

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY

via [Microsoft Teams](#)

Meeting ID: 259 674 649 469 Passcode: izpQ5o

Or

Call +1-605-679-7263/ID: 212 359 419#

November 20, 2024, 9:00 a.m. (CST)

A=Action
D=Discussion
I=Information

A. Call to Order.....	Budahl
B. Public Comment.....	Oratory
C. A-Approval of Minutes of Meeting October 3, 2024.....	2-3
D. A-Approval of Certificates & Firm Permits.....	4-5
E. A-Approval of Financial Statements through October 2024.....	6-24
F. D-Executive Director's Report.....	25-27

NASBA

G. D-Exposure Draft CPA Competency-Based Experience Pathway.....	28-59
H. D-UAA Exposure Draft and responses.....	60-87

EXECUTIVE SESSION pursuant to SDCL 1-25-2

I. Equivalent reviews, follow-ups and consent agreement for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CST)

- J. Meeting Dates
January 8, 2025 – 9:00 a.m. Teams
February 5, 2025 – 9:00 a.m. Teams
- K. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Meeting Via Microsoft Teams
October 3, 2024 9:00 a.m. CDT

Chair Deidre Budahl called the meeting to order at 9:01 a.m. A quorum was present.

Members Present: Jay Tolsma, Russell Olson, Holly Engelhart, Jeff Strand, Priscilla Romkema, and Deidre Budahl.

Others Present: Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; Gerald McCabe, DLR Director; Kira Weber, DLR Attorney; and Jodi Aumer, DLR Director of Professional Licensing.

Chair Budahl asked if there were any additions to the agenda:

Additions to Certificates
UAA Exposure Draft
Additions to Peer Review

Tolsma made a motion to approve the agenda with additions. Olson seconded the motion. **MOTION PASSED.** (Strand excused)

The Chair opened the floor for public comment. No comments were received.

Engelhart made a motion to approve the August 7, 2024, meeting minutes. Romkema seconded the motion. **MOTION PASSED.**

Tolsma made a motion to approve the certificates and firm permits issued through October 1, 2024. Romkema seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the financial statements through August 2024. Strand seconded the motion. **MOTION PASSED.**

Romkema made a motion to ratify the CPA exam scores for the 81st window through June 2024. Tolsma seconded the motion. **MOTION PASSED.**

Executive Director Kasin discussed her report on individual and firm renewals for the year ending July 31, 2025, CPE extensions, CPE audits, new leadership at NASBA, and national pipeline proposals.

The Board discussed the NASBA proposed bylaw changes, the Board of Directors meeting minutes from April 26, 2024, and the Board of Directors meeting highlights from July 19, 2024.

Chair Budahl tabled the discussion on the Exposure Draft CPA Competency-Based Experience Pathway and the UAA Exposure Draft until the November 20, 2024 meeting.

Strand made a motion at 9:23 a.m. to enter executive session for the deliberative process for peer reviews and an enforcement case. Olson seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 9:25 a.m.

Engelhart made a motion to accept the peer reviews and enforcement case as discussed in executive session. Romkema seconded the motion. **MOTION PASSED.**

FUTURE MEETING DATES (all times CT)

November 20, 2024 – 9:00 a.m. Teams meeting

January 8, 2025 – 9:00 a.m. Teams meeting

February 5, 2025 – 9:00 a.m. Teams meeting

March 19, 2025 – 9:00 a.m. Team meeting

Olson made a motion to adjourn the meeting. Romkema seconded the motion. **MOTION PASSED.**

All business having come before the board was concluded and Chair Deidre Budahl adjourned the meeting at 9:33 a.m.

DRAFT

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through November 7, 2024

Number	Name	Date Issued	Location
3700	Candida Ann Olson	10/07/24	Aberdeen, SD
3703	Stacie Yun-Ah Ray	10/15/24	Brookings, SD
3704	Kallee Jane Chear	10/17/24	Sioux Falls, SD
3705	Keely Rae Mehling	10/22/24	Sioux Falls, SD
3706	Shay Michael Casey	10/29/24	Sioux Falls, SD
3707	Matthew Robert Steiger	11/04/24	Sioux Falls, SD
3708	Brittany Elsie Kuhl	11/04/24	Sioux Falls, SD
3709	Minh Tam Le	11/06/24	Dakota Dunes, SD
3710	John Lester Delos Santos Haas	11/07/24	Sioux Falls, SD

**FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY
BOARD COPY**

**Issued Through
November 7, 2024**

Number	Name	Date Issued	Basis/Comments
1810	Sheehan & Company, CPA, PC Brightwaters, NY	10/24/24	New Firm
1811	Terra Business Solutions Inc. Covina, CA	10/28/24	New Firm

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 10/31/2024

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	456,685.19	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			456,685.19	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			456,685.19	DR **	
BUDGET UNIT TOTAL 1031			456,685.19	DR ***	

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 10/31/2024

AGENCY 10 LABOR & REGULATION
 BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
 CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
COMPANY NO		6503								
COMPANY NAME		PROFESSIONAL & LICENSING BOARDS								
6503	103100061802	51010100	CGEX240926	10/02/2024					3,450.94	DR
6503	103100061802	51010100	CGEX241011	10/16/2024					3,362.58	DR
OBJSUB: 5101010		F-T EMP SAL & WAGES								
6503	103100061802	51010200	CGEX240926	10/02/2024					6,813.52	DR *
6503	103100061802	51010200	CGEX241011	10/16/2024					2,364.96	DR
6503	103100061802	51010200	CGEX241011	10/16/2024					2,714.08	DR
OBJSUB: 5101020		P-T/TEMP EMP SAL & WAGES								
6503	103100061802	51010300	CGEX241011	10/16/2024					5,079.04	DR *
6503	103100061802	51010300	CGEX241011	10/16/2024					996.00	DR
OBJSUB: 5101030		BOARD & COMM MBRS FEES								
OBJECT: 5101		EMPLOYEE SALARIES								
6503	103100061802	51020100	CGEX240926	10/02/2024					12,888.56	DR **
6503	103100061802	51020100	CGEX241011	10/16/2024					399.22	DR
6503	103100061802	51020100	CGEX241011	10/16/2024					495.95	DR
OBJSUB: 5102010		OASI-EMPLOYER'S SHARE								
6503	103100061802	51020200	CGEX240926	10/02/2024					895.17	DR *
6503	103100061802	51020200	CGEX241011	10/16/2024					320.50	DR
6503	103100061802	51020200	CGEX241011	10/16/2024					319.80	DR
OBJSUB: 5102020		RETIREMENT-ER SHARE								
6503	103100061802	51020600	CGEX240926	10/02/2024					640.30	DR *
6503	103100061802	51020600	CGEX241011	10/16/2024					1,008.22	DR
6503	103100061802	51020600	CGEX241011	10/16/2024					995.42	DR
OBJSUB: 5102060		HEALTH/LIFE INS.-ER SHARE								
6503	103100061802	51020800	CGEX240926	10/02/2024					2,003.64	DR *
6503	103100061802	51020800	CGEX241011	10/16/2024					9.89	DR
6503	103100061802	51020800	CGEX241011	10/16/2024					10.27	DR
OBJSUB: 5102080		WORKER'S COMPENSATION								
6503	103100061802	51020900	CGEX240926	10/02/2024					20.16	DR *
6503	103100061802	51020900	CGEX241011	10/16/2024					.93	DR
6503	103100061802	51020900	CGEX241011	10/16/2024					.95	DR
OBJSUB: 5102090		UNEMPLOYMENT COMPENSATION								
OBJECT: 5102		EMPLOYEE BENEFITS								
GROUP: 51		PERSONAL SERVICES								
6503	103100061802	52030200	CGEX241021	10/23/2024	676145				16,449.71	DR ***
6503	103100061802	52030200	CGEX241021	10/23/2024	676145				38.05	DR
OBJSUB: 5203020		AUTO PRIV (IN-ST.) L/RTE								
OBJECT: 5203		TRAVEL								
6503	103100061802	52041600	0004614	10/02/2024	00933729	NATIONALAS	12005047		38.05	DR *
6503	103100061802	52041600	0004614	10/02/2024	00933729	NATIONALAS	12005047		38.05	DR **
6503	103100061802	52041600	0004614	10/02/2024	00933729	NATIONALAS	12005047		2,550.00	DR
OBJSUB: 5204160		WORKSHOP REGISTRATION FEE								
6503	103100061802	52041800	DP509099	10/25/2024					2,550.00	DR *
6503	103100061802	52041800	DP509099	10/25/2024					973.80	DR
OBJSUB: 5204180		COMPUTER SERVICES-STATE								
6503	103100061802	52042000	PL509054	10/04/2024					973.80	DR *
6503	103100061802	52042000	PL509054	10/04/2024					93.34	DR
6503	103100061802	52042000	RM509049	10/04/2024					121.22	DR

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 10/31/2024

AGENCY 10 LABOR & REGULATION
 BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
 CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
		OBJSUB: 5204200	CENTRAL SERVICES						214.56	DR *
6503	103100061802	52042200	IN1201765	11/01/2024	691748	ABBUSINESS	12036980		73.72	DR
		OBJSUB: 5204220	EQUIPMENT SERV & MAINT						73.72	DR *
6503	103100061802	52042300	25I003 JUL-JUN25	10/09/2024	608999	SUNSETOFFI	12627537		200.00	DR
		OBJSUB: 5204230	JANITORIAL & MAINT SERV						200.00	DR *
6503	103100061802	52043300	E0153-036	11/01/2024					572.05	DR
		OBJSUB: 5204330	COMPUTER SOFTWARE LEASE						572.05	DR *
6503	103100061802	52045210	ACCOUNT OCT-JUL	10/11/2024	658737	MCGINNISRO	12074040		1,470.00	DR
		OBJSUB: 5204521	REVENUE BOND LEASE PYMTS						1,470.00	DR *
6503	103100061802	52045300	TL508053	10/02/2024					138.00	DR
6503	103100061802	52045300	TL509052	10/23/2024					138.00	DR
6503	103100061802	52045300	8381416X09242024	10/09/2024	00074874	ATTMOBILIT	12279233		104.96	DR
		OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS						380.96	DR *
6503	103100061802	52045400	5159417006 0924	10/09/2024	02573621	XCELEENERGY	12023853		42.62	DR
		OBJSUB: 5204540	ELECTRICITY						42.62	DR *
6503	103100061802	52047400	CI105A-012	10/16/2024	381695				85.06	DR
		OBJSUB: 5204740	BANK FEES AND CHARGES						85.06	DR *
6503	103100061802	52049600	1149	10/09/2024	00935133	NATIONALAS	12005047		6,535.28	DR
		OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE						6,535.28	DR *
		OBJECT: 5204	CONTRACTUAL SERVICES						13,098.05	DR **
6503	103100061802	52050200	IN4658219	10/11/2024	02574722	INNOVATIVE	12550348		73.85	DR
6503	103100061802	52050200	IN4659206	10/11/2024	02574722	INNOVATIVE	12550348		26.88	DR
6503	103100061802	52050200	0003702	10/02/2024	00934104	ECOWATERSY	12627232		25.35	DR
		OBJSUB: 5205020	OFFICE SUPPLIES						126.08	DR *
		OBJECT: 5205	SUPPLIES & MATERIALS						126.08	DR **
6503	103100061802	5228000	T105-016	10/09/2024					1,256.66	DR
6503	103100061802	5228000	T105-026	11/01/2024					362.52	DR
		OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT						1,619.18	DR *
		OBJECT: 5228	NONOP EXP/NONBGTD OP TR						1,619.18	DR **
		GROUP: 52	OPERATING EXPENSES						14,881.36	DR ***
		COMP: 6503							31,331.07	DR ****
		CNTR: 103100061802							31,331.07	DR *****
		B. UNIT: 1031							31,331.07	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of October 31, 2024

	Oct 31, 24
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	391.58
1140000 · Pool Cash State of SD	456,685.19
Total Checking/Savings	457,076.77
Other Current Assets	
1131000 · Interest Income Receivable	15,114.43
1213000 · Investment Income Receivable	2,587.12
Total Other Current Assets	17,701.55
Total Current Assets	474,778.32
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	474,778.32
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	8,204.17
Total Accounts Payable	8,204.17
Other Current Liabilities	
2430000 · Accrued Wages Payable	12,478.58
2810000 · Amounts Held for Others	37,884.41
Total Other Current Liabilities	50,362.99
Total Current Liabilities	58,567.16
Long Term Liabilities	
2960000 · Compensated Absences Payable	39,438.96
Total Long Term Liabilities	39,438.96
Total Liabilities	98,006.12
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-90,315.71
Net Income	149,262.89
Total Equity	376,772.20
TOTAL LIABILITIES & EQUITY	474,778.32

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through October 2024

11/06/24

	Jul - Oct 24	Budget	\$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	800.00	2,500.00	-1,700.00	32.0%
4293551 · Certificate Renewals-Active	67,300.00	62,500.00	4,800.00	107.7%
4293552 · Certificate Renewals-Inactive	18,450.00	18,500.00	-50.00	99.7%
4293553 · Certificate Renewals-Retired	1,950.00	1,900.00	50.00	102.6%
4293554 · Initial Firm Permits	250.00	700.00	-450.00	35.7%
4293555 · Firm Permit Renewals	15,150.00	14,250.00	900.00	106.3%
4293557 · Initial Audit	120.00	700.00	-580.00	17.1%
4293558 · Re-Exam Audit	420.00	1,800.00	-1,380.00	23.3%
4293560 · Late Fees-Initial Certificate	150.00	0.00	150.00	100.0%
4293561 · Late Fees-Certificate Renewals	1,650.00	3,000.00	-1,350.00	55.0%
4293563 · Late Fees-Firm Permit Renewals	50.00	500.00	-450.00	10.0%
4293564 · Late Fees-Peer Review	250.00	1,300.00	-1,050.00	19.2%
4293566 · Firm Permit Owners	135,015.00	127,000.00	8,015.00	106.3%
4293567 · Peer Review Admin Fee	300.00	5,500.00	-5,200.00	5.5%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	390.00	960.00	-570.00	40.6%
4293570 · Initial REG	90.00	540.00	-450.00	16.7%
4293571 · Initial BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	540.00	1,260.00	-720.00	42.9%
4293573 · Re-Exam REG	480.00	1,650.00	-1,170.00	29.1%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	90.00	150.00	-60.00	60.0%
4293576 · Initial ISC	0.00	150.00	-150.00	0.0%
4293577 · Initial TCP	0.00	150.00	-150.00	0.0%
4293578 · Re-Exam BAR	180.00	210.00	-30.00	85.7%
4293579 · Re-Exam ISC	90.00	210.00	-120.00	42.9%
4293580 · Re-Exam TCP	270.00	210.00	60.00	128.6%
4491000 · Interest and Dividend Revenue	18,135.36	0.00	18,135.36	100.0%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	262,220.36	252,740.00	9,480.36	103.8%
Gross Profit	262,220.36	252,740.00	9,480.36	103.8%
Expense				
5101010 · F-T Emp Sal & Wages	27,170.40	102,494.00	-75,323.60	26.5%
5101020 · P-T/Temp Emp Sal & Wages	20,739.63	57,866.00	-37,126.37	35.8%
5101030 · Board & Comm Mbrs Fees	5,976.00	11,757.00	-5,781.00	50.8%
5102010 · OASI-Employer's Share	3,762.57	12,268.00	-8,505.43	30.7%
5102020 · Retirement-ER Share	2,553.88	9,622.00	-7,068.12	26.5%
5102060 · Health /Life Ins.-ER Share	8,002.45	31,997.00	-23,994.55	25.0%
5102080 · Worker's Compensation	81.40	289.00	-207.60	28.2%
5102090 · Unemployment Insurance	7.62	160.00	-152.38	4.8%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	170.21	400.00	-229.79	42.6%
5203030 · In State-Auto-Priv. High Miles	1,607.37	900.00	707.37	178.6%
5203100 · In State-Lodging	467.14	600.00	-132.86	77.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals-Not Overnight	42.00	100.00	-58.00	42.0%
5203150 · InState-Non Tax Meals-Overnight	174.00	400.00	-226.00	43.5%

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through October 2024

11/06/24

	Jul - Oct 24	Budget	\$ Over Bud...	% of Budget
5203220 · OS-Auto Private Low Mileage	108.08	0.00	108.08	100.0%
5203230 · OS-Auto Private High Mileage	1,399.24	200.00	1,199.24	699.6%
5203260 · OS-Air Commercial Carrier	0.00	7,000.00	-7,000.00	0.0%
5203280 · OS-Other Public Carrier	0.00	700.00	-700.00	0.0%
5203300 · OS-Lodging	3,940.38	9,000.00	-5,059.62	43.8%
5203320 · OS-Incidentals to Travel	300.00	500.00	-200.00	60.0%
5203350 · OS-Non Taxable Meals-Overnight	408.00	1,000.00	-592.00	40.8%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	4,300.00	-4,300.00	0.0%
5204050 · Consultant Fees - Computer	6,522.02	30,000.00	-23,477.98	21.7%
5204160 · Workshop Registration Fees	2,550.00	9,500.00	-6,950.00	26.8%
5204180 · Computer Services-State	3,895.20	7,000.00	-3,104.80	55.6%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	2,625.48	9,000.00	-6,374.52	29.2%
5204220 · Equipment Service & Maintenance	0.00	300.00	-300.00	0.0%
5204230 · Janitorial/Maintenance Services	800.00	2,100.00	-1,300.00	38.1%
5204330 · Computer Software Lease	572.05	500.00	72.05	114.4%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	967.47	4,000.00	-3,032.53	24.2%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	5,701.50	36,150.00	-30,448.50	15.8%
5204530 · Telecommunications Services	970.10	5,500.00	-4,529.90	17.6%
5204540 · Electricity	166.01	900.00	-733.99	18.4%
5204560 · Water	50.70	240.00	-189.30	21.1%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,000.00	-2,000.00	0.0%
5204740 · Bank Fees and Charges	5,218.13	7,650.00	-2,431.87	68.2%
5204960 · Other Contractual Services	0.00	0.00	0.00	0.0%
5205020 · Office Supplies	225.72	3,000.00	-2,774.28	7.5%
5205040 · Education & Instr. Supplies	0.00	300.00	-300.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	42.35	500.00	-457.65	8.5%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5205540 · Finished Signs & Decals	0.00	100.00	-100.00	0.0%
5205700 · Retail Gasoline	0.00	100.00	-100.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207451 · Office Furniture & Fixtures	0.00	500.00	-500.00	0.0%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	2,540.37	8,300.00	-5,759.63	30.6%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	112,957.47	399,943.00	-286,985.53	28.2%
Net Ordinary Income	149,262.89	-147,203.00	296,465.89	-101.4%
Net Income	149,262.89	-147,203.00	296,465.89	-101.4%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
October 2024

