## NEW FIRM PERMITS ISSUED

**Brad Zumbaum, CPA - Canton, SD**  
**Ernst & Young LLP - Charlotte, NC**  
**Ernst & Young, LLP - Omaha, NE**  
**Widmer Roal PC - Fargo, ND**  
**LarsonAllen LLP - Mankato, MN**  
**Dohman, Akerlund & Eddy, LLC - Aurora, NE**  
**Equity Consulting, LLC - Sioux Falls, SD**  
**Brent Wookey, CPA - LaCrosse, WI**  
**Stulken, Petersen, Lingle & Walti, LLP - Gettysburg, SD**  
**Fossum Tax & Consulting, Prof. L.L.C. - Sioux Falls, SD**  
**Aleene Angle Williams, CPA - Sioux Falls, SD**  
**Dana F. Cole & Company, LLP - Lincoln, NE**  
**Dana F. Cole & Company, LLP - Montevideo, MN**  
**Dana F. Cole & Company, LLP - O'Neill, NE**  
**Eide Bailly LLP - Sioux Falls, SD**  
**Shonsey, Placke, Maruska, Stava, & Meier, PC - Grand Island, NE**

## REVOKED LICENSEES

The following individuals had their license revoked for non-compliance with renewal requirements.

Name	Address	License #
Samer H. Khalife	PO Box 73000 Dubai, UAE	2077
George E. Maas	4910 Lincoln Dr Hennepin, MN	2077
Yuji Mito	2 Forest Laneway #304 Toronto, Canada	2098
Toshiya Miura	4502-14 Murakami Chiba, Japan	2063
Michael B. Olson	1000 S. Phillips Av #404 Sioux Falls, SD	1673
Tomohiro Ono	5-1-25-203 Kamiikedai Tokyo, Japan	2087
Hirofumi Ota	Rudolf Breitscheid Langen, Germany	2145
Mohammed M. Safi	PO Box 7613 Abu Dhabi, UAE	2078
Alan W. Tam	1077 Marinaside Crescent Apt 603 Vancouver BC, Canada	2237
Keiko Tanaka	430 Kaiolu St #309 Honolulu, HI	2067
Bonita Treat	107 B St. Suite 386 San Diego, CA	2133
Michael W. Will	206 E. 39th Ste 132 S. Sioux City, NE	1264

## SOUTH DAKOTA TO NATIONAL UNIFORM CPA EXAM PASS RATE STATISTICS

2006	Jan-Feb	Apr-May	Jul-Aug	Oct-Nov	CUM
AUD	42.3/40.6	30/43.5	46.2/46.7	55.6/44.3	46.9/44
BEC	16.7/41.9	35.7/43.4	44.7/46.3	28.1/43.2	34.4/43.8
FAR	33.3/42.2	70/42.9	50/47.3	31.8/44.8	44.3/44.5
REG	69.2/39.3	33.3/42	48/45.2	54.6/42	51.4/42.3

The above statistics represent 213 candidates sitting for 293 parts of the examination.

## AICPA NEWS

The AICPA Peer Review Board (Board) has released an exposure draft containing proposed revisions to the AICPA Standards for Performing and Reporting on Peer Reviews (Standards) and Interpretations to the Standards. The exposure draft proposes to create one set of Standards and Interpretations within the AICPA Peer Review Program for all AICPA members subject to peer review. Member firms currently enrolled in the Center for Public Company Audit Firms (CPCAF) Peer Review Program would be covered under this measure. Other proposals include a reengineered reporting process, changes to engagement and report reviews, and more principles-based Standards. The exposure draft contemplates that the revised Standards and Interpretations will be effective for peer reviews commencing on or after January 1, 2009. Early implementation will not be allowed. Comments and suggestions were to be received by June 30, 2007, to be considered. To review the proposed draft please visit [www.aicpa.org](http://www.aicpa.org)

### DON'T FORGET.....

Mail from the Board office does not forward.

Notify the board of any change in address, employment, telephone number or email address within 30 days of the change.

It is also important to report other significant changes in your practice, such as name changes, personnel changes, and partner changes.