	Oct 24	Oct 23	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	350.00	350.00	0.00	0.0%
4293551 · Certificate Renewals-Active	50.00	50.00	0.00	0.0%
4293552 · Certificate Renewals-Inactive	0.00	50.00	-50.00	-100.0%
4293554 · Initial Firm Permits	50.00	100.00	-50.00	-50.0%
4293558 · Re-Exam Audit	180.00	240.00	-60.00	-25.0%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	50.00	50.00	0.00	0.0%
4293566 · Firm Permit Owners	325.00	845.00	-520.00	-61.5%
4293569 · Initial FAR	90.00	30.00	60.00	200.0%
4293570 · Initial REG	30.00	30.00	0.00	0.0%
4293571 · Inital BEC	0.00	150.00	-150.00	-100.0%
4293572 · Re-Exam FAR	90.00	120.00	-30.00	-25.0%
4293573 · Re-Exam REG	0.00	300.00	-300.00	-100.0%
4293574 · Re-Exam BEC	0.00	90.00	-90.00	-100.0%
4293575 · Initial BAR	30.00	0.00	30.00	100.0%
4293579 · Re-Exam ISC	30.00	0.00	30.00	100.0%
4491000 · Interest and Dividend Revenue	0.07	0.15	-0.08	-53.3%
Total Income	<u>1,325.07</u>	<u>2,405.15</u>	<u>-1,080.08</u>	<u>-44.9%</u>
Gross Profit	1,325.07	2,405.15	-1,080.08	-44.9%
Expense				
5101010 · F-T Emp Sal & Wages	6,813.52	3,858.10	2,955.42	76.6%
5101020 · P-T/Temp Emp Sal & Wages	5,079.04	2,389.20	2,689.84	112.6%
5101030 · Board & Comm Mbrs Fees	996.00	240.00	756.00	315.0%
5102010 · OASI-Employer's Share	895.17	450.41	444.76	98.8%
5102020 · Retirement-ER Share	640.30	334.62	305.68	91.4%
5102060 · Health /Life Ins.-ER Share	2,003.64	1,048.40	955.24	91.1%
5102080 · Worker's Compensation	20.16	11.25	8.91	79.2%
5102090 · Unemployment Insurance	1.88	1.64	0.24	14.6%
5203020 · In State-Auto-Priv. Low Miles	38.05	0.00	38.05	100.0%
5204050 · Consultant Fees - Computer	0.00	6,307.56	-6,307.56	-100.0%
5204180 · Computer Services-State	0.00	629.95	-629.95	-100.0%
5204200 · Central Services	214.56	563.72	-349.16	-61.9%
5204220 · Equipment Service & Maintenance	0.00	3.80	-3.80	-100.0%
5204230 · Janitorial/Maintenance Services	200.00	171.03	28.97	16.9%
5204330 · Computer Software Lease	572.05	0.00	572.05	100.0%
5204460 · Equipment Rental	73.72	79.00	-5.28	-6.7%
5204521 · Revenue Bond Lease Payment	1,470.00	1,380.75	89.25	6.5%
5204530 · Telecommunications Services	380.96	194.72	186.24	95.7%
5204540 · Electricity	0.00	35.26	-35.26	-100.0%
5204560 · Water	0.00	25.35	-25.35	-100.0%
5204740 · Bank Fees and Charges	85.06	-142.57	227.63	159.7%
5205020 · Office Supplies	100.73	60.90	39.83	65.4%
5205320 · Printing/Duplicating/Binding Co	0.00	18.25	-18.25	-100.0%
5228000 · Operating Transfers Out-NonBudg	1,619.18	1,204.06	415.12	34.5%
5228030 · Depreciation Expense	0.00	473.26	-473.26	-100.0%
Total Expense	<u>21,204.02</u>	<u>19,338.66</u>	<u>1,865.36</u>	<u>9.7%</u>
Net Ordinary Income	<u>-19,878.95</u>	<u>-16,933.51</u>	<u>-2,945.44</u>	<u>-17.4%</u>
Net Income	<u>-19,878.95</u>	<u>-16,933.51</u>	<u>-2,945.44</u>	<u>-17.4%</u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through October 2024

	Jul - Oct 24	Jul - Oct 23	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	800.00	1,075.00	-275.00	-25.6%
4293551 · Certificate Renewals-Active	67,300.00	68,240.00	-940.00	-1.4%
4293552 · Certificate Renewals-Inactive	18,450.00	19,600.00	-1,150.00	-5.9%
4293553 · Certificate Renewals-Retired	1,950.00	1,990.00	-40.00	-2.0%
4293554 · Initial Firm Permits	250.00	250.00	0.00	0.0%
4293555 · Firm Permit Renewals	15,150.00	15,150.00	0.00	0.0%
4293557 · Initial Audit	120.00	60.00	60.00	100.0%
4293558 · Re-Exam Audit	420.00	1,050.00	-630.00	-60.0%
4293560 · Late Fees-Initial Certificate	150.00	0.00	150.00	100.0%
4293561 · Late Fees-Certificate Renewals	1,650.00	3,150.00	-1,500.00	-47.6%
4293563 · Late Fees-Firm Permit Renewals	50.00	350.00	-300.00	-85.7%
4293564 · Late Fees-Peer Review	250.00	600.00	-350.00	-58.3%
4293566 · Firm Permit Owners	135,015.00	131,965.00	3,050.00	2.3%
4293567 · Peer Review Admin Fee	300.00	825.00	-525.00	-63.6%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	0.0%
4293569 · Initial FAR	390.00	90.00	300.00	333.3%
4293570 · Initial REG	90.00	30.00	60.00	200.0%
4293571 · Inital BEC	0.00	480.00	-480.00	-100.0%
4293572 · Re-Exam FAR	540.00	210.00	330.00	157.1%
4293573 · Re-Exam REG	480.00	630.00	-150.00	-23.8%
4293574 · Re-Exam BEC	0.00	840.00	-840.00	-100.0%
4293575 · Initial BAR	90.00	0.00	90.00	100.0%
4293578 · Re-Exam BAR	180.00	0.00	180.00	100.0%
4293579 · Re-Exam ISC	90.00	0.00	90.00	100.0%
4293580 · Re-Exam TCP	270.00	0.00	270.00	100.0%
4491000 · Interest and Dividend Revenue	18,135.36	10,330.71	7,804.65	75.6%
4896021 · Legal Recovery Cost	0.00	1,355.56	-1,355.56	-100.0%
Total Income	262,220.36	258,371.27	3,849.09	1.5%
Gross Profit	262,220.36	258,371.27	3,849.09	1.5%
Expense				
5101010 · F-T Emp Sal & Wages	27,170.40	28,305.96	-1,135.56	-4.0%
5101020 · P-T/Temp Emp Sal & Wages	20,739.63	20,688.42	51.21	0.3%
5101030 · Board & Comm Mbrs Fees	5,976.00	2,580.00	3,396.00	131.6%
5102010 · OASI-Employer's Share	3,762.57	3,582.71	179.86	5.0%
5102020 · Retirement-ER Share	2,553.88	2,587.80	-33.92	-1.3%
5102060 · Health /Life Ins.-ER Share	8,002.45	8,181.53	-179.08	-2.2%
5102080 · Worker's Compensation	81.40	88.14	-6.74	-7.7%
5102090 · Unemployment Insurance	7.62	12.82	-5.20	-40.6%
5203020 · In State-Auto-Priv. Low Miles	170.21	160.72	9.49	5.9%
5203030 · In State-Auto-Priv. High Miles	1,607.37	850.68	756.69	89.0%
5203100 · In State-Lodging	467.14	233.53	233.61	100.0%
5203140 · InState-Tax Meals-Not Overnight	42.00	42.00	0.00	0.0%
5203150 · InState-Non Tax Meals-Overnight	174.00	153.32	20.68	13.5%
5203220 · OS-Auto Private Low Mileage	108.08	203.84	-95.76	-47.0%
5203230 · OS-Auto Private High Mileage	1,399.24	573.24	826.00	144.1%
5203260 · OS-Air Commercial Carrier	0.00	787.40	-787.40	-100.0%
5203280 · OS-Other Public Carrier	0.00	105.10	-105.10	-100.0%
5203300 · OS-Lodging	3,940.38	3,419.16	521.22	15.2%
5203320 · OS-Incidentals to Travel	300.00	240.00	60.00	25.0%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through October 2024

	Jul - Oct 24	Jul - Oct 23	\$ Change	% Change
5203350 · OS-Non Taxable Meals-Overnight	408.00	354.00	54.00	15.3%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	6,522.02	18,922.68	-12,400.66	-65.5%
5204160 · Workshop Registration Fees	2,550.00	1,590.00	960.00	60.4%
5204180 · Computer Services-State	3,895.20	3,163.15	732.05	23.1%
5204200 · Central Services	2,625.48	2,994.35	-368.87	-12.3%
5204220 · Equipment Service & Maintenance	0.00	22.17	-22.17	-100.0%
5204230 · Janitorial/Maintenance Services	800.00	684.12	115.88	16.9%
5204330 · Computer Software Lease	572.05	825.38	-253.33	-30.7%
5204360 · Advertising-Newspapers	0.00	145.78	-145.78	-100.0%
5204460 · Equipment Rental	967.47	988.36	-20.89	-2.1%
5204521 · Revenue Bond Lease Payment	5,701.50	5,523.00	178.50	3.2%
5204530 · Telecommunications Services	970.10	640.80	329.30	51.4%
5204540 · Electricity	166.01	167.65	-1.64	-1.0%
5204560 · Water	50.70	50.70	0.00	0.0%
5204740 · Bank Fees and Charges	5,218.13	4,857.96	360.17	7.4%
5205020 · Office Supplies	225.72	242.42	-16.70	-6.9%
5205320 · Printing/Duplicating/Binding Co	42.35	87.60	-45.25	-51.7%
5205350 · Postage	0.00	2,000.00	-2,000.00	-100.0%
5228000 · Operating Transfers Out-NonBudg	2,540.37	2,740.45	-200.08	-7.3%
5228030 · Depreciation Expense	0.00	1,893.04	-1,893.04	-100.0%
Total Expense	112,957.47	123,889.98	-10,932.51	-8.8%
Net Ordinary Income	149,262.89	134,481.29	14,781.60	11.0%
Net Income	149,262.89	134,481.29	14,781.60	11.0%

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 09/30/2024

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	476,195.42	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			476,195.42	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			476,195.42	DR **	
BUDGET UNIT TOTAL 1031			476,195.42	DR ***	

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 09/30/2024

AGENCY 10 LABOR & REGULATION
 BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
 CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
COMPANY NO		6503								
COMPANY NAME		PROFESSIONAL & LICENSING BOARDS								
6503	103100061802	51010100	CGEX240911	09/18/2024					3,335.24	DR
		OBJSUB: 5101010	F-T EMP SAL & WAGES						3,335.24	DR *
6503	103100061802	51010200	CGEX240911	09/18/2024					2,363.78	DR
		OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES						2,363.78	DR *
		OBJECT: 5101	EMPLOYEE SALARIES						5,699.02	DR **
6503	103100061802	51020100	CGEX240911	09/18/2024					391.09	DR
6503	103100061802	51020100	CGEX240912	09/13/2024	646738				1.07	DR
		OBJSUB: 5102010	OASI-EMPLOYER'S SHARE						392.16	DR *
6503	103100061802	51020200	CGEX240911	09/18/2024					305.13	DR
		OBJSUB: 5102020	RETIREMENT-ER SHARE						305.13	DR *
6503	103100061802	51020600	CGEX240911	09/18/2024					991.38	DR
		OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE						991.38	DR *
6503	103100061802	51020800	CGEX240911	09/18/2024					9.69	DR
		OBJSUB: 5102080	WORKER'S COMPENSATION						9.69	DR *
6503	103100061802	51020900	CGEX240911	09/18/2024					.91	DR
		OBJSUB: 5102090	UNEMPLOYMENT COMPENSATION						.91	DR *
		OBJECT: 5102	EMPLOYEE BENEFITS						1,699.27	DR **
		GROUP: 51	PERSONAL SERVICES						7,398.29	DR ***
6503	103100061802	52030300	CGEX240912	09/13/2024	646738				66.81	DR
		OBJSUB: 5203030	AUTO-PRIV (IN-ST.) H/RTE						66.81	DR *
6503	103100061802	52031400	CGEX240912	09/13/2024	646738				14.00	DR
		OBJSUB: 5203140	TAXABLE MEALS/IN-STATE						14.00	DR *
		OBJECT: 5203	TRAVEL						80.81	DR **
6503	103100061802	52040200	004547	09/20/2024	00931780	NATIONALAS	12005047		3,200.00	DR
		OBJSUB: 5204020	DUES & MEMBERSHIP FEES						3,200.00	DR *
6503	103100061802	52041800	DP508100	09/25/2024					973.80	DR
		OBJSUB: 5204180	COMPUTER SERVICES-STATE						973.80	DR *
6503	103100061802	52042000	PL508060	09/20/2024					486.04	DR
		OBJSUB: 5204200	CENTRAL SERVICES						486.04	DR *
6503	103100061802	52042200	IN1193054	09/30/2024	02572123	ABBUSINESS	12036980		72.74	DR
		OBJSUB: 5204220	EQUIPMENT SERV & MAINT						72.74	DR *
6503	103100061802	52042300	25I003 JUL-JUN25	09/11/2024	608999	SUNSETOFFI	12627537		200.00	DR

STATE OF SOUTH DAKOTA
 MONTHLY EXPENDITURE REPORT
 FOR PERIOD ENDING: 09/30/2024

AGENCY 10 LABOR & REGULATION
 BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
 CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
		OBJSUB: 5204230	JANITORIAL & MAINT SERV						200.00	DR *
6503	103100061802	52044600	Q1473810	09/11/2024	00930315	QUADIENTLE	12219369		672.36	DR
		OBJSUB: 5204460	EQUIPMENT RENTAL						672.36	DR *
6503	103100061802	52045210	ACCOUNT OCT-JUL	09/18/2024	658737	MCGINNISRO	12074040		1,470.00	DR
		OBJSUB: 5204521	REVENUE BOND LEASE PYMTS						1,470.00	DR *
6503	103100061802	52045300	8381416X08242024	09/11/2024	00073968	ATTMOBILIT	12279233		104.96	DR
		OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS						104.96	DR *
6503	103100061802	52045400	5159417006 0824	09/04/2024	02568173	XCELENERGY	12023853		37.44	DR
		OBJSUB: 5204540	ELECTRICITY						37.44	DR *
6503	103100061802	52047400	CI105A-008	09/06/2024	378603				425.05	DR
		OBJSUB: 5204740	BANK FEES AND CHARGES						425.05	DR *
6503	103100061802	52049600	1136	09/06/2024	00929605	NATIONALAS	12005047		4,586.40	DR
		OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE						4,586.40	DR *
		OBJECT: 5204	CONTRACTUAL SERVICES						12,228.79	DR **
		GROUP: 52	OPERATING EXPENSES						12,309.60	DR ***
		COMP: 6503							19,707.89	DR ****
		CNTR: 103100061802							19,707.89	DR *****
		B. UNIT: 1031							19,707.89	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of September 30, 2024

	Sep 30, 24
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	6,874.03
1140000 · Pool Cash State of SD	476,195.42
Total Checking/Savings	483,069.45
Other Current Assets	
1131000 · Interest Income Receivable	15,114.43
1213000 · Investment Income Receivable	2,587.12
Total Other Current Assets	17,701.55
Total Current Assets	500,771.00
Fixed Assets	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-34,075.00
Total 1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	500,771.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	11,338.42
Total Accounts Payable	11,338.42
Other Current Liabilities	
2430000 · Accrued Wages Payable	12,478.58
2810000 · Amounts Held for Others	39,890.09
Total Other Current Liabilities	52,368.67
Total Current Liabilities	63,707.09
Long Term Liabilities	
2960000 · Compensated Absences Payable	39,438.96
Total Long Term Liabilities	39,438.96
Total Liabilities	103,146.05
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-90,315.71
Net Income	170,115.64
Total Equity	397,624.95
TOTAL LIABILITIES & EQUITY	500,771.00

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through September 2024

10/09/24

	Jul - Sep 24	Budget	\$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	450.00	2,500.00	-2,050.00	18.0%
4293551 · Certificate Renewals-Active	67,250.00	62,500.00	4,750.00	107.6%
4293552 · Certificate Renewals-Inactive	18,450.00	18,500.00	-50.00	99.7%
4293553 · Certificate Renewals-Retired	1,950.00	1,900.00	50.00	102.6%
4293554 · Initial Firm Permits	200.00	700.00	-500.00	28.6%
4293555 · Firm Permit Renewals	15,150.00	14,250.00	900.00	106.3%
4293557 · Initial Audit	120.00	700.00	-580.00	17.1%
4293558 · Re-Exam Audit	240.00	1,800.00	-1,560.00	13.3%
4293560 · Late Fees-Initial Certificate	100.00	0.00	100.00	100.0%
4293561 · Late Fees-Certificate Renewals	1,600.00	3,000.00	-1,400.00	53.3%
4293563 · Late Fees-Firm Permit Renewals	50.00	500.00	-450.00	10.0%
4293564 · Late Fees-Peer Review	250.00	1,300.00	-1,050.00	19.2%
4293566 · Firm Permit Owners	134,690.00	127,000.00	7,690.00	106.1%
4293567 · Peer Review Admin Fee	300.00	5,500.00	-5,200.00	5.5%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	300.00	960.00	-660.00	31.3%
4293570 · Initial REG	60.00	540.00	-480.00	11.1%
4293571 · Inital BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	450.00	1,260.00	-810.00	35.7%
4293573 · Re-Exam REG	480.00	1,650.00	-1,170.00	29.1%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	60.00	150.00	-90.00	40.0%
4293576 · Initial ISC	0.00	150.00	-150.00	0.0%
4293577 · Initial TCP	0.00	150.00	-150.00	0.0%
4293578 · Re-Exam BAR	180.00	210.00	-30.00	85.7%
4293579 · Re-Exam ISC	60.00	210.00	-150.00	28.6%
4293580 · Re-Exam TCP	270.00	210.00	60.00	128.6%
4491000 · Interest and Dividend Revenue	18,135.29	0.00	18,135.29	100.0%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	260,895.29	252,740.00	8,155.29	103.2%
Gross Profit	260,895.29	252,740.00	8,155.29	103.2%
Expense				
5101010 · F-T Emp Sal & Wages	20,356.88	102,494.00	-82,137.12	19.9%
5101020 · P-T/Temp Emp Sal & Wages	15,660.59	57,866.00	-42,205.41	27.1%
5101030 · Board & Comm Mbrs Fees	4,980.00	11,757.00	-6,777.00	42.4%
5102010 · OASI-Employer's Share	2,867.40	12,268.00	-9,400.60	23.4%
5102020 · Retirement-ER Share	1,913.58	9,622.00	-7,708.42	19.9%
5102060 · Health /Life Ins.-ER Share	5,998.81	31,997.00	-25,998.19	18.7%
5102080 · Worker's Compensation	61.24	289.00	-227.76	21.2%
5102090 · Unemployment Insurance	5.74	160.00	-154.26	3.6%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	132.16	400.00	-267.84	33.0%
5203030 · In State-Auto-Priv. High Miles	1,607.37	900.00	707.37	178.6%
5203100 · In State-Lodging	467.14	600.00	-132.86	77.9%

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through September 2024

10/09/24

	Jul - Sep 24	Budget	\$ Over Bud...	% of Budget
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals-Not Overnight	42.00	100.00	-58.00	42.0%
5203150 · InState-Non Tax Meals-Overnight	174.00	400.00	-226.00	43.5%
5203220 · OS-Auto Private Low Mileage	108.08	0.00	108.08	100.0%
5203230 · OS-Auto Private High Mileage	1,399.24	200.00	1,199.24	699.6%
5203260 · OS-Air Commercial Carrier	0.00	7,000.00	-7,000.00	0.0%
5203280 · OS-Other Public Carrier	0.00	700.00	-700.00	0.0%
5203300 · OS-Lodging	3,940.38	9,000.00	-5,059.62	43.8%
5203320 · OS-Incidentals to Travel	300.00	500.00	-200.00	60.0%
5203350 · OS-Non Taxable Meals-Overnight	408.00	1,000.00	-592.00	40.8%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	4,300.00	-4,300.00	0.0%
5204050 · Consultant Fees - Computer	6,522.02	30,000.00	-23,477.98	21.7%
5204160 · Workshop Registration Fees	2,550.00	9,500.00	-6,950.00	26.8%
5204180 · Computer Services-State	2,921.40	7,000.00	-4,078.60	41.7%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	2,410.92	9,000.00	-6,589.08	26.8%
5204220 · Equipment Service & Maintenance	0.00	300.00	-300.00	0.0%
5204230 · Janitorial/Maintenance Services	600.00	2,100.00	-1,500.00	28.6%
5204330 · Computer Software Lease	0.00	500.00	-500.00	0.0%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	893.75	4,000.00	-3,106.25	22.3%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	4,231.50	36,150.00	-31,918.50	11.7%
5204530 · Telecommunications Services	589.14	5,500.00	-4,910.86	10.7%
5204540 · Electricity	166.01	900.00	-733.99	18.4%
5204560 · Water	50.70	240.00	-189.30	21.1%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,000.00	-2,000.00	0.0%
5204740 · Bank Fees and Charges	5,133.07	7,650.00	-2,516.93	67.1%
5204960 · Other Contractual Services	0.00	0.00	0.00	0.0%
5205020 · Office Supplies	124.99	3,000.00	-2,875.01	4.2%
5205040 · Education & Instr. Supplies	0.00	300.00	-300.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	42.35	500.00	-457.65	8.5%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5205540 · Finished Signs & Decals	0.00	100.00	-100.00	0.0%
5205700 · Retail Gasoline	0.00	100.00	-100.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207451 · Office Furniture & Fixtures	0.00	500.00	-500.00	0.0%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	921.19	8,300.00	-7,378.81	11.1%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	90,779.65	399,943.00	-309,163.35	22.7%
Net Ordinary Income	170,115.64	-147,203.00	317,318.64	-115.6%
Net Income	170,115.64	-147,203.00	317,318.64	-115.6%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
September 2024

	Sep 24	Sep 23	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	150.00	175.00	-25.00	-14.3%
4293551 · Certificate Renewals-Active	50.00	200.00	-150.00	-75.0%
4293552 · Certificate Renewals-Inactive	50.00	150.00	-100.00	-66.7%
4293553 · Certificate Renewals-Retired	0.00	10.00	-10.00	-100.0%
4293554 · Initial Firm Permits	100.00	0.00	100.00	100.0%
4293555 · Firm Permit Renewals	50.00	100.00	-50.00	-50.0%
4293557 · Initial Audit	60.00	0.00	60.00	100.0%
4293558 · Re-Exam Audit	60.00	240.00	-180.00	-75.0%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	150.00	350.00	-200.00	-57.1%
4293563 · Late Fees-Firm Permit Renewals	0.00	50.00	-50.00	-100.0%
4293566 · Firm Permit Owners	2,715.00	130.00	2,585.00	1,988.5%
4293569 · Initial FAR	150.00	30.00	120.00	400.0%
4293570 · Initial REG	60.00	0.00	60.00	100.0%
4293571 · Initial BEC	0.00	90.00	-90.00	-100.0%
4293572 · Re-Exam FAR	90.00	0.00	90.00	100.0%
4293573 · Re-Exam REG	30.00	120.00	-90.00	-75.0%
4293574 · Re-Exam BEC	0.00	210.00	-210.00	-100.0%
4293575 · Initial BAR	60.00	0.00	60.00	100.0%
4293578 · Re-Exam BAR	90.00	0.00	90.00	100.0%
4293579 · Re-Exam ISC	30.00	0.00	30.00	100.0%
4293580 · Re-Exam TCP	150.00	0.00	150.00	100.0%
4491000 · Interest and Dividend Revenue	0.14	0.09	0.05	55.6%
4896021 · Legal Recovery Cost	0.00	50.00	-50.00	-100.0%
Total Income	4,095.14	1,905.09	2,190.05	115.0%
Gross Profit	4,095.14	1,905.09	2,190.05	115.0%
Expense				
5101010 · F-T Emp Sal & Wages	3,335.24	11,134.52	-7,799.28	-70.1%
5101020 · P-T/Temp Emp Sal & Wages	2,363.78	7,877.31	-5,513.53	-70.0%
5101030 · Board & Comm Mbrs Fees	0.00	780.00	-780.00	-100.0%
5102010 · OASI-Employer's Share	392.16	1,378.93	-986.77	-71.6%
5102020 · Retirement-ER Share	305.13	1,002.03	-696.90	-69.6%
5102060 · Health /Life Ins.-ER Share	991.38	3,136.73	-2,145.35	-68.4%
5102080 · Worker's Compensation	9.69	34.21	-24.52	-71.7%
5102090 · Unemployment Insurance	0.91	4.98	-4.07	-81.7%
5203020 · In State-Auto-Priv. Low Miles	0.00	35.28	-35.28	-100.0%
5203030 · In State-Auto-Priv. High Miles	66.81	0.00	66.81	100.0%
5203140 · InState-Tax Meals-Not Overnight	14.00	0.00	14.00	100.0%
5204020 · Dues and Membership Fees	0.00	795.00	-795.00	-100.0%
5204160 · Workshop Registration Fees	2,550.00	1,590.00	960.00	60.4%
5204180 · Computer Services-State	0.00	1,266.60	-1,266.60	-100.0%
5204200 · Central Services	486.04	366.16	119.88	32.7%
5204220 · Equipment Service & Maintenance	0.00	6.62	-6.62	-100.0%
5204230 · Janitorial/Maintenance Services	200.00	171.03	28.97	16.9%
5204330 · Computer Software Lease	0.00	825.38	-825.38	-100.0%
5204360 · Advertising-Newspapers	0.00	145.78	-145.78	-100.0%
5204460 · Equipment Rental	72.74	79.00	-6.26	-7.9%
5204521 · Revenue Bond Lease Payment	1,470.00	1,380.75	89.25	6.5%

10/09/24

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
September 2024

	<u>Sep 24</u>	<u>Sep 23</u>	<u>\$ Change</u>	<u>% Change</u>
5204530 · Telecommunications Services	104.96	67.26	37.70	56.1%
5204540 · Electricity	42.62	43.65	-1.03	-2.4%
5204560 · Water	25.35	0.00	25.35	100.0%
5204740 · Bank Fees and Charges	425.05	5,980.35	-5,555.30	-92.9%
5205350 · Postage	0.00	2,000.00	-2,000.00	-100.0%
5228000 · Operating Transfers Out-NonBudg	0.00	764.85	-764.85	-100.0%
5228030 · Depreciation Expense	0.00	473.26	-473.26	-100.0%
Total Expense	<u>12,855.86</u>	<u>41,339.68</u>	<u>-28,483.82</u>	<u>-68.9%</u>
Net Ordinary Income	<u>-8,760.72</u>	<u>-39,434.59</u>	<u>30,673.87</u>	<u>77.8%</u>
Net Income	<u><u>-8,760.72</u></u>	<u><u>-39,434.59</u></u>	<u><u>30,673.87</u></u>	<u><u>77.8%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through September 2024

	Jul - Sep 24	Jul - Sep 23	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	450.00	725.00	-275.00	-37.9%
4293551 · Certificate Renewals-Active	67,250.00	68,190.00	-940.00	-1.4%
4293552 · Certificate Renewals-Inactive	18,450.00	19,550.00	-1,100.00	-5.6%
4293553 · Certificate Renewals-Retired	1,950.00	1,990.00	-40.00	-2.0%
4293554 · Initial Firm Permits	200.00	150.00	50.00	33.3%
4293555 · Firm Permit Renewals	15,150.00	15,150.00	0.00	0.0%
4293557 · Initial Audit	120.00	60.00	60.00	100.0%
4293558 · Re-Exam Audit	240.00	810.00	-570.00	-70.4%
4293560 · Late Fees-Initial Certificate	100.00	0.00	100.00	100.0%
4293561 · Late Fees-Certificate Renewals	1,600.00	3,100.00	-1,500.00	-48.4%
4293563 · Late Fees-Firm Permit Renewals	50.00	350.00	-300.00	-85.7%
4293564 · Late Fees-Peer Review	250.00	600.00	-350.00	-58.3%
4293566 · Firm Permit Owners	134,690.00	131,120.00	3,570.00	2.7%
4293567 · Peer Review Admin Fee	300.00	825.00	-525.00	-63.6%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	0.0%
4293569 · Initial FAR	300.00	60.00	240.00	400.0%
4293570 · Initial REG	60.00	0.00	60.00	100.0%
4293571 · Inital BEC	0.00	330.00	-330.00	-100.0%
4293572 · Re-Exam FAR	450.00	90.00	360.00	400.0%
4293573 · Re-Exam REG	480.00	330.00	150.00	45.5%
4293574 · Re-Exam BEC	0.00	750.00	-750.00	-100.0%
4293575 · Initial BAR	60.00	0.00	60.00	100.0%
4293578 · Re-Exam BAR	180.00	0.00	180.00	100.0%
4293579 · Re-Exam ISC	60.00	0.00	60.00	100.0%
4293580 · Re-Exam TCP	270.00	0.00	270.00	100.0%
4491000 · Interest and Dividend Revenue	18,135.29	10,330.56	7,804.73	75.6%
4896021 · Legal Recovery Cost	0.00	1,355.56	-1,355.56	-100.0%
Total Income	260,895.29	255,966.12	4,929.17	1.9%
Gross Profit	260,895.29	255,966.12	4,929.17	1.9%
Expense				
5101010 · F-T Emp Sal & Wages	20,356.88	24,447.86	-4,090.98	-16.7%
5101020 · P-T/Temp Emp Sal & Wages	15,660.59	18,299.22	-2,638.63	-14.4%
5101030 · Board & Comm Mbrs Fees	4,980.00	2,340.00	2,640.00	112.8%
5102010 · OASI-Employer's Share	2,867.40	3,132.30	-264.90	-8.5%
5102020 · Retirement-ER Share	1,913.58	2,253.18	-339.60	-15.1%
5102060 · Health /Life Ins.-ER Share	5,998.81	7,133.13	-1,134.32	-15.9%
5102080 · Worker's Compensation	61.24	76.89	-15.65	-20.4%
5102090 · Unemployment Insurance	5.74	11.18	-5.44	-48.7%
5203020 · In State-Auto-Priv. Low Miles	132.16	160.72	-28.56	-17.8%
5203030 · In State-Auto-Priv. High Miles	1,607.37	850.68	756.69	89.0%
5203100 · In State-Lodging	467.14	233.53	233.61	100.0%
5203140 · InState-Tax Meals-Not Overnight	42.00	42.00	0.00	0.0%
5203150 · InState-Non Tax Meals-Overnight	174.00	153.32	20.68	13.5%
5203220 · OS-Auto Private Low Mileage	108.08	203.84	-95.76	-47.0%
5203230 · OS-Auto Private High Mileage	1,399.24	573.24	826.00	144.1%
5203260 · OS-Air Commercial Carrier	0.00	787.40	-787.40	-100.0%
5203280 · OS-Other Public Carrier	0.00	105.10	-105.10	-100.0%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July through September 2024

	Jul - Sep 24	Jul - Sep 23	\$ Change	% Change
5203300 · OS-Lodging	3,940.38	3,419.16	521.22	15.2%
5203320 · OS-Incidentals to Travel	300.00	240.00	60.00	25.0%
5203350 · OS-Non Taxable Meals-Overnight	408.00	354.00	54.00	15.3%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	6,522.02	12,615.12	-6,093.10	-48.3%
5204160 · Workshop Registration Fees	2,550.00	1,590.00	960.00	60.4%
5204180 · Computer Services-State	2,921.40	2,533.20	388.20	15.3%
5204200 · Central Services	2,410.92	2,430.63	-19.71	-0.8%
5204220 · Equipment Service & Maintenance	0.00	18.37	-18.37	-100.0%
5204230 · Janitorial/Maintenance Services	600.00	513.09	86.91	16.9%
5204330 · Computer Software Lease	0.00	825.38	-825.38	-100.0%
5204360 · Advertising-Newspapers	0.00	145.78	-145.78	-100.0%
5204460 · Equipment Rental	893.75	909.36	-15.61	-1.7%
5204521 · Revenue Bond Lease Payment	4,231.50	4,142.25	89.25	2.2%
5204530 · Telecommunications Services	589.14	446.08	143.06	32.1%
5204540 · Electricity	166.01	132.39	33.62	25.4%
5204560 · Water	50.70	25.35	25.35	100.0%
5204740 · Bank Fees and Charges	5,133.07	5,000.53	132.54	2.7%
5205020 · Office Supplies	124.99	181.52	-56.53	-31.1%
5205320 · Printing/Duplicating/Binding Co	42.35	69.35	-27.00	-38.9%
5205350 · Postage	0.00	2,000.00	-2,000.00	-100.0%
5228000 · Operating Transfers Out-NonBudg	921.19	1,536.39	-615.20	-40.0%
5228030 · Depreciation Expense	0.00	1,419.78	-1,419.78	-100.0%
Total Expense	90,779.65	104,551.32	-13,771.67	-13.2%
Net Ordinary Income	170,115.64	151,414.80	18,700.84	12.4%
Net Income	170,115.64	151,414.80	18,700.84	12.4%

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

CPE Extensions

There were 41 administrative extensions granted for the CPE reporting period ending June 30, 2024. The extensions were valid through 9-30-24. As of November 7, 2024, 98% of those granted extensions had reported their completed CPE.

CPE Audits

The list of licensees has been selected for CPE audits and letters were sent out to those selected on September 16, 2024. The documentation is due in our office no later than October 31, 2024. The following is the current status of the audits as of November 7, 2024.

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	127	120	7	0	75	0
CPA – Out of State Affidavit	132	132	0	0	132	0

Prometric Test Site

1. Sioux Falls Location update

NASBA Issues/Topics

1. NASBA Annual Conference
 - a. Private Equity Investment in Public Accounting Firms
 - b. Report from AICPA Chair
 - c. UAA & Competency-Based Experience Pathway
 - d. Future of Accounting Profession from AICPA CEO
 - e. Regional Breakout
 - f. Annual Business Meeting
 - g. State of NASBA from NASBA CEO
 - h. Audit Talent and AI from PCAOB
 - i. CPA Exam
 - j. Chair and ED Breakout Breakfasts
 - k. AI: Unlocking the future
 - l. Texas exam performance
 - m. Legislation
2. NASBA Committee Appointments – Board members and executive director
3. NASBA Executive Director Representative Appointment to the AICPA Board of Examiners

State Proposals for Pipeline

ARKANSAS

Proposing a rule change to allow for an additional pathway to licensure. The additional pathway will consist of a Bachelor's degree including 30 upper level accounting hours, 30 business hours along with 2 years of notarized experience from the applicant's direct supervisor and a CPA.

Additional language changes will be made to substantial equivalency and experience requirements. This process can take anywhere from 9 – 15 months

CALIFORNIA

CA Board Meeting- September 20 - CBA reviewed agenda item to provide the California Board of Accountancy (CBA) the opportunity to consider and approve a legislative proposal to add Business and Professions Code (BPC) section 5035.4 and amend sections 5096, 5096.1, 5096.4, 5096.12, 5096.20, 5096.21, and 5096.22 to implement automatic mobility with public protection safeguards.