## CALLING QUALIFIED PEER REVIEWERS

Qualified peer reviewers are currently in demand nationwide. If you qualify as a peer reviewer pursuant to ARSD: 20:75:07:07 of the South Dakota Board of Accountancy rules and are interested in having your name included on our list of qualified peer reviewers, please contact us with your qualifications and contact information. We will add you to our list of qualified peer reviewers which is given to any new firm enrolled in our peer review program.

To qualify as a peer reviewer in South Dakota you must:

- 1) Be licensed to practice as a certified public accountant or public accountant by the licensing board of any state;
- 2) Have current knowledge and experience of the professional standards applicable to the type of practice to be reviewed, including recent experience in the industry engagements that may be selected for review. Such knowledge and experience may be obtained from on-the-job training, training courses, or a combination of both;
- 3) Be independent of the firm under review;
- 4) Be able to demonstrate familiarity with the procedure for conducting a peer review in accordance with the standards in §§ 20:75:07:09 to 20:75:07:16, inclusive;
- 5) Be able to provide evidence that the reviewer's firm received an unmodified report during the past three years or a certified true statement that the firm was not subject to review. If the reviewer is associated with more than one firm, all of the firms with which the reviewer is associated must fulfill this requirement. This provision is not applicable to an individual reviewer not associated with a firm;
- 6) Be familiar with operations of a firm comparable in size to the firm under review; and
- 7) Have completed a minimum of eight hours of continuing professional education on performing peer reviews within the five years before the start of the review.

Members of the board and members of their firms may not conduct a South Dakota peer review; however, members of their firms may conduct equivalent reviews in accordance with §20:75:07:05.

## FROM THE DEPT OF REVENUE

Accounting services are subject to sales tax in South Dakota. If your firm has employees or contract with third parties that contact customers or perform services in South Dakota you have created nexus and need to apply for a South Dakota sales tax license. You may apply for this license for no fee at

<https://apps.sd.gov/applications/rv81obta/default.asp>.

Additional information is available in Accountants Tax Facts at [www.state.sd.us/drr](http://www.state.sd.us/drr) or by calling 1-800-829-9188.

## FREQUENTLY ASKED QUESTIONS

If you have any questions, please do not hesitate to contact the board office. We are here to provide assistance to you. Helping you understand the accountancy laws and rules governing the accounting profession helps us to promote the Board's mission of public protection!

### **What is the educational requirement to qualify as a South Dakota exam candidate?**

The education requirement for a certificate, which shall be met before one hundred days after an applicant sits for the examination prescribed in this chapter, is at least one hundred fifty semester hours of college education, including graduation from an accredited college or university with a baccalaureate or a graduate degree in accounting, or the satisfactory completion of a course of study which the board has determined to be substantially equivalent of an accounting degree.

Both a major in accounting and a course of study substantially equivalent to an accounting major must include 24 semester hours in accounting at the undergraduate or graduate level from an accredited college or university, to include at least one course in; intermediate or advanced accounting, auditing, taxation and cost accounting and at least 24 semester hours of business courses, other than accounting courses at the undergraduate or graduate level.

### **After I am deemed eligible by the Board, what can I expect?**

Once the board has reviewed your application and determined your eligibility to sit for the examination, you will receive an email from the board notifying you of your application status. Within a week of board notification you will be receiving a "notice to schedule" (NTS). Once you

have received your NTS you may schedule your examination.

### **How long is my NTS valid?**

Your NTS will be valid for one year. This will be your set period of time to schedule and take the exam section(s) for which you have been issued an NTS. After one year of receiving an NTS for any given section your NTS will expire and you will be required to re-apply. The board recommends scheduling during the same window in which your NTS is issued.

### **What is the current cost of the Uniform CPA Examination?**

SECTION	EXAM LENGTH	FEE
Auditing (AUD)	4.5 Hours	\$239.33
Accounting (FAR)	4.0 Hours	\$227.40
Regulation (REG)	3.0 Hours	\$203.55
Business (BEC)	2.5 Hours	\$191.63

### **What can I do to prepare for the computer-based exam?**

Visit [www.cpa-exam.org](http://www.cpa-exam.org) and participate in the tutorial available. Also, familiarize yourself with the professional literature governing accounting, auditing and tax standards. You may visit [www.aicpa.org](http://www.aicpa.org) to find information pertaining to the AICPA Professional Standards. The Financial Accounting Standards Board (FASB) has made their professional literature available at their website [www.fasb.org](http://www.fasb.org). All sections of the computerized exam except the BEC section require candidates to access professional standards in the research portion of the simulations. Familiarization with accessing of professional standards on line is critical to your successful completion of this segment of the exam section(s). The AICPA offers a one year subscription to the on-line Professional Standards for exam candidates. Please visit their website for information on obtaining a subscription to on-line professional standards for both student members and non-student members.