For the second action item, the CBA reviewed agenda item to consider and approve a legislative proposal to add Business and Professions Code (BPC) sections 5093.2, 5093.3, and 5094.7, amend sections 5081, 5082.3, 5082.4, 5082.5, 5087, 5088, 5090, 5093, 5093.5, 5094, and 5095, and repeal sections 5086, 5092, 5094.3, and 5094.6 to modify licensure requirements.

Summary:

The CBA discussed the options and directed staff to begin drafting legislative language that would:

- Eliminate the total unit requirements (i.e., 150 semester units).
- Allow applicants to meet educational requirements with a baccalaureate as their highest degree with an increase in the experience requirement.
- Create an “expressway” whereby applicants who qualify will have their official transcripts reviewed only for degree conferred (e.g., accounting degree).
- Reduce the minimum accounting concentration unit requirement (presently at 44 units) for applicants who do not qualify for the expressway.
- Narrow the course content that can be used to meet the accounting concentration for applicants who do not qualify for the expressway (e.g., remove architecture).

MINNESOTA

MN HF 1749 – This bill specifies that a certified public accountant (CPA) must have completed a recognized educational program of 150 semester hours, or at least 120 semester hours with two years of experience or completed 120 semester hours with one year of experience and 120 hours of professional education, accredited by the National Association of State Boards of Accountancy or board-defined provider.

- The companion bill (SF 1660) was amended earlier this year to remove the pathway that included the 120 hours of CPE. This bill did not pass and will be re-introduced in 2025.

OREGON

Oregon Board is proposing changes that include removing 150 semester hours and other specificity from statute and placing the language within regulations. This also includes modifying substantial equivalency definitions. Concepts being considered would be 150+1 pathway, 120+2 pathway and some other concepts being considered by NASBA and/or AICPA.

SOUTH CAROLINA

SC S 1049 – This bill removes the 150 hours of education from statute and places the responsibility to be determined by the Board of Accountancy within regulations. Furthermore, allows the board to recognize and accept up to thirty hours of education credit from non-accredited source(s) – with parameters set forth on what the board can accept within those 30 hours.

WASHINGTON

WA HB 1920 – This bill removes the definition of substantial equivalency from statute and places the responsibility to be determined by the Board of Accountancy within rules – **Enacted March 7, 2024.**

Board Discussion

- Any New Business/topics?



NASBA

Exposure Draft

CPA Competency-Based Experience Pathway

Issued September 12, 2024

Comments are requested by December 6, 2024

Contents

- 1 Explanatory Memorandum
- 3 Comment Period Guide
- 5 Introduction to the CPA Competency-Based Experience Pathway
- 12 Appendix

Explanatory Memorandum

Introduction

This memorandum summarizes a proposed solution to help CPA candidates meet the requirements for initial licensure. Jointly developed by the American Institute of CPAs (AICPA) and National Association of State Boards of Accountancy (NASBA), the “CPA Competency-Based Experience Pathway” (Pathway) aims to provide flexibility for candidates without compromising the rigor needed to protect the public. This additional option would not replace existing pathways to licensure, but instead respond to market changes and expand opportunities for the next generation of accountants.

Under this Pathway, CPA candidates could meet initial licensing requirements by exhibiting their competency in specific professional and technical areas. For example, professional competencies include ethical behavior, critical thinking skills, and effective communication. Technical competencies include options in audit and assurance services, tax engagements, and financial reporting. **These candidates would still be required to earn a bachelor’s degree, complete one year of general experience, and pass the CPA Exam.**

EQUIVALENT TO 150 HOURS

Bachelor’s degree	Master’s degree	1 year experience	CPA Exam
Bachelor’s degree	Up to 30 credits	1 year experience	CPA Exam
Bachelor’s degree	Competency-Based Experience Pathway	1 year experience	CPA Exam

The draft Pathway is still in development and requires further evaluation and input from across the profession. We invite you to review the proposal, consider the questions on page 3, and **submit your feedback through [this form](#)**.

Background

Why are AICPA and NASBA exposing this proposal?

AICPA and NASBA believe that a strong pipeline of accounting talent is essential for a robust economy. An ample number of CPAs is also critical to protecting the public. Along with an aging workforce with many CPAs nearing retirement age, there is a need for CPAs with evolving competencies and experiences. Recent years have also seen a steady decline in the number of

accounting graduates and new candidates taking the CPA Exam. The importance of a strong talent pool has led AICPA, NASBA, and other key stakeholders from across the accounting profession to examine root causes of the recent decline in entrants and consider potential initiatives that could address talent challenges.

With this solution, AICPA and NASBA are seeking to address the financial and time constraints some individuals face in completing the education needed post-bachelor's degree to achieve CPA licensure. The Pathway outlined in this proposal would facilitate and supplement an additional pathway to licensure that is responsive to those challenges.

How was this proposal developed?

In November 2023, the [Professional Licensure Task Force](#) (PLTF) was established by NASBA's chair to consider new concepts for CPA licensure that may be included in the Uniform Accountancy Act (UAA) to update the current licensure model. The task force included representatives from NASBA's board of directors, board of accountancy members and executive directors, state CPA society board members and executive leadership, AICPA executive leadership, and NASBA executive leadership. The task force's primary focus was to develop an equivalent pathway to be included in the UAA that focused on enhanced experience for licensure.

Concurrently, AICPA was reviewing various competency models and researching the competencies needed by newly licensed CPAs. In July 2024, the AICPA Council-designated, multistakeholder [National Pipeline Advisory Group](#) (NPAG) recommended moving toward a competency-based CPA licensure model. This pathway represents a first step toward NPAG's goal by incorporating competency-based concepts into the licensure path. Currently, candidates develop or enhance these competencies by either earning a master's or bachelor's degree and up to 30 additional credit hours at an institute of higher learning.

With certain boards of accountancy and state CPA societies evaluating additional pathways with educational requirements at a bachelor's degree or 120 semester credit hours, the AICPA & NASBA UAA Committee elected to pursue equivalent pathways to licensure that could preserve mobility for CPA licensees.

The AICPA and NASBA boards of directors, seeking alignment of these initiatives, agreed to review existing data and develop a potential experience framework for comment. The proposal is based on the [AICPA Foundational Competencies Framework for Aspiring CPAs](#), a [Global Accounting Alliance](#) (GAA) competency framework, feedback from firms, on-transcript firm models, and feedback from various stakeholders. Thank you to the NPAG-PLTF and NPAG Substantial Equivalency working groups, which contributed to ongoing conversations about the proposed framework.

How would the main provisions differ from current UAA guidance?

This proposal identifies model competencies that would be exhibited by a candidate during work experience prior to being granted CPA licensure. The proposal also describes how a candidate, the candidate's employer, and boards of accountancy could implement this pathway. Another key goal

includes creating an evergreen framework that can be adapted to the evolution of the profession, as well as regulatory updates at the state level.

How would this pathway be integrated into the UAA?

The UAA is jointly developed by AICPA and NASBA. Changes are approved by the boards of directors of both organizations. The AICPA and NASBA UAA Committee is exploring potential updates that could facilitate adoption of a competency-based pathway. Individual boards of accountancy would determine whether this particular pathway should become an additional option for initial licensure in their jurisdiction.

Who would be affected by this proposal?

This proposal would affect CPA candidates, entities hiring and overseeing candidates' work, and boards of accountancy. More broadly, it would have an impact on the entire accounting ecosystem, including universities and colleges.

When would the amendments be effective?

Adoption and implementation will vary by jurisdiction because some boards of accountancy may need to update their laws and/or rules.

Comment Period Guide

The comment period for this exposure draft ends December 6, 2024.

Respondents are asked to comment on the proposed pathway. Comments are most helpful when they refer to specific paragraphs or sections, include the rationale for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the exposure draft, it would be helpful for the joint committee to be made aware of this viewpoint as well.

Responses should be submitted through this form by December 6, 2024.

Questions for consideration and comments

1. Is the proposed pathway understandable?
2. Is the proposed framework relevant and applicable to the work of candidates applying for licensure?
3. Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?
4. Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

5. Is it clear that the performance indicators and tasks are *examples* of what a candidate may do to exhibit the competencies, and that candidates may use different performance indicators or tasks to adequately exhibit the competencies?
6. Component 1 discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?
7. Component 2 outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficient?
8. Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?
9. Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?
10. Component 3(b) proposes a maximum of five years to complete the Pathway. Should there be a maximum time frame?
11. Component 3(c) proposes credit for prior work experience. Should there be a maximum time frame for this lookback period?
12. What type of legislative support and time would state boards of accountancy need to implement the framework?
13. What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?
14. If the Pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?
15. Would your board utilize a NASBA electronic tracking system if developed? If not, would your board create its own reporting mechanism?
16. Provide any other comments that you may have.

Introduction to the CPA Competency-Based Experience Pathway

The UAA outlines the education requirements and experience requirements (pathways) for CPA licensure in Sections 5(c) and 5(f), respectively. The UAA Model Rules explaining the provisions of these sections are found in Articles 5 and 6.

The CPA Competency-Based Experience Pathway (the Pathway) would serve as an additional potential pathway that may be prescribed in a revised UAA Section 5. Each pathway is designed to allow a licensure Candidate to obtain the minimum qualification needed to be a CPA and would therefore be sufficient for licensure purposes. This document is intended to describe the pathway that allows for licensure with a bachelor's degree, combined with evidence of competencies exhibited through relevant work experience, and other requirements for licensure detailed in the "Pathway Requirements" section that follows. The Pathway represents an approach to licensure that ensures Candidates build upon the content knowledge and skills obtained during the required education for licensure. Candidates following the Pathway enhance their skills through work experience, either in one or multiple industries and on a paid or voluntary basis. The Pathway uses a model competency framework to guide the "competency-based experience," and the framework could be used by a licensed CPA for certification of exhibited competencies. (See appendixes A and B for the CPA Competency-Based Experience Pathway Framework [the Framework] and the CPA Competency-Based Experience Certification Form).

Pathway Requirements for Licensure

The Pathway has Education, Competency-Based Experience, General Experience, and the CPA Exam requirements (and Ethics, if applicable) for licensure. These requirements — other than education — should be completed in the order specified, if any, by the Candidate's board of accountancy.

A. Education:

1. Candidates must complete a bachelor's degree, fulfilling state board education requirements for accounting and business courses, prior to completing other requirements for licensure under the Pathway.

B. Competency-Based Experience:

1. Competency-Based Experience may consist of providing any type of services or advice using accounting, attestation, compilation, management advisory, financial advisory, tax, or consulting skills. The applicants shall have their experience certified to the board of accountancy by a licensee as defined in the UAA (called a CPA Evaluator).

2. Acceptable Competency-Based Experience shall include employment or volunteer¹ work in industry, government, academia, or public practice. The board of accountancy shall consider such factors as the complexity and diversity of the work.
3. One year of Competency-Based Experience shall consist of full- or part-time employment over a period of no less than 1 and no more than 5 years and includes no fewer than 2,000 hours of performance of services described previously in B(1). These 2,000 hours of performance may be earned in a period of less than one year, but the Candidate will not have met this requirement until completion of at least 1 year of employment. See General Experience requirement C(2) below for guidance when a Candidate needs more than 1 year or more than 2,000 hours of performance to complete the Competency-Based Experience.
4. Internship credit earned toward the bachelor's degree will not be allowed for Competency-Based Experience hours.
5. Candidates work with CPA Evaluators to ensure that the Candidates exhibit the competencies outlined in the Framework.
6. After a minimum of one year as described in requirement B above, a Candidate's competencies are certified by a CPA Evaluator using the Competency-Based Experience Certification Form (see appendix B), or on a board-approved form, either via a national tracking system developed by NASBA or per a specific board of accountancy process for submission to the relevant board of accountancy.

C. General Experience:

1. Candidates must complete one additional year of general experience as required in Section 5(f) of the UAA and outlined in UAA Model Rule 6-2.
2. If a Candidate requires more than 1 year or 2,000 hours to complete the Competency-Based Experience requirement, then the additional hours (over 2,000) and time (over 1 year) would be applied to the General Experience requirement (that is, Competency-Based Experience must equal a minimum of 2,000 hours and a minimum of 1 year; combined Competency-Based and General Experience must equal a minimum of 4,000 hours and a minimum of 2 years of combined Competency-Based Experience and General Experience).

D. The CPA Exam:

1. Completion of the CPA Exam is required for licensure.
2. The CPA Exam will remain focused on assessing the knowledge and skills required of an individual with one to two years of experience to ensure public protection, as outlined in the Uniform CPA Examination Blueprints.

¹ The terms *employer* and *employment* are used to comprise the entity in which a Candidate completes experience, regardless of whether experience is gained under employment or with an associated entity with whom the Candidate volunteers.

The remainder of the document describes the Competency-Based Experience requirement of the Pathway.

Components of Competency-Based Experience

The components of the Competency-Based Experience requirement form the Pathway to licensure from defining the competencies being evaluated to the reporting by the CPA Evaluator to the Candidate's board of accountancy. These components are as follows:

1. Defined competencies
2. A process for evaluating and certifying competencies
3. Timing and transition provisions
4. Tracking and reporting

1. Defined Competencies

The CPA Competency-Based Experience Framework (the Framework) defines the competencies to meet the Competency-Based Experience requirement. The Framework is a model that boards of accountancy can adapt as needed for use by Candidates and employers to ensure the Candidates have the opportunities necessary to exhibit the identified competencies. It incorporates elements from the AICPA Foundational Competencies Framework, the Global Accounting Alliance Competency Framework, and other relevant sources.

Structure of the Competency Framework

The Framework identifies competencies to be exhibited during a minimum of one year of Competency-Based Experience. *Competency*, as defined in the Framework, is an identified set of knowledge, skills, abilities, and behaviors to be exhibited by a Candidate. Competencies are classified as either professional or technical, and each competency has associated performance indicators or tasks providing examples of how Candidates typically exhibit the competencies in practice. These indicators or tasks are for example purposes and are not exhaustive, and certain indicators provided may apply to more than one competency. In practice, Candidates may exhibit competencies through other performance indicators and tasks. These indicators or tasks are representative of a base level of performance that would be expected of a Candidate.

Candidates build upon the content knowledge and skills obtained in education and develop the professional and technical competencies required to promote public protection. The professional and technical competencies are blended in practice. They are applied jointly and in context by the Candidate under the guidance of a CPA.

Professional Competencies

The professional competencies in the Framework are necessary in the accounting profession, regardless of career path.

The professional competencies include the following:

- Ethical behavior
- Critical thinking and professional skepticism
- Communication
- Collaboration, teamwork, and leadership
- Self-management and continuous learning
- Business acumen
- Technology mindset

Candidates should look to professional competencies as the tools needed to effectively manage themselves while undertaking technical accounting tasks. Many professional competencies, such as ethical behavior, are foundational and are pervasive and integral to all tasks completed by a CPA. Others may apply only in specific situations or need to be adapted depending on the context. The Candidate must exhibit all seven professional competencies.

Technical Competencies

The technical competencies in the Framework include both accountancy-specific and broad business knowledge and skills expected to be performed during employment work in industry, government, academia, or public practice. The technical competencies have been organized by area of practice. Candidates are required to exhibit only one technical competency. However, it is possible that more than one technical competency is exhibited based on the Candidate's employment. The CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies, in combination, are sufficient, in the aggregate, for licensure under the Pathway.

The three technical competencies include the following:

- Audit and assurance
- Tax
- Business and financial reporting

Candidates apply the content knowledge and skills obtained in education and develop the required technical competencies in the area or areas in which they practice. The technical competencies are exhibited in tandem with the professional competencies.

Candidates must apply their educational knowledge and develop technical skills in their practice area(s) while exhibiting professional competencies.

See appendix A for the complete Framework, including the defined competencies and example performance indicators and tasks.

2. Process for evaluating and certifying competencies

This section details the responsibilities for Candidates and CPA Evaluators related to expectations and completing the Competency-Based Experience requirement.

See appendix B for related CPA Competency-Based Experience Certification Form.

- a) The Candidate and the Candidate's employer work together to identify a CPA Evaluator or series of Evaluators, if necessary, depending on the nature of the Candidate's employment.
- b) The CPA Evaluator(s) uses the CPA Competency-Based Experience Certification Form (see appendix B), or board-approved form, to certify that the Candidate has exhibited the competencies as defined in the Framework, the number of hours certified, and the time frame in which the hours were completed.
- c) The CPA Evaluator should use due care and professional judgment based on their experience with the Candidate or understanding of the Candidate's experience.
- d) A Candidate may have multiple CPA Evaluators depending on the specific circumstances. For instance:
 - i. If a CPA Evaluator is no longer available to serve as the Candidate's Evaluator, the Candidate must identify another CPA Evaluator to document the Candidate's Competency-Based Experience. The employer should assist the Candidate where practical.
 - ii. If a CPA is not present in an employer, the Candidate takes the initiative to request a licensed CPA to become their CPA Evaluator.
 - iii. If a Candidate is no longer with the same employer that has provided a CPA Evaluator(s), the Candidate must identify a CPA Evaluator within the new entity and would be responsible for ensuring the new CPA Evaluator understands the Candidate's progress in completing their Competency-Based Experience requirement.
 - iv. When a CPA Evaluator certifies competencies based on less than full completion of the one-year requirement, the Evaluator must base their certification only on the time frame of which they have sufficient evidence of and experience with the Candidate's work experience. If a Candidate did not exhibit competency within this time frame, the CPA Evaluator may select "N/A" to indicate that the competency did not apply to this portion of the Candidate's certification.
- e) The CPA Evaluator is a licensed CPA in good standing with a minimum of 3 years of post-licensure experience.
- f) If the licensee has agreed to serve as a CPA Evaluator but refuses to certify a qualified Candidate to the board of accountancy, the board of accountancy may request the CPA Evaluator to provide in writing or in person the basis for such refusal.

- g) The board of accountancy may require any CPA Evaluator who has certified a Candidate's experience to substantiate the certification.

3. Timing and transition provisions

This section details the length, timing, and transition consideration for the Competency-Based Experience requirement.

- a) The one-year minimum requirement is defined consistently with UAA rules related to the one-year general experience requirement.
- b) The Candidate will have five years to complete the one-year Competency-Based Experience requirement. This is to allow for part-time work, life changes, or other unknown events that could occur.
- c) Credit for prior work experience is acceptable. The CPA Evaluator must use professional judgment to determine if there is sufficient evidence of and if they have had sufficient exposure to the Candidate's experience to certify the competencies. Boards of accountancy have flexibility to craft rules for the Competency-Based Experience requirement to align with current experience rules under current pathways.
- d) Transition provisions are acceptable. Boards of accountancy have flexibility to craft rules for the Competency-Based Experience requirement to align with current experience rules under current pathways.

4. Tracking and reporting

This section details considerations for tracking the Competency-Based Experience requirement and the creation of a voluntary national tracking system.

- a) Boards of accountancy should maintain a process for managing the documentation for this process, either electronically or manually. Documentation includes the CPA Competency-Based Experience Certification Form (appendix B) or a board-approved form.
- b) Periodic reporting of Candidate progress is not required, but boards of accountancy have the ability to require it per board rules.
- c) NASBA is willing to develop a voluntary tracking system that boards of accountancy could use to manage the tracking requirements of the Pathway. Boards of accountancy may elect to use or not use this tracking system.
 - i. The CPA Evaluator and Candidate would be electronically connected when submitting the Candidate's CPA Competency-Based Experience Certification Form (appendix B) or a board-approved form.
 - ii. The NASBA tracking system would require final evaluation of the competencies by the end of the Competency-Based Experience period as a minimum standard.

- iii. The tracking system would include Framework competencies. Upon the documented completion of the Competency-Based Experience requirement, a final report would be made available to the respective board of accountancy.

Appendix A: CPA Competency-Based Experience Pathway Framework

Professional competencies (All required)	Example performance indicators
<p>Ethical behavior CPAs must act ethically and behave with integrity at all times, consistently modeling and promoting ethical practices as an individual or as part of an organization.</p>	<ul style="list-style-type: none"> • Adhere to professional codes of ethics, professional standards, laws, and regulations, demonstrating ethical business practices, such as avoiding conflicts of interest or reporting illegal or unethical behavior to appropriate parties. • Demonstrate a commitment to maintain objectivity and independence when responding to ethical issues. • Raise potential ethical issues or illegal behavior to supervisors or appropriate professional or regulatory body.
<p>Critical thinking and professional skepticism CPAs must think critically when performing all tasks. They must research, investigate, and analyze issues, problems, and questions. They must also apply professional judgment to the evaluation of data and any information from a variety of sources and perspectives.</p>	<ul style="list-style-type: none"> • Investigate cognitive biases and other impediments to decision making. • Develop and apply professional skepticism using processes and procedures that reduce cognitive biases and other impediments to decision making. • Identify and articulate issues, problems, and questions. • Access, manage, analyze, and evaluate quantitative and qualitative information from multiple sources and perspectives relevant to issues, problems, and questions. • Exhibit a curiosity to embrace unfamiliar topics and opportunities for development and growth. • Consider available solutions and decisions to issues, problems, and questions. • Seek advice from experienced professionals or experts in complex and unique situations. • Develop conclusions supported by logic and critical thinking processes.
<p>Communication CPAs must effectively convey information and ideas to individuals and groups in a variety of situations in a focused way using verbal, nonverbal, written, and graphic techniques and skills.</p>	<ul style="list-style-type: none"> • Document work in ways that can be easily reviewed, understood, and reperformed by other CPAs. • Exhibit active listening to verify understanding of information provided. • Engage and communicate clearly and concisely using accounting terminology and plain language, as appropriate. • Prepare and deliver presentations, reports, and other documents to supervisors, clients, and stakeholders using a variety of technology and media, including visualizations. • Clearly present a position supported by sufficient and appropriate evidence. • Ensure that communication respects the data requirements of supervisors, clients, and stakeholders and adheres to privacy, confidentiality, and legal requirements.
<p>Collaboration, teamwork, and leadership CPAs must work effectively between and among teams, peers, supervisors, clients, and other stakeholders to meet organizational goals.</p>	<ul style="list-style-type: none"> • Serve as both an effective team member and leader, as appropriate. • Identify the interests and needs of stakeholders and effectively explain them to others. • Consider and use different interpersonal methods for addressing the needs of different team members, clients, stakeholders, and situations. • Contribute to team planning, performance, and goal attainment. • Participate appropriately, respectfully, and effectively in team, client, customer, or stakeholder meetings.
<p>Self-management and continuous learning CPAs must plan and manage personal development and appreciate how strengths and weaknesses may affect work, learning, and meeting goals. These skills relate to upskilling for new engagements, industries, technologies, and requirements and ensure a willingness to</p>	<ul style="list-style-type: none"> • Maintain self-awareness to be cognizant of how your behaviors affect others. • Exhibit social awareness to respond to the needs of others. • Build relationships to achieve common goals. • Plan and allocate time and resources to achieve professional commitments. • Critically review work and interactions to ensure they meet organization and quality standards. • Proactively seek advice and feedback from supervisors and team members, responding to positive and negative feedback.

identify where learning and expertise are needed.

- Identify skills, experiences, and knowledge that represent areas for professional improvement and recommend strategies for professional development, paying particular attention to areas relevant to individual needs.
- Adapt to ongoing challenges and changes in the context of being a professional.

Business acumen

CPAs must understand how a business fits within the broader context of an industry and the geopolitical environment so they can optimize opportunities, minimize risks, and execute planned objectives.

- Perform research to identify the impact of trends, issues, technologies, and the legal environment emerging in the business environment and explain their relevance to clients and organizations.
- Identify risks and opportunities arising from industry and global environments.
- Understand how strategies, goals, and objectives of a team or entity are developed.
- Review and understand team and entity strategies, goals, and objectives.
- Understand and use key performance indicators to measure results of progress toward strategies, goals, and objectives.

Technology mindset

CPAs must use technology and data ethically as an enabler to optimize decision making and to promote business efficiencies and controls.

- Identify and compare available tools to recommend options, needs, and constraints.
- Leverage relevant technologies to facilitate data analyses that support organizational goals.
- Understand frameworks for systems of efficient and effective controls for both operations and analyses and reporting.
- Identify and understand the impact of emerging technologies on the organization, performance, clients, and stakeholders.
- Conduct data analysis activities and techniques.
- Identify opportunities where data visualization can help in analysis and communication of results.
- Perform data cleaning and preparation activities, addressing quality issues.

**Technical competencies
(Only one required)**

Example tasks

Audit and assurance

CPAs participate in assurance engagements, including audit, attestation, and accounting and review services or work internal to an organization such as internal audit. These services are performed across many clients and industries and under multiple regulatory environments. By the end of their experience, a Candidate must have sufficient experience in audit- and assurance-related tasks based on the nature and scope of the specific engagements on which they work.

- Perform research with a focus on reviewing and using source materials (for example, relevant accounting standards, industry news, and related contextual information) to address a challenging issue relevant in an assurance task.
- Explore relevant external and internal factors that may affect risk and suggest responses to address those risks.
- Analyze a business process to document (for example, flow charts, process diagrams, narratives) the flow of relevant data from initiation through reporting and disclosure. This includes documenting and determining the effect of the relevant automated and manual controls the accountant intends to test within the business process on identified risk.
- Design procedures to (1) assess the operating effectiveness of relevant automated and manual controls and (2) test relevant assertions for each significant class of transactions or accounts within a business process. This includes verifying that the procedures comply with the requirements in the appropriate professional standards.
- Apply data analytic techniques to structured and unstructured datasets to identify transactions or events that may have higher risk and design procedures to test those transactions or events.
- Perform a test of details to identify potential misstatements based on the application of the appropriate financial accounting and reporting framework. This includes applying appropriate sampling techniques to identify the population of items to be tested as well as materiality at the appropriate level and concluding on the sufficiency and appropriateness of evidence obtained.

- Apply data analytic techniques to structured and unstructured datasets to complete analytical procedures and design and perform follow-up procedures to obtain sufficient appropriate evidence to explain fluctuations and/or variances. This includes performing procedures to validate the completeness and accuracy of the datasets obtained as well as appropriately selecting and using the tools or applications to complete the analytic techniques.
- Perform tests of the operating effectiveness of internal controls to identify and evaluate exceptions. This includes applying appropriate sampling techniques to identify the population of items to be tested as well as concluding on the operating effectiveness of the controls and the sufficiency and appropriateness of evidence obtained.
- Determine the effect of deficiencies or uncorrected misstatements identified during an engagement. This includes researching and documenting how deficiencies or uncorrected misstatements do not comply with the requirements of the appropriate professional standards.
- Prepare relevant statements in accordance with financial accounting and reporting frameworks as allowed by professional standards.

Tax

CPAs participate in tax engagements, including tax preparation and planning. These services are performed across many clients, both individual and entities, industries, and under multiple systems, including federal, state, and local laws and regulations. By the end of their experience, a Candidate is expected to perform tax-related tasks based on the nature and scope of the specific engagements on which they work.

- Participate in preparation of materials and supporting documentation to respond to federal, state, and local tax authority notices, proceedings, audits, and other administrative issues.
- Perform research with a focus on reviewing and using primary source materials (for example, Internal Revenue Code, Treasury Regulations) and secondary source materials (for example, industry journals, interpretive guidance, editorial materials, internal research memos) to complete a range of tasks, including identifying issues, analyzing facts, and determining appropriate responses with supportable evidence and citations. This includes researching the implications of new or proposed laws and regulations on client situations.
- Collect and review information and data provided by clients to ensure that it is complete and accurate and substantiates client and accountant calculations, schedules, and positions with an understanding of how automated calculations, checks, diagnostic tools, and other system processes may highlight or cause errors in other parts of the tax preparation process.
- Prepare and review tax calculations and schedules for clients (both individual and entity) for routine and nonroutine transactions and scenarios in accordance with federal, state, and local tax laws and regulations. This includes considering relevant factors in tax calculations, compliance, and tax planning, such as specific tax rates, tax brackets, limitations indexed to inflation, and other specific and relevant factors (for example, reference rates).
- Analyze the implications and tax treatment of various transactions, data, and scenarios on client tax outcomes (for example, gross income, taxable income, tax liability, estimated taxes), in relation to individual or entity strategy and planning and personal or organizational constraints.
- Participate in the analysis and evaluation of proposed tax planning scenarios for individual and entity clients, understanding the implications of different scenarios, entity structures, and decisions on applicability of different tax treatment, in relation to individual or entity strategy and planning and personal or organizational constraints.
- Review individual tax returns to identify tax planning and financial planning opportunities to better serve the individual (for example, minimize tax liability, take all available tax deductions, plan for retirement, plan education funding for dependents).
- Prepare, extract, and review tax schedules, reports, and filings (whether manual or automated) to perform quality control or analyze and meet tax planning, cash flow, operational, decision-making, and other engagement needs. This includes

considering diagnostic tools and automated validation checks highlighting potential errors and anomalies.

Business and financial reporting, including financial, not-for-profit, and governmental CPAs participate in recording transactions, as well as preparing and analyzing financial reports, fluctuation analyses, and projections. These tasks are performed across many entity types, including for-profits, not-for-profits, as well as federal, state, and local governments, reporting under generally accepted reporting standards as defined by FASB, IFRS, GASB, and FASAB. By the end of their experience, a Candidate is expected to perform tasks based on the nature, size, and scope of the specific entity or entities and industries in which they work.

- Prepare periodic reconciliations, roll-forwards, and analyses for accounts affected by recurring and routine transactions that are automated (for example, sales and accounts receivable, purchases and accounts payable, payroll) as part of the financial statement close process to ensure the balances recognized in the trial balance are complete and accurate and comply with the relevant accounting and reporting standards. This includes preparing adjusting journal entries to correct any identified errors or discrepancies and preparing sufficient documentation and support that demonstrates the work was completed in accordance with the entity's policies and procedures.
- Prepare analyses and journal entries for routine manual transactions as part of the financial statement close process. This includes extracting and transforming relevant data to determine the amounts to be recognized and preparing sufficient documentation and support that demonstrates the work was completed in accordance with the entity's policies and procedures.
- Participate in determining the appropriate accounting policies for nonroutine transactions. This includes reviewing contracts, agreements, and other source documents to identify key terms, researching the relevant accounting and reporting standards, and documenting an accounting position based on that research.
- Participate in the development, maintenance, and implementation of policies and procedures that establish sufficient internal controls over financial reporting.
- Perform analytical procedures and ratio analysis of both financial and nonfinancial data to identify fluctuations and variances (current period versus prior period, actual versus budget) that require further investigation and to measure the entity's progress in achieving strategic objectives or meeting key performance indicators. This includes drafting commentary that sufficiently explains variances or deviations from expectations.
- Prepare analyses, budgets, and forecasts for ongoing operations (that is, monthly, quarterly, annual financial forecasts) and for proposed transactions (for example, capital investment, research and development, expansion, reorganization). This includes considering the impact of external factors (for example, economic, environmental, financial reporting framework, government policy, industry, regulatory, supply chain, technology) and internal factors (for example, ownership and governance structure, investment and financing plans, selection of accounting policies) on the entity.
- Participate in the preparation and review of financial statements and regulatory filings. This includes verifying that reported amounts agree with underlying source data (that is, trial balance, sub-ledgers, management reports) and that qualitative commentary is consistent with the reported amounts.
- Participate in the allocation of expenses between program expenses and general and administrative expenses or the classification of restricted and nonrestricted revenues.
- Participate in the analysis of or balancing of transfers between funds.

Note: Candidates are required to exhibit only ONE technical competency. However, Candidates may exhibit multiple technical competencies if they work in more than one area of practice. In this case, the CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies are sufficient for licensure under the Pathway.

Appendix B: Draft CPA Competency-Based Experience Certification Form

Note: This document will be integrated into the tracking app developed by NASBA.

Each CPA Evaluator should use this to document the Candidate's exhibition of competencies for licensure with a board of accountancy under the Competency-Based Experience Pathway. Exhibition of competency means that the Candidate has had the opportunity to display the competency, as defined below, in the course of their work experience, such as when completing performance indicators and tasks set forth in the CPA Competency-Based Experience Pathway Framework.

Candidate Name: _____

Candidate Address: _____

Candidate Email: _____

Candidate ID/Position: _____

The certification on this form applies to the following time frame:

Beginning date: _____ Ending date: _____

Evaluation key

Yes: The Candidate's experience was applicable to this competency, and the Candidate did exhibit the competency.

No: The Candidate's experience was applicable to this competency, and the Candidate did not exhibit the competency.

NA: The Candidate's experience was not applicable to or measured for this competency, or I do not have sufficient evidence to certify this competency.

Professional competencies

By the conclusion of the Competency-Based Experience, the Candidate must exhibit all seven professional competencies.

Professional competency 1

Ethical behavior

CPAs must act ethically and behave with integrity at all times, consistently modeling and promoting ethical practices as an individual or as part of an organization.

Did the Candidate exhibit the **ethical behavior** competency?

Yes No

Professional competency 2

Critical thinking and professional skepticism

CPAs must think critically when performing all tasks. They must research, investigate, and analyze issues, problems, and questions. They must also apply professional judgment to the evaluation of data and any information from a variety of sources and perspectives.

Did the Candidate exhibit the **critical thinking and professional skepticism** competency?

Yes No NA

Professional competency 3

Communication

CPAs must effectively convey information and ideas to individuals and groups in a variety of situations in a focused way using verbal, nonverbal, written, and graphical techniques and skills.

Did the Candidate exhibit the **communication** competency?

Yes	No	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Professional competency 4

Collaboration, teamwork, and leadership

CPAs must work effectively between and among teams, peers, supervisors, clients, and other stakeholders to meet organizational goals.

Did the Candidate exhibit the **collaboration, teamwork, and leadership** competency?

Yes	No	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Professional competency 5

Self-management and continuous learning

CPAs must plan and manage personal development and appreciate how strengths and weaknesses may affect work, learning, and meeting goals. These skills relate to upskilling for new engagements, industries, technologies, and requirements and ensure a willingness to identify where learning and expertise are needed.

Did the Candidate exhibit the **self-management and continuous learning** competency?

Yes	No	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Professional competency 6

Business acumen

CPAs must understand how a business fits within the broader context of an industry and the geopolitical environment so that they can optimize opportunities, minimize risks, and execute planned objectives.

Did the Candidate exhibit the **business acumen** competency?

Yes	No	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Professional competency 7

Technology mindset

CPAs must use technology and data ethically as an enabler to optimize decision making and to promote business efficiencies and controls.

Did the Candidate exhibit the **technology mindset** competency?

Yes	No	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Technical Competencies

Candidates are required to exhibit only one technical competency. However, Candidates may exhibit multiple technical competencies if they work in more than one area of practice. In this case, the CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies, in combination, are sufficient for licensure under the Pathway.

Technical competency 1

Audit and assurance

CPAs participate in assurance engagements, including audit, attestation, and accounting and review services, or work internal to an organization such as internal audit. These services are performed across many clients and industries and under multiple regulatory environments. By the end of their experience, a Candidate must have sufficient experience in audit- and assurance-related tasks, such as those detailed in the Framework based on the nature and scope of the specific engagements on which they work.

Did the Candidate exhibit the **audit and assurance** competency as defined by the framework?

Yes	No	NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Technical competency 2

Tax

CPAs participate in tax engagements, including tax preparation and planning. These services are performed across many clients, both individual and entities, industries, and under multiple systems, including federal, state and local laws, and regulations. By the end of their experience, a Candidate is expected to perform the types of tasks detailed in the Framework, based on the nature and scope of the specific engagements on which they work.

Yes No NA

Did the Candidate exhibit the **tax competency** as defined in the Framework?