### **What do I do if my testing session is interrupted?**

Do not leave the testing center without completing a Center Problem Report (CPR). Once you have completed the CPR call us at the state board office and we will ensure immediate implementation of proper re-testing procedures at no cost to the candidate and with no penalty to the life of the candidate's notice to schedule.

### **When will I receive my scores/grades?**

The AICPA is responsible for making the final determination on score/grade release dates. The Board anticipates receiving the scores within the first two to three weeks after testing is completed for the window which you

have sat. Once the score reports are received in the board office, they will be sent out within one business day.

## Questions asked by Licensees

### What is required for me to use the CPA designation?

Anyone registered in an active status with the Board of Accountancy may use the CPA designation. Active status does require compliance with the continuing professional education requirement established by the board.

A CPA who does not perform or offer to perform accounting services to the public may file their certificate "inactive" with the board. An "inactive" status does not require the CPA to comply with the CPE requirements however you must include the caveat "inactive" in the same size font next to your designation wherever it is displayed, except on your certificate.

An individual holding a valid South Dakota certificate must register with the board annually in either an active, inactive or retired status. If the individual does not wish to maintain their certificate in good standing, they must relinquish the certificate to the board. Individuals holding a certificate from another state, must either register the certificate with the South Dakota board or sign an affidavit stating they will not use the CPA designation while in South Dakota.

### How do I know if a course qualifies as CPE?

ARSD 20:75:04:02 describes the general qualifying criteria of continuing professional education. It must be a program of formal learning that directly contributes to the professional competence of a licensee in the practice of accountancy. A program that promotes professional competence in the practice of accountancy is defined as one that refers to the process, methods, or principles of accounting or directly relates to the licensee's employment and is above the level of the licensee's current knowledge. The course provider should provide a completion certificate and retain an attendance sheet or four years. **The board accepts all QAS and Registry approved courses which can be verified at CPEMARKET.COM.**

## FUTURE BOARD MEETINGS

August 13, 2007 - Sioux Falls, 8:30 a.m. Eide  
Bailly 5th Floor Conference Room

For future meeting dates, please visit our website  
[www.state.sd.us/dol/boards/accountancy](http://www.state.sd.us/dol/boards/accountancy)

**SOUTH DAKOTA  
BOARD OF ACCOUNTANCY**  
(605) 367-5770  
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[www.state.sd.us/dol/boards/accountancy](http://www.state.sd.us/dol/boards/accountancy)

### Board Members

John Mitchell, CPA  
Chair  
Rapid City

Marty Guindon, CPA  
Auditor General  
Vice-Chair  
Pierre

David G. Olson, CPA  
Secretary-Treasurer  
Mitchell

John J. Linn, Jr., CPA  
Member  
Pierre

John E. Peterson, PhD  
Lay Member  
Aberdeen

Nicole Olson  
Executive Director

Julie Iverson  
Sr. Secretary

Tricia Nussbaum  
Secretary

# MOVING - LET US KNOW

SDCL: 36-20B-29 requires holders of certificates to notify the Board within 30 days of change of address or in employment.

Certificate Holder \_\_\_\_\_  
Last Name                      Jr./III                      First                      Middle

Certificate # \_\_\_\_\_ Send Mail to \_\_\_\_\_ Home \_\_\_\_\_ Business \_\_\_\_\_

New Home Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

CPA Firm/Business Name \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

New Business Address \_\_\_\_\_

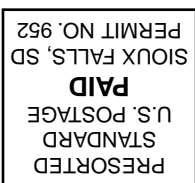
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Bus. Telephone: (     ) \_\_\_\_\_ Home (     ) \_\_\_\_\_

Bus. Fax (     ) \_\_\_\_\_ E-mail address \_\_\_\_\_

Mail to: South Dakota Board of Accountancy

Fax to: (605) 367-5773



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