Technical competency 3

Business and financial reporting

CPAs participate in recording transactions, as well as preparing and analyzing financial reports, fluctuation analyses, and projections. These tasks are performed across many entity types, including for-profits, not-for-profits, as well as federal, state, and local governments, reporting under generally accepted reporting standards as defined by FASB, IFRS, GASB, and FASAB. By the end of their experience, a Candidate is expected to perform the types of tasks detailed in the Framework, based on the nature, size, and scope of the specific entity or entities and industries in which they work.

Yes No NA

Did the Candidate exhibit the **reporting competency** as defined in the Framework?

Certification of CPA Evaluator

During the course of the Competency-Based Experience, the Candidate exhibited the professional and technical competencies as defined in the CPA Competency-Based Experience Pathway Framework.

The Candidate has completed _____ hours of the required minimum of 2,000 hours of Competency-Based Experience working hours.

I hereby certify that the Candidate has been supervised or employed by me or my organization for the period indicated herein and, in the course of such employment, has obtained the experience indicated on this Certificate of Experience.

I hereby certify that I have met the CPA Evaluator requirements as defined in the Competency-Based Experience Framework.

Organization Name: _____

Organization Address: _____

Contact Name: _____

Contact Title: _____

Contact Email & Phone: _____

CPA Evaluator Name: _____

CPA Evaluator License Number: _____

State and Date of Issuance: _____

CPA Evaluator Signature: _____

Date: _____

Introduction



NASBA

Exposure Draft

CPA Competency-Based Experience Pathway

Issued September 12, 2024

Comments are requested by December 6, 2024

Response Form

The AICPA and NASBA value the views of all stakeholders and are seeking comments on the questions on the CPA Competency-Based Experience Pathway Exposure Draft. The comment period for this exposure draft ends **December 6, 2024**.

You will have the option to respond directly to the individual questions posed in the Exposure Draft on pages 3-4, or attach a prepared response. If you respond directly to the individual questions, there will be an option to provide general comments

at the end of the survey.

General comments are most helpful when they refer to specific paragraphs or sections, include the rationale for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the exposure draft, it would be helpful for the joint committee to be made aware of this viewpoint as well.

Click the arrow to continue.

The following survey responses or prepared response represent:

- The official response of a state board of accountancy, state CPA society, or regulator.
- The official response of a firm, business, or other organization.
- The official response of an academic entity (e.g, university, program, or academic organization).
- My individual opinion and points of view.
- Other

Enter your demographic information below.

Your organization's
(or your name if you
are responding in
your personal
capacity)

Name(s) of person(s) responsible for this response (or leave blank if same as above)

Name(s) of contact(s) for this response (or leave blank if same as above)

Title of individual respondent

State or territory

Email address of primary respondent

Other information

You may provide a prepared response to the exposure draft questions in an uploaded document, or respond directly to the individual questions. If responding to the questions, there will be an option to provide general comments at the end of the survey. If you would like to submit your prepared response in an uploaded document, please indicate below and upload the document as instructed next.

I will submit the responses in a prepared document.

I will respond directly to the individual questions in this survey form.

You elected to submit a prepared response. Attach document below.

Exposure draft questions

You have elected to respond to the questions in this form. The questions are copied from pages 3-4 of the Exposure Draft, with space provided for you to explain your responses, if desired.

Question 1: Is the proposed Pathway understandable?

- Yes
- No

Please provide additional feedback for your response to **question 1.**

Question 2: Is the proposed framework relevant and applicable to the work of candidates applying for licensure?

- Yes
- No

Please provide additional feedback for your response to **question 2.**

Question 3: Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?

	Yes	No
Competencies	<input type="radio"/>	<input type="radio"/>
Performance Indicators for professional competencies	<input type="radio"/>	<input type="radio"/>
Tasks for technical competencies	<input type="radio"/>	<input type="radio"/>

Please provide additional feedback for your responses in **question 3.**

Question 4: Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

- | | Yes | No |
|--|-----------------------|-----------------------|
| Example performance indicators for professional competencies | <input type="radio"/> | <input type="radio"/> |
| Example tasks for technical competencies | <input type="radio"/> | <input type="radio"/> |

Please provide additional feedback for your responses in **question 4**.

Question 5(a): Is it clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies?

- Yes
- No

Question 5(b): Is it clear that candidates may use different performance indicators or tasks to adequately exhibit the competencies?

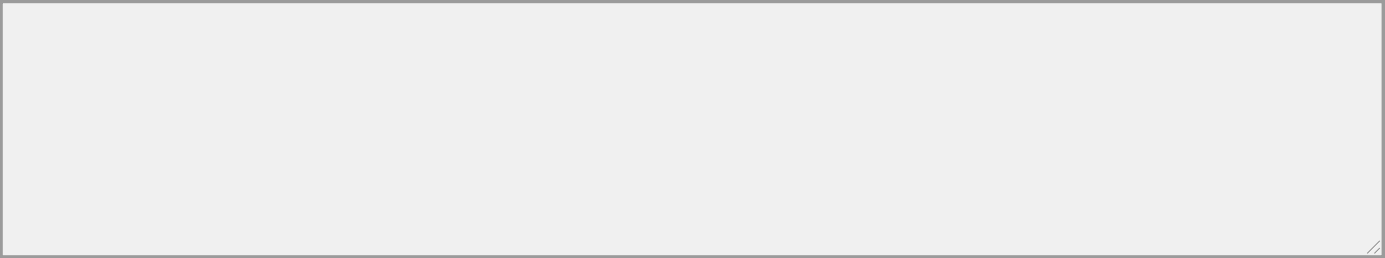
- Yes
- No

Please provide additional feedback for your responses to **questions 5(a) and (b).**

Question 6: Component 1 (Defined Competencies) discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?

- Yes
- No

Please provide additional feedback for your response to **question 6.**

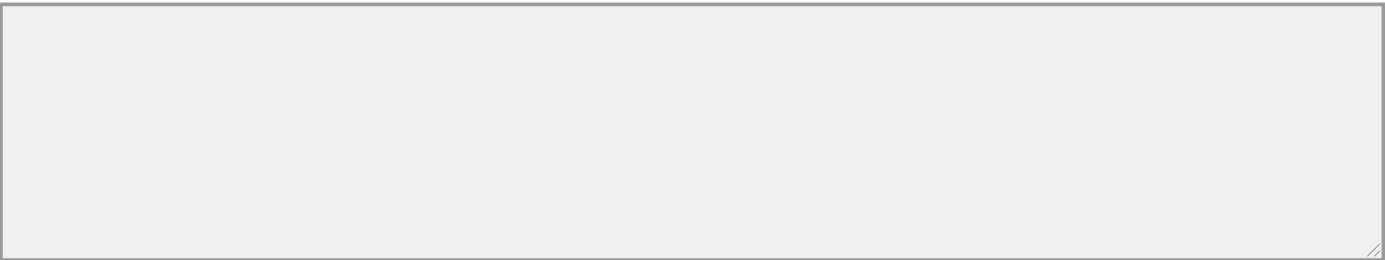


Question 7: Component 2 (Process for Evaluating and Certifying Competencies) outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficiently rigorous?

Yes

No

Please provide additional feedback for your response to **question 7**.

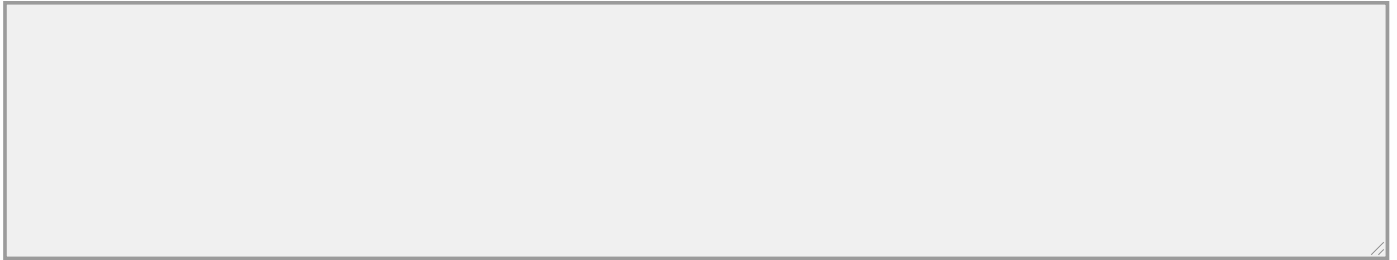


Question 8: Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?

Yes

No

Please provide additional feedback for your response to **question 8**.



Question 9: Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?



Question 10: Component 3 (Timing and Transition Provisions) proposes a maximum of five years to complete the pathway. Should there be a maximum time frame?

- Yes
- No

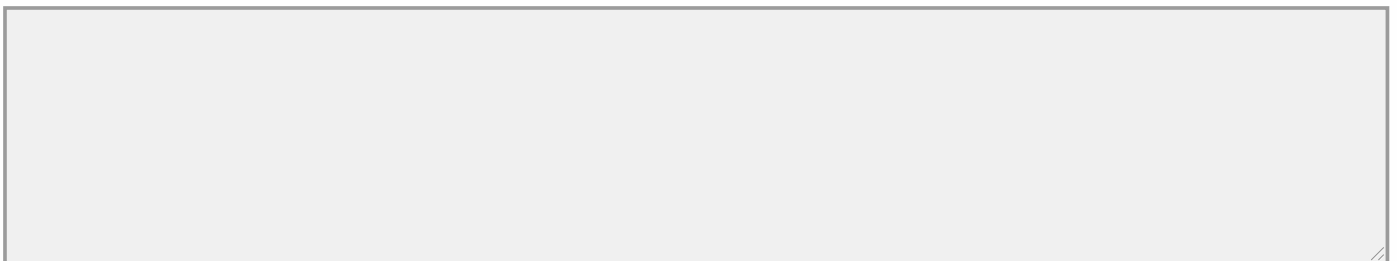
Please provide additional feedback for your response to **question 10**.



Question 11: Component 3 proposes credit for prior work experience. Should there be a maximum time frame for this look-back period?

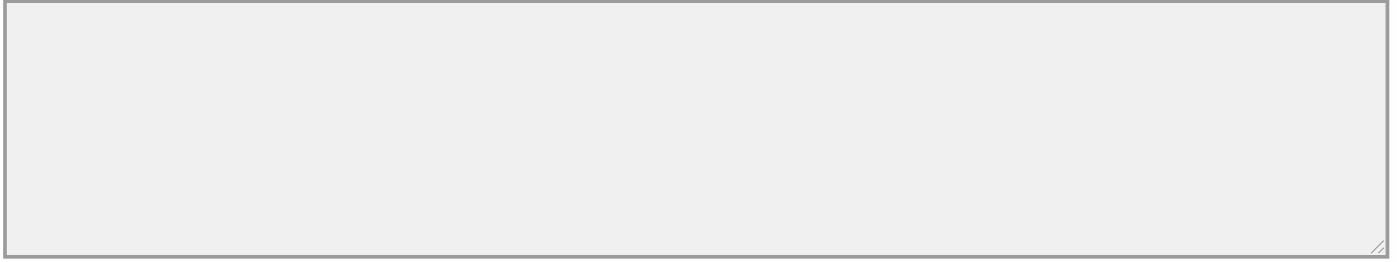
- Yes
- No

Please provide additional feedback for your response to **question 11**.

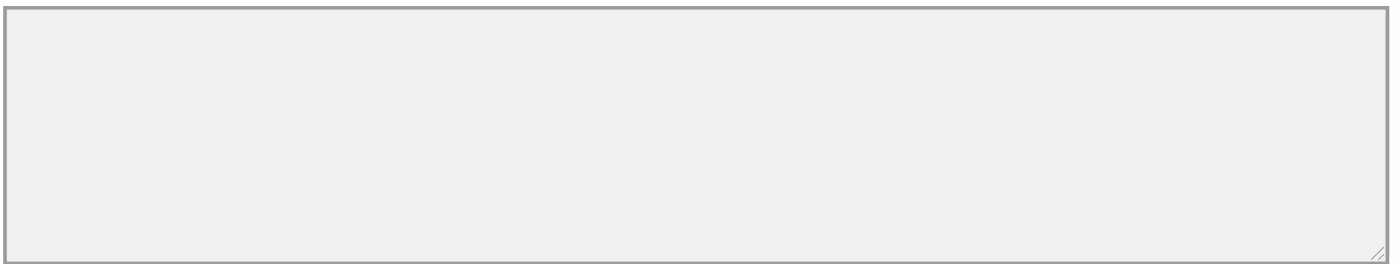


Support

Question 12: What type of legislative support and time would state boards of accountancy need to implement the framework?



Question 13: What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?



Question 14: If the pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?

- Yes
- No
- Uncertain

Please provide additional feedback for your response

to **question 14.**



Question 15: Would your board utilize a NASBA electronic tracking system if developed?

- Yes
- No
- Unknown
- Not applicable

Question 15: If not, would your board create its own reporting mechanism?

- Yes
- No
- Unknown at this time

Please provide additional feedback for your response to **question 15.**

Other Comments

Question 16: Provide any other comments that you may have.

Exposure Draft

Issued September 30, 2024

Joint AICPA/NASBA UAA Committee Exposure

Amendments to UAA Section 5: Education requirements to sit for the CPA Exam and education requirements for a certificate; UAA Section 23: Substantial Equivalency for individuals licensed through a non-substantially equivalent pathway

NASBA UAA Committee Exposure

UAA Model Rules Article 3: Definition of the CPA Competency-Based Experience Pathway and Article 6: experience requirements for a certificate under the CPA Competency-Based Experience Pathway

Uniform Accountancy Act Eighth Edition - January 2018

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Comments must be received by December 30, 2024.

Please [click here](#) to submit your comments.

EXPOSURE DRAFT OF CHANGES

Overview

Model Act

In September 2024, the boards of directors of the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) each approved for exposure changes to the Uniform Accountancy Act (UAA) that would:

- Specify the education required to sit for the Uniform CPA Examination;
- Define the requirements for an additional pathway for licensure as a CPA;
- Retain mobility for those licensed under a pathway defined in the UAA; and
- Provide a mechanism for those who are licensed under a pathway that is not defined in the UAA but who later meet the mobility requirements defined in the UAA.

Model Rules

Separately, the NASBA board of directors approved for exposure UAA Model Rule changes updating the definitions to reflect the additional pathway for licensure and the experience required for the issuance of an initial certificate under the proposed additional pathway.

Comments on the proposal are requested via [this form](#) by **December 30, 2024**.

Uniform Accountancy Act Background

The AICPA and NASBA have worked together since 1984 to produce the Uniform Accountancy Act (UAA), also referred to as the Model Act, and UAA Model Rules to serve as reference documents for all U.S. states and jurisdictions as they update their own statutes and regulations. These evergreen documents are regularly reviewed and updated by the Joint AICPA/NASBA UAA Committee. The UAA Model Act is subject to the final approval of the two organizations' boards of directors, while the Model Rules are subject to the final approval of NASBA's board of directors.

Additional Licensure Pathway: Competency-Based Experience Pathway

AICPA and NASBA believe that a strong pipeline of accounting talent is essential for a robust economy and public protection. Along with an aging workforce with many CPAs nearing retirement age, recent years have also seen a steady decline in the number of accounting graduates and new candidates taking the CPA Exam. At the same time, there is a need for CPAs with evolving competencies and experiences. The importance of a strong talent pool has led AICPA, NASBA, and other key stakeholders from across the accounting profession to examine the root causes of the recent decline in entrants and consider potential initiatives that could address talent challenges.

With the concurrent exposure draft, [CPA Competency-Based Experience Pathway](#) ("pathway"), AICPA and NASBA are seeking to address the financial and time constraints some individuals face in completing the education needed post-bachelor's degree to achieve CPA licensure. The pathway would provide an additional pathway to licensure that is responsive to those challenges.

The AICPA/NASBA UAA Committee elected to pursue equivalent pathways to licensure that

could preserve mobility for CPA licensees amid a changing market and regulatory environment.

The proposed additional pathway identifies model competencies that would be exhibited by a candidate during work experience prior to being granted CPA licensure. The proposed pathway framework also describes how a candidate, the candidate's employer, and boards of accountancy could implement this pathway. Another key goal includes creating evergreen standards that can be adapted as the profession evolves, as well as regulatory updates at the state level.

It is anticipated that if adopted, the model framework and competencies would be included as an evergreen appendix to the UAA Model Act.

In addition to the UAA Model Act amendments, the Model Rules would be updated by:

- Adding a definition of the Competency-Based Experience Pathway.
- Updating the experience required for an initial certificate to include the completion of the Competency-Based Experience Pathway.

Substantial Equivalency

The exposure would also amend Section 23 Substantial Equivalency by acknowledging that a board of accountancy or NASBA's National Qualification Appraisal Service (NQAS) may verify, once a new pathway to licensure is established by a jurisdiction, that a jurisdiction's licensure requirements are in substantial equivalence with the CPA licensure requirements of the UAA. Section 23 also acknowledges that licensees shall be presumed to have met the qualifications of substantial equivalency if the individual was issued an original certificate under the education, examination, and experience rules contained in 5(c)2, or their equivalent, which were in effect at the time of issuance.

The amendments also provide a process for boards of accountancy in jurisdictions that have adopted licensure pathways not substantially equivalent to the UAA, to identify those CPAs licensed through these pathways by providing licensure information to a national licensee database.

Should a jurisdiction enact legislation that includes one or more pathways that are not substantially equivalent to the UAA, the amendments provide a process for boards of accountancy to identify in a national licensee database the pathway used to license CPAs and to verify whether the CPA meets the licensure requirements defined in the UAA. This will allow for easier determination of a CPA's eligibility to practice through mobility with a practice permit.

In addition, the amendments provide a way for CPAs licensed through a pathway, not substantially equivalent to the UAA, to later have their post-licensure credentials reevaluated to determine if the CPA meets one of the licensure pathways defined in the UAA. Thereby, allowing the CPA to practice in another jurisdiction with a practice privilege.

The AICPA, NASBA, and the Joint UAA Committee welcome comments on the proposal.

Thomas Neill, CPA
Chair, AICPA UAA Committee

Nicola Neilon, CPA
Chair, NASBA UAA Committee

The base documents are the January 2018 edition of the UAA (pertinent parts) and April 2023 edition of the UAA Model Rules. Additions are shown in single underlined text, and deletions are shown in ~~single strike through~~ text.

UAA – 8th Edition, January 2018

SECTION 5
QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC ACCOUNTANT

(c) ~~(1) The education requirement for a certificate, which must be met before an applicant is eligible to apply for the examination prescribed in subsection (d), shall be at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule to be appropriate.~~

(2) The education requirement for a certificate shall be met through any of the following pathways:

(A) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(B) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(C) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration, or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2).

Comment: In situations where the Candidate is enrolled in a dual degree five- year accounting program where the bachelor's degree is conferred after the completion of the master's degree, the candidate is eligible to sit for the CPA Exam upon the completion of the bachelor's degree requirements and the accounting concentration.

(f) ~~An applicant for initial issuance of a certificate under this Section shall show that the applicant has had one year of experience. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through~~

~~employment in government, industry, academia or public practice.~~

(1) The experience required in section 5(c)2(A) and 5(c)2(B) shall include one year providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through employment in government, industry, academia, or public practice.

(2) The experience required in section 5(c)2(C) shall include two years of experience:

(A) At least one year of competency-based experience performed in accordance with a competency framework developed by a national accounting organization and administered in accordance with Board rule, and

(B) The remainder of experience as set forth in section 5(f)(1).

Comment: In meeting the two-year experience requirement, the Candidate works with a CPA Evaluator to ensure the Candidate demonstrates the competencies outlined in the CPA Competency-Based Experience Pathway, which was approved by the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs (AICPA) boards of directors is included as an appendix to the UAA Model Act. In addition to demonstrating the competencies in the Framework, the Candidate must also complete one additional year of general relevant, supervised or verified, work experience. A candidate may apply additional competency-based experience toward the general experience requirement.

The board of accountancy may specify any reasonable approach to meeting the competency-based experience requirement using as a guideline the Competency-Based Experience Pathway jointly approved by NASBA and the AICPA.

**SECTION 23
SUBSTANTIAL EQUIVALENCY**

- (a) (1) **An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7. Notwithstanding any other provision of law, an individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (2).**
- (2) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or NASBA Qualifications Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if the individual was issued an original certificate under the education, examination and experience rules contained in 5(c)2, or their equivalent, which were in effect at the time of issuance and the issuing board of accountancy has identified the individual's applicable licensure pathway in a national licensee database which reports the individual has met licensure requirements substantially equivalent to obtain those provided under Section 23(a)(3).**

Comment: Subsection 23(a)(3) is intended to seamlessly facilitate substantial equivalency and mobility whenever the Uniform Accountancy Act is modified to establish equivalent pathways to licensure. Individuals who have met any of the recognized equivalent pathways would be allowed to practice under interstate mobility without the need to obtain a separate certificate or permit to practice in any other jurisdiction.

NASBA has created a national licensee database that is provided at no cost to the boards of accountancy. That database may be used by boards of accountancy to satisfy the requirements defined in section 23(a)(2). NASBA has also created

CPAverify.org, a public facing database, that provides limited licensure information to the public regarding U.S. licensed CPAs. This database is available free to the public

- (23) **An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if such individual obtains from the board of accountancy or the NASBA National Qualification Appraisal Service verification that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act, including:**

(A) Having met the education requirement for a certificate through any of the following pathways:

(i) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(ii) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(iii) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2), and

(B) Having passed the examination required for licensure as defined in section (5)(d), and

(C) Having met the experience requirement required for licensure as defined in section 5(f).

~~Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirement in Section 5(e) for purposes of this Section 23 (a)(2). Notwithstanding any other provision of law, an individual who offers or renders~~

professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (3).

Comment: Board verification may include an update of the national licensing database that the individual has met the licensing requirements set forth in section 23(a)(3).

(34) ...

(45) ...

UAA Model Rules – January 2024

ARTICLE 3
DEFINITIONS

Rule 3–11 - CPA Competency-Based Experience Pathway.

“CPA Competency-Based Experience Pathway (“the Pathway”) means a twelve-month experience program performed in accordance with generally accepted standards developed and administered by a joint committee established and maintained by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants.

ARTICLE 6
ISSUANCE OF CERTIFICATES AND RENEWAL OF CERTIFICATES
AND REGISTRATIONS, CONTINUING PROFESSIONAL EDUCATION
AND RECIPROCIDY

Rule 6-2 - Experience required for initial certificate.

(a) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(1) of the Act shall meet the requirements of this rule.

(1) Experience may consist of providing any type of services or advice using accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills.

(2) The applicants shall have their experience verified to the Board by a licensee as defined in the Act or an individual licensed in another state. Acceptable experience shall include employment in industry, government, academia or public practice. The Board shall look at such factors as the complexity and diversity of the work.

(3) One year of experience shall consist of full or part-time employment that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services described in subsection (a) above.

(b) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(2) of the Act shall include one year of work experience as defined in Rule 6-2(a) and the completion of the CPA Competency-Based Experience Pathway.

To: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors.

From: Thomas Neill, CPA Chair, AICPA UAA Committee

Re: September 30, 2024 Exposure Draft to the Uniform Accountancy Act, Eighth Edition - January 2018

Date: October 13, 2024

I am submitting this comment letter in opposition to the two items contained in the exposure draft, amendments to 1) UAA Section 5: Education requirements to sit for the CPA Exam and education requirements for a certificate; and 2) UAA Section 23: Substantial Equivalency for individuals licensed through a non-substantially equivalent pathway.

Over the last year, I have had the privilege to serve as a member of the National Pipeline Advisory Group. One of the key sub-groups of NPAG that I served on dealt with the issues around licensure, focusing on substantial equivalency and mobility. A key conclusion was that as a profession, we need to both modernize and future proof the processes around licensure. For me, this has informed the way I now look at the Model Uniform Accountancy Act and Rules, and the process around how it should be modified to best serve the profession now and into the future.

Background

I have served on AICPA UAA Committee for over ten years and have served as chair for more than three years. The AICPA UAA Committee is comprised of a phenomenal group of volunteers, from different walks of the profession. As a group, we all recognize the wisdom of crafting model language for the profession that not only pays heed to what is currently happening in the regulatory environment around licensure, but also serves as a guiding light for states and stakeholders to use in crafting state statute and rule to effectively and more consistently govern the profession. It is therefore incumbent on the Joint UAA Committee to be listening to what is happening in the profession and to thoughtfully consider proposed modifications to the Model Act and Rules that best serve the profession now and into the future.

Over the last few years, there has been a move by some states to change certain components of substantial equivalency, or the three E's – education, exam and experience. The changes relate to two of the E's - 150 hours of education and one year of experience. A number of states have been considering moving back to the level of education that many of us were licensed under, the 120 hours or bachelor's degree level. Tied to that change would also be an increase in the level of experience required for licensure, from one year to two years. There has been much discussion around both of these proposed changes, but more around the composition of the two years of experience.

AICPA and NASBA senior leadership feel that simply adding a second year of experience does not replace the additional year of education. They therefore proposed that the additional year of education needed to contain a more competency-based approach. This is where the problems began with the development of the exposure drafts.

Senior AICPA and NASBA leadership met and crafted modifications to UAA Sections 5 and 23. In my years as a member and chair of the AICPA UAA Committee, we have been provided an issue

or question by leadership for consideration by the joint committee to evaluate whether the Model Act needed to be modified. In this instance, the normal committee process was overridden by leadership's predetermined approach to the issues.

Regarding modifications to Section 5, the AICPA UAA Committee was told, in no uncertain terms, that we could not propose language that contained 120 hours plus 2 years' experience or the bachelor's plus 2 years' experience. We could only consider a model that included a year of "enhanced" experience as part of the two year experience component.

Regarding modifications to Section 23 on substantial equivalency and mobility, the NASBA UAA Committee proposed language that kept in place its National Qualification Appraisal Service as a key component. The AICPA UAA Committee felt strongly that automatic mobility provisions were in the best interest of the profession and would preserve mobility to a far greater extent than what is proposed in the exposure draft. But once again, the AICPA UAA Committee was told by AICPA senior leadership that it could not proceed with language that the NASBA leadership was in opposition to.

The AICPA UAA Committee voted 9 to oppose the exposure draft, with 1 vote *in favor of exposure, not in favor of the proposals*.

Section 5 - QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC ACCOUNTANT

In Section 5(c)(2), the exposure draft still contains the master's degree as well as bachelor's degree plus the additional 30 hours to get to 150 hours of education. In both instances, there is the extant one year of required experience. But it also adds the additional path to licensure of a bachelor's degree plus two years of experience, containing the completion of competency-based experience based on a "framework developed by a national accounting organization and administered in accordance with Board Rule" (section 5(f)(2)(A)).

My issue with the proposed language in this section is as follows:

- In developing this exposure language, it was pre-determined by senior AICPA and NASBA Leadership, not through the normal Joint UAA Committee process and procedure. It is not well thought out, and has been fast-tracked to achieve a predetermined goal.
- This language does not give recognition and consideration to what is currently being proposed in a number of jurisdictions – that of the bachelor's degree and two years of experience.
- The language requires the creation of an additional set of standards developed by a "national accounting organization". Said organization does not currently exist, nor does this language define what it may be. While the AICPA does currently set various standards, NASBA does not, nor is it equipped to do so. Moving to a simple 2-year experience model avoids the need to create another set of standards.
- Creation of another set of standards add additional burden to candidates and employers. Employers will need to determine how best to assist candidates to achieve the competencies and the related cost. This could serve to discourage employers to assist candidates to become licensees.
- This could be perceived as an additional hurdle to licensure at a time when the profession is trying to attract more candidates. It is an ill-timed proposal.
- This adds an additional layer of regulation for boards of accountancy to address in their statute and/or rule.

- This language does not modernize nor future proof the licensure model for the profession. If there are states that move to a simple bachelor's plus 2-year experience system, which could very well occur over the next year or two, the Model Act will then be at odds with what is happening in the licensure process.

The issue should be sent back to the Joint UAA Committee so that a thoughtful and considered approach could be undertaken and language could be developed to address the concerns above.

Section 23 – SUBSTANTIAL EQUIVALENCY

When the AICPA UAA Committee reviewed the initial draft of the language proposed by senior leadership, we took a completely different approach. Our committee feels strongly that the existing language in Section 23 should be completely deleted and replaced with automatic mobility language similar to what is found currently in four states – Nebraska, Nevada, Alabama and North Carolina. That language is similar to the following:

A person licensed by any other state as a certified public accountant is granted the privilege to perform, or offer to perform, services in this state without obtaining a license so long as the person, at the time of licensure, was required to show evidence of having obtained at least a minimum of a baccalaureate degree, passed the Uniform CPA Exam, and has at least one year of experience. The person consents, as a condition of this privilege, to:

- (a) the disciplinary authority of the state board of accountancy,
- (b) comply with the laws and rules of the state,
- (c) cease offering or rendering professional services in this state both individually and on behalf of the firm in the event the license from the state of the person's principal place of business becomes invalid, and
- (d) any action or proceeding brought by this board of accountancy being referred to the state board of accountancy which issued the person's license.

The AICPA UAA Committee members noted that the profession needs to trust that if a state grants a license, another state should simply look to see that the candidate *has* a CPA license, not how that individual *got* the license.

My concerns with the exposure draft language as proposed are as follows:

- This language ignores the four jurisdictions that currently have automatic mobility provisions in their statute/rule. Since enactment in those jurisdictions, there have been no issues noted with how it has been administered.
- The draft language does not modernize the licensure process nor future proof the profession and the ability of CPAs and firms to work across borders.
- This Section is tied to Section 5 in terms of the recognized equivalent pathways. If a state enacts a bachelor's degree plus two year experience model, their licensees may not be considered substantially equivalent and would not have access to mobility.
- The proposed Section 23 language assumes that a state board will "go rogue" and admit a candidate who is clearly not substantially equivalent under any current or proposed licensure scheme.

- In Section 23(a)(1) it requires a state board to determine whether another state is substantially equivalent, or to utilize NASBAs NQAS to make that determination. Some states may prohibit the delegation of that authority to a third-party membership organization/vendor such as NASBA. This puts additional administrative burden on a state board.
- In Section 23(a)(2) it potentially impacts those existing licensees who obtained their license prior to the advent of the 150-hour rule. The way the exposure language is written could limit those licensees from being considered substantially equivalent and having access to mobility.
- In Section 23(a)(2) it inserts a “national licensee database”, created and maintained by NASBA. This database would note how and where a licensee obtained their license. It in essence creates multiple classes of licensees instead of only one class – a CPA equals CPA. It puts unneeded additional burden on licensees, firms and state boards.

The issue should be sent back to the Joint UAA Committee so that a thoughtful and considered approach could be undertaken and language could be developed to address the concerns above.

The language proposed for both Sections 5 and 23 do not give proper consideration to what is happening in the various states around licensure. Senior leadership of both NASBA and the AICPA have been tone deaf to what is being considered around licensure pathways and mobility. AICPA leadership in particular has ignored the advice of its committee, let alone its members, on these issues and has pushed its own agenda. As a membership organization, we would be doing a disservice to our members to approve and enact such language.

Thomas Neill, CPA
Chair, AICPA Uniform Accountancy Act Committee



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November 5, 2024

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National Association of State Boards of Accountancy
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Nashville, TN 37219

Thomas Neill, CPA, Chair, AICPA UAA Committee
American Institute of CPAs
1345 6th Avenue 27th Floor
New York, NY 10105

RE: AICPA and NASBA Exposure Draft on CPA Competency-Based Experience Pathway

Dear Chairs Neilon and Neill:

On behalf of the California Board of Accountancy (CBA), I am providing comments on the American Institute of Certified Public Accountants' (AICPA) and National Association of State Boards of Accountancy's (NASBA) Exposure Draft on the CPA Competency-Based Experience Pathway (Pathway Exposure Draft). On behalf of the CBA, I would like to thank your organizations for providing an opportunity to respond to the Pathway Exposure Draft.

The CBA recognizes that both the AICPA and NASBA have spent considerable time in evaluating an additional pathway to licensure. As all stakeholders know, attracting individuals to the CPA profession to ensure that consumers have access to qualified CPAs performing work in accordance with applicable professional standards is of paramount concern.

At the CBA's meeting in May 2024, our members had an opportunity to hear from both of your organizations regarding efforts they are undertaking to address this issue. Additionally, both the AICPA and NASBA have been informed about the CBA's ongoing efforts to address both modernizing mobility and creating flexible licensure requirements to create a more evergreen approach to both.

While the CBA, again, wishes to express its appreciation for work done so far, as a regulator of the accounting profession tasked with ensuring licensure requirements focus on minimum competencies for entry and not creating entry requirements that are unduly burdensome, the CBA must, respectfully, express concerns with the Pathway Exposure Draft. These concerns extend to the Pathway Exposure Draft technical quality

and the undue burden it would place on candidates, firms, and state boards of accountancy (SBOAs).

The CBA has engaged in multiple information-gathering activities and the Pathway Exposure Draft is not responsive to the following input it has received:

- Licensure requirements should be clear and minimize complexity.
- A bachelor's degree and two years of general accounting experience provides a sufficient foundation for newly licensed CPAs (nICPAs).
- The cost/benefit evaluation of getting a license is a contributing factor to the CPA Pipeline decline.

Answers to the questions from the response form follow.

Question 1: Is the Proposed Pathway Understandable? Please provide additional feedback for your response to question 1.

No. The Pathway describes confusing and overly complex procedures and requirements for the certification of competency-based experience, including additional paperwork (i.e., CPA Competency-Based Experience Certification Form). In 2015, the White House produced a report, [Occupational Licensing: A Framework for Policymakers](#), that included best practices for licensure. One of those best practices was to “minimize procedural burdens of acquiring a license, in terms of fees, complexity of requirements, processing time, and paperwork.” It is the opinion of the CBA that the Pathway Exposure Draft is contrary to this best practice.

Question 2: Is the proposed framework relevant and applicable to the work of candidates applying for licensure? Please provide additional feedback for your response to question 2.

No. Candidates applying for licensure in California are held to the standard of what is minimally needed for a nICPA to perform safely and effectively. The AICPA and NASBA did not provide any evidence in the Pathway Exposure Draft to support the competencies in the Framework are suitable for this purpose.

Question 3: Does the Framework sufficiently describe the competencies, performance indicators, and tasks you would expect? Please provide additional feedback for your responses in question 3.

No. The competencies were developed by subject matter experts for the purpose of guiding instructional programs to help students gain the competencies that will “lead them to *personal success* in the accounting profession”¹ (*emphasis added*). There is no evidence they are appropriate for determining minimum competency for licensure.

¹ [Foundational Competencies Framework for Aspiring CPAs](#)

Question 4: Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

The CBA concern with the accuracy of the certification of the required competencies cannot be addressed by the addition of more example performance indicators and tasks. The CPA Evaluator is asked to rate if the candidate “exhibited” the competency. The standard of “exhibited” and the non-exhaustive list of performance indicators results in a vague performance standard for what is needed for a candidate to achieve a “yes” rating.

The Pathway Exposure Draft describes the professional and technical competencies as being “blended in practice”² and the technical competencies being “exhibited in tandem with the professional competencies”³ but it is unclear what this means from the perspective of a CPA Evaluator. For example, could the performance of a single task be used to show attainment of both technical and professional competencies? Could a single job task show attainment of multiple competencies within the same category (e.g., professional competencies of ethical behavior and critical thinking and professional skepticism)?

Additionally, there is concern that individual example performance indicators lack clarity and therefore will not be applied consistently.

Lastly, the CBA has a concern the Pathway does not result in work products/evidence that could be reviewed by a third party to resolve disagreements between a CPA Evaluator and a candidate.

Question 5(a): Is it clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies?

Yes.

Question 5(b): Is it clear that candidates may use different performance indicators or tasks to adequately exhibit the competencies?

Yes.

Question 6: Component 1 (Defined Competencies) discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?

No. The Pathway describes the professional and technical competencies as being “blended in practice”⁴ and the technical competencies being “exhibited in tandem with

² Pathway Exposure Draft, Page 7

³ Pathway Exposure Draft, Page 8

⁴ Pathway Exposure Draft, Page 7

the professional competencies”⁵ but it is unclear what this means from the perspective of a CPA Evaluator and the separate requirements for competency-based and general accounting experience.

Question 7: Component 2 (Process for Evaluating and Certifying Competencies) outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficiently rigorous?

Not applicable. The process outlined in Component 2 is unclear; therefore, it is not possible to respond to a question about the “rigor” of the requirement. Additionally, the question asks about rigor without putting it in the context of what is minimally needed for a nICPA to perform safely and effectively.

Question 8: Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?

No. The Pathway suggests a requirement of three years of experience to be eligible to be a CPA Evaluator.⁶ The Uniform Accountancy Act (UAA) does not have a similar requirement for licensees that verify general accounting experience. The discrepancy between requirements for the CPA Evaluator and the licensee who certifies general accounting experience adds complexity without a justification for doing so.

Question 9: Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate’s competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate’s work experience for general experience?

If the licensee supervised an applicant’s general accounting experience, they are required to certify that experience. When an applicant indicates that their supervisor is refusing to sign an accounting experience form, staff will contact the licensee to inform them of their responsibility to fulfill this request under California Code of Regulations section 69. If the licensee continues to refuse, or fails to submit an accounting experience form, they may be referred to the Qualifications Committee to show the applicant’s work papers and explain their basis for refusal. Ultimately, the refusal to sign an accounting experience form may lead to enforcement action.

Question 10: Component 3 (Timing and Transition Provisions) proposes a maximum of five years to complete the pathway. Should there be a maximum time frame?

No. The CBA questions the use of a maximum time frame to complete the competency-based experience. The CBA currently requires continuing education (CE) to be completed if accounting experience and exam scores for CPA licensure are older than

⁵ Pathway Exposure Draft, Page 8

⁶ Pathway Exposure Draft, Page 9

five years as a means of refreshing a candidate's knowledge and skills. The CBA's policy of requiring CE is less punitive than a maximum time frame.

Question 11: Component 3 proposes credit for prior work experience. Should there be a maximum time frame for this look-back period?

The guidelines are unclear for what constitutes "sufficient evidence"⁷ for a CPA Evaluator to certify prior competency-based experience. Thus, the CBA is concerned that this component may extend broad authority to CPA Evaluators to certify competency-based experience with little knowledge of whether that competency-based experience would be considered qualifying.

Question 12: What type of legislative support and time would state boards of accountancy need to implement the Framework?

None. The CBA is not in support of implementing the Framework as described in the Pathway Exposure Draft. The CBA has developed its own legislative proposal regarding adding flexibility to the licensure requirements. It continues to be built on the foundation of general accounting experience but provides the CBA the ability to enhance the general accounting experience for all candidates by requiring the completion of job-based tasks tied to minimum competency.

Question 13: What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the Framework?

None. Please reference Question 12.

Question 14: If the pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?

Not applicable. It would appear this question is focused on mobility and the possible impact of states not adopting the Pathway. A response to this is best served when commenting on the proposed changes found in the other exposure draft regarding updates to the UAA and UAA Model Rules.

Question 15(a): Would your board utilize a NASBA electronic tracking system if developed?

Please reference Question 14.

Question 15(b): If not, would your board create its own reporting mechanism?

⁷ Pathway Exposure Draft, page 10

Please Reference Question 14.

Question 16: Provide any other comments that you may have.

The Pathway Exposure Draft creates an undue burden on candidates, firms, and SBOAs. The CBA believes the requirements and process outlined for the competency-based experience will lead to candidate confusion and may even result in some candidates leaving the CPA Pipeline.

The Pathway Exposure Draft requires firms to modify their internal processes for how they monitor candidates. For example, firms would need to separate the time candidates are using to gain competency-based experience from general accounting experience. Firms would also need to track which staff are eligible to be a CPA Evaluator compared to a supervisor for purposes of documenting general accounting experience. Given the insufficient performance standards, it is unclear if firms would take on the task of training CPA Evaluators and setting benchmarks for what constitutes “exhibiting” a competency. Given the complexities of the Pathway, the CBA is concerned it may not be scalable to smaller firms and if there is a reluctance of firms to implement the Pathway, that would impact candidates seeking employment.

The Pathway Exposure Draft places a significant administrative burden on SBOAs and attempts to place requirements on SBOAs to provide data for use in a national database to be managed by NASBA. SBOAs are expected to report on how each licensee met the licensure requirements against the standard outlined in the Pathway Exposure Draft. This is overreaching and a burden which the CBA is not willing to take on.

The CBA is concerned the Pathway Exposure Draft does not lend itself to evergreen practices as the profession evolves. It is still reliant on a traditional 120 semester unit degree even though there is evidence this may be changing to be more like other countries that offer college degrees with approximately 90 semester units by reducing general education.

The CBA requests the AICPA and NASBA UAA Committees reconsider the approach outlined in the Pathway Exposure Draft and delay the release of any future exposure drafts related to this topic until such time as CBA’s concerns with the Pathway can be addressed. The CBA will continue working on its proposed legislative changes pertaining to the education and accounting experience requirements for California licensure.

Chairs Neilon and Neill

Page 7 of 7

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joe', with a long horizontal flourish extending to the right.

Joseph Rosenbaum, CPA
President

c: Members, California Board of Accountancy
Dominic Franzella, Executive Officer
Michelle Center, Chief, Licensing Division

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November 5, 2024

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Thomas Neill, CPA, Chair, AICPA UAA Committee
American Institute of CPAs
1345 6th Avenue 27th Floor
New York, NY 10105

**RE: AICPA and NASBA Exposure Draft on Proposed Revisions to the Uniform
Accountancy Act and NASBA-Issued Uniform Accountancy Act Model Rules
(UAA/Model Rules Exposure Draft, collectively)**

Dear Chairs Neilon and Neill:

On behalf of the California Board of Accountancy (CBA), I am providing comments on the proposed revisions to the *Uniform Accountancy Act (UAA)* Sections 5 and 23, and *UAA Model Rules (Model Rules)* Articles 3 and 6. On behalf of the CBA, I would like to thank your organizations for providing an opportunity to respond to the UAA/Model Rules Exposure Draft.

The CBA recognizes that both the AICPA and NASBA have spent considerable time in evaluating an additional pathway to licensure. As all stakeholders know, attracting individuals to the CPA profession to ensure that consumers have access to qualified CPAs performing work in accordance with applicable professional standards is of paramount concern.

At the CBA's meeting in May 2024, our members had an opportunity to hear from both of your organizations regarding efforts they are undertaking to address this issue. Additionally, the CBA understands that with the present *UAA* model and the coupling of licensure requirements and mobility, your organizations have been working on creating a new definition for substantial equivalency. Finally, both the AICPA and NASBA have been informed about the CBA's ongoing efforts to address both modernizing mobility and creating flexible licensure requirements to create a more evergreen approach to both.

The CBA has reviewed the proposed changes to the licensure and mobility requirements and offers the following comments.

Licensure Policy

The pathways to licensure represented in the model language and CBA-approved licensure legislative proposals have both similarities and differences. All the pathways require the 3 Es (education, experience, and examination) and include a pathway to licensure for those with a bachelor's degree without 150 units.

Total Units

The model language¹ was amended to describe three pathways to meet the educational requirement for initial licensure as a CPA with the first two requiring 150 total units. CBA believes the reliance on a total of 150 units is not an evergreen approach to education when some colleges are looking toward a three-year degree option that would reduce the general education course requirement.²

In 2014, California revised its licensure requirements to include 150 units to align with the *UAA*. At that time, there were both advocates and opponents to the new requirement. Advocates of the change expected an increase in the percentage of CPAs with advanced degrees and thus expertise. Opponents to the change warned of fewer candidates entering the profession and disadvantaged student groups being particularly burdened by the increased unit requirement. Unfortunately, there has not been an increase in students seeking advanced degrees in accounting and the cost of higher education has increased. The CBA is concerned with the CPA pipeline and values diversity. Given the lack of evidence that the 150 units is necessary for the protection of the public, this requirement is particularly problematic and could be an artificial barrier to licensure.

Competency-Based Experience Requirement

At this time, the CBA does not support the use of the specified competencies in a licensure setting because they are not tied to minimum competencies of entry-level safe and effective practice. (Specifics of this concern are noted in the CBA response to the CPA Competency-Based Experience Exposure Draft.) Additionally, CBA notes a lack of evidence to justify why only candidates without 150 units are required to be evaluated on the achievement of competencies.

The CBA is particularly concerned that the model language does not specify the competency-based experience be gained in an accounting setting and relies on the incorporation by reference of the CPA Competency-Based Experience Pathway to establish numerous requirements, including who is to evaluate the competencies. The incorporation by reference of this document would not meet the California standards for rulemaking.

¹ UAA/Model Rules Exposure Draft, Page 4, Section 5(c)(2)

² The CBA-approved licensure legislative proposal does not include total unit requirements.

It is the responsibility of CBA to make licensure decisions in the best interest of California consumers.³ The CBA does not support the delegation to develop the competency framework⁴ to a “national accounting organization,” in essence the AICPA and NASBA. While it is true that the CBA does not have to implement the requirements outlined in the model language, the proposal establishes an undue burden if it does not.

Mobility Policy

Unlike when comparing the UAA/Model Rules Exposure Draft with the CBA licensure legislative proposal, which, though different, have similarities, the approaches to mobility found in the UAA/Model Rules Exposure Draft and the CBA mobility legislative proposal vary greatly. Both provide a mechanism for out-of-state licensees to practice across state lines, but how individuals are afforded this privilege differs.

Substantial Equivalency⁵

Under the UAA/Model Rules Exposure Draft, the foundational element is substantial equivalency, with this equivalency focused on how states license individuals or how an individual qualified for licensure.⁶

The model language provides mobility provisions that are overly restrictive, unnecessary, complex, and place an undue burden on state boards of accountancy (SBOAs), especially those that choose not to implement the pathways in the model language. The model language places a burden on SBOAs that implement their own licensure pathways by tracking and reporting requirements. In essence, the model language elevates the *UAA* pathways over any other pathways a SBOA may use by tying mobility to the *UAA* pathways.

Additionally, if substantial equivalency is kept, it is too narrowly focused on licensure requirements. The CBA believes that how, and if, a SBOA actively responds to consumer complaints with appropriate enforcement actions is a critical component when relying on the merits of another SBOA's license to allow for practice rights.

³ The CBA-approved licensure legislative proposal authorizes the CBA to enhance the general experience requirement via regulations to require the “completion of specified job task(s) associated with *minimum competencies of entry-level practice*.” (*emphasis added*)

⁴ UAA/Model Rules Exposure Draft, Page 5 requires competency-based experience be completed in accordance with a “competency framework” and Page 9 specifies this is the completion of the “CPA Competency-Based Experience Pathway.” The use of the terms pathway and framework are confusing because the Pathway Exposure Draft references the framework narrowly as an appendix that is the list of competencies.

⁵ The CBA-approved legislative proposal eliminates the use of substantial equivalency and instead focuses on a CPA equaling a CPA with strong consumer protection safeguards.

⁶ UAA/Model Rules Exposure Draft, Page 6: *UAA* Section 23(a)(1). The model language is unclear and confusing, what is presented in this letter represents the CBA's best guess at the intent of the model language.

NASBA and NQAS

Given that NASBA has no regulatory authority, it does not seem appropriate that any reference to NQAS being an authoritative body akin to a SBOA is appropriate. NASBA provides various services to its members upon request, it is not necessary to list those services in the model language. The removal of the NQAS would not prohibit a SBOA from delegating a function to NQAS. Further, the criteria NQAS would use for making determinations on substantial equivalency is not in the model language which results in too much subjectivity.

Conclusion

The CBA supports the intent of the UAA/Model Rules Exposure Draft to foster uniformity across states, but has concerns that the model language, in places, is overly restrictive, complex, unnecessary, and inconsistent. In general, the CBA believes the model language is not responsive to NASBA members who have voiced frustration with the substantial equivalency process and its use to restrict SBOAs from taking action to modify licensure requirements in ways they believe to be in the best interest of their consumers. The processes described in the model language could be perceived as penalizing SBOAs that elect to implement licensure requirements different from the model language. The restrictive components create an exposure draft that lacks the ability to respond to changes in educational systems and the profession.

The decoupling of the licensing requirements with mobility creates a more robust mobility approach that can withstand changes to licensure requirements and is founded in the protection of the public.

The CBA respectfully requests NASBA and AICPA consider pausing on efforts associated with the licensure requirements and competency-based pathway approach found in the UAA/Model Rules Exposure Draft and focus on creating a more modernized approach to mobility. The model language could serve as a useful resource to SBOAs by the inclusion of model consumer protection safeguards. This narrowing of focus to only mobility will provide much needed time to revisit the competency-based experience requirement when it is decoupled from mobility.

Further, as California has the largest population of CPAs at over 115,000, the CBA respectfully request that NASBA and AICPA include California in future development on proposals surrounding the licensure requirements and mobility. The CBA is currently working on proposed legislative changes pertaining to licensure and mobility and will continue to monitor the proposed revisions to the *UAA* and *Model Rules* as we continue this process.

Chairs Neilon and Neill

Page 5 of 5

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joe', with a long horizontal flourish extending to the right.

Joseph Rosenbaum, CPA
President

c: Members, California Board of Accountancy
Dominic Franzella, Executive Officer
Michelle Center, Chief, Licensing Division

AS APPROVED BY THE OREGON BOARD OF ACCOUNTANCY ON NOVEMBER 6, 2024

To: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors

From: Oregon Board of Accountancy

Re: September 30, 2024 Exposure Draft to the Uniform Accountancy Act, Eighth Edition - January 2018 and Exposure Draft on CPA Competency Based Experience Pathway of September 12, 2024

Date: November 6, 2024

The Oregon Board of Accountancy (Board) is choosing to write an integrated single letter response to both exposure drafts. The Board believes that the issues of changing CPA licensure pathways and the issue of proposed updates to UAA Sections 5 and 23 are linked.

1. Competency Based Experience Pathway

This Board has utilized a competency-based experience pathway for more than a decade that, in many ways, aligns with the exposure draft. The Board supports a discussion at the UAA level about incorporating such standards into the UAA. This Board offers any jurisdiction-to-jurisdiction assistance for those that want to implement such a framework voluntarily as it can be done by states with limited resources like us.

That said, the competency pathway exposure draft does not align with this Board's objectives around simplification, clarity, and continued mobility to wit:

- a. The competency-based experience pathway exposure draft does not offer an aspirational set of supervision standards that jurisdictions can embrace when they are ready (as would normally be the case with model laws or rules) but instead is being offered under the threat of losing mobility privileges if not adopted in that manner. This Board's concern is that the linkage to the exposed concept of substantial equivalency would effectively shatter the profession's mobility framework. There are many jurisdictions that either are not supportive of the competency-based experience pathway or exist in a staunchly anti-regulatory political climate within their state and thus will not have any political option to raise standards.

The Board would support adding to UAA model rules an aspirational framework of supervision standards similar to what has been exposed (these details belong primarily in rule). That said, the Board opposes turning that framework into what is effectively a national mandate as exposed, and a threat to professional unity and to CPA mobility.

- b. The Board has no intention of considering a state that would not adopt the exposed supervision standards as not substantially equivalent. Oregon is not doing that now and will not take a step in the future in the direction of disrupting the flow of CPA cross-border services to the public.
- c. As noted, this Board supports a competency-based experience pathway however does not support the notion of a 2-year experience pathway being split between competency based and other. Once a case is made that supervision standards make sense (it would align this profession with all the other professions requiring supervision toward licensure) – then it becomes much harder to argue that those standards should only apply in one pathway, or for half of one pathway or not at all. In a regulatory setting, the defensibility of an experience pathway that is half based on competency and half based on something undefined is very difficult to explain and defend.
- d. The Oregon competency-based experience pathway was not designed by a “national accounting organization” which causes concern and uncertainty for this Board. While it appears that Oregon basically does what is being proposed already on the supervision side, because of the call out of who decides what the competencies should and shouldn’t be could mean that Oregon, as it is today, is not compliant going forward.

2. UAA Exposure draft on Substantial Equivalency and Mobility

- a. The Board has discussed open mobility and feels that moving toward simple open mobility is very much within reach of the profession, especially since we have achieved substantial equivalency / relative uniformity in licensure standards. More specifically, the Board does not support the idea embraced by AICPA and NASBA leaderships that jurisdictions moving toward a 120+2 approach would not be substantially equivalent to 150+1. Instead, the Board trusts the actions of their peer regulators and is of the mindset that how a candidate obtained their initial licensure should not weigh in to their ability to obtain a license in Oregon or to obtain practice privileges (mobility) in Oregon. This Board would prefer to simply look to see that the candidate has a CPA license and not how they got that initial license.
- b. The Board opposes the proposed creation of a “national licensee database”, maintained by NASBA that would track how and where a licensee obtained their license. This would be unworkable for a number of reasons:
 - i. It effectively would transform the existing national database (ALD) from a helpful tool into one tagging licensees into different classes of lesser or more worthy licensees.

- ii. Jurisdictions would not want that liability to designate anyone as lesser, and it does not make sense to splinter the profession in this way.
 - iii. It seems probable that jurisdictions would likely pull out of the ALD altogether rather than tagging licensees.
- c. Especially striking is the contradiction between the UAA exposure draft and the recent admonition to all boards to not delegate their authority. Whether NASBA leadership realized it or not at the time of the release of that communication, what NASBA effectively accomplished is dramatically increasing weariness of utilizing “national accounting organizations” and NASBA’s NQAS – let alone a database like the ALD as central way points to setting standards or determining mobility.

As such, with respect to the UAA exposure draft, the Board would support a referral back to the UAA committee.

Finally, the Board has provided leeway to its Executive Director to find constructive alternative solutions with his colleagues in other jurisdictions that would consider what is happening in the various states around licensure, without judgment regarding the different ideas and political limitations in those jurisdictions. The Board is concerned that waiting is not an option, and that stopping the many jurisdictions that are moving legislation is not realistic. A focus on unity and preserving mobility is essential.