

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY
 Conference Call
 Call in Number 1-844-833-2684 Access Code 0390918#
 March 20, 2019
 8:30 a.m. (CT)

A=Action
 D=Discussion
 I=Information

A. Call to Order.....	Budahl
B. Roll Call	Kasin
C. Public Comment.....	Oratory
D. A-Approval of Minutes of Meeting January 16, 2019.....	2-4
E. A-Approval of Certificates.....	5
F. A-Approval of Financial Statements through February 2019.....	6-26
G. A-Report to Board on NASBA Western Regional Meeting.....	27-31
H. A-Request to Board on Reinstatement of CPA Exam Scores.....	32-33
I. D-Executive Director's Report.....	34

NASBA

J. D-Board of Directors Meeting Minutes October 26 & 30, 2018.....	35-44
K. D-Board of Directors Meeting Highlights January 18, 2019.....	45-47
L. D-Executive Summary and Report January Focus Questions.....	48-65
M. A-Quarterly Focus Questions.....	66-67
N. D-CPA Examination Rule Change Language to UAA.....	68-69

EXECUTIVE SESSION

O. Equivalent Reviews, South Dakota Review, Follow-ups, and Consent Agreements for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CT)

- P. Meeting Dates
 April 23, 2019 – 9:00 a.m. Conference Call
- Q. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Conference Call
January 16, 2019 8:30 a.m. CT

Chair Deidre Budahl called the meeting to order at 8:30 a.m. Nicole Kasin called the roll. A quorum was present.

Members Present: Jay Tolsma, Marty Guindon, David Pummel, Jeff Smith, Jeff Strand, and Deidre Budahl.

Others Present: Nicole Kasin, Executive Director, Julie Iverson, Sr. Secretary, and Graham Oey, Staff Attorney.

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

Jeff Strand made a motion to approve the agenda. David Pummel seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Laura Coome joined the meeting at 8:30.

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

David Pummel made a motion to approve the December 5, 2018 meeting minutes. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Jeff Smith made a motion to approve the issuance of individual certificates and firm permits through January 14, 2019. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Jeff Strand made a motion to approve the financial statements through December 2018. Marty Guindon seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Chair Budahl turned the gavel over to Vice-Chair Jeff Strand to be the administrator for the hearing.

Hearing at 8:35 a.m. for Steven Wagner- Present were: Board Legal Counsel Graham Oey, Board Chair Deidre Budahl, Vice Chair Jeff Strand, Secretary-Treasurer Jeff Smith, Board Members Jay Tolsma, Marty Guindon, and David Pummel. Others present were Steven Wagner, Nicole Kasin, Executive Director; Julie Iverson, Senior Secretary; and Laura Coome, SD CPA Society.

Board Legal Counsel Graham Oey presented the Board's case. Steven Wagner presented his case. After discussion by both parties, the Board closed the hearing at 9:36 a.m.

Laura Coome left the meeting at 9:36.

A motion was made by Deidre Budahl to enter into executive session for the purpose of deliberation. Marty Guindon seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board came out of executive session.

A motion was made by Jeff Strand to put the hearing for Steven Wagner on hold. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Vice Chair Strand turned the gavel back over to Chair Budahl for the board meeting.

The Board discussed the committee's recommendations for the criteria the board should consider in the RFP for the Agreed Upon Procedure.

Jeff Strand made a motion to accept the committee's recommendation as discussed for the AUP and to move forward with the RFP. Marty Guindon seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board reviewed the report on the CPA exam grades for the 59th Window.

Marty Guindon made a motion to ratify the CPA exam scores for the 59th window through December 2018. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board discussed the NASBA Executive Directors Conference which will be held in San Antonio, TX March 26-28, 2019, and the NASBA Legal Counsel Conference which will be held in San Antonio, March 26-28, 2019.

Jeff Strand made a motion to approve the travel for the Executive Director to attend the NASBA Executive Directors Conference held in San Antonio, TX, March 26-28, 2019, and Legal Counsel to attend the NASBA Legal Counsel conference held in San Antonio, TX, March 26-28, 2019. Jeff Smith seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Executive Director Kasin discussed her report with an update on CPE audits, the status of the change on the definition of attest, the office remodel, and new office secretary.

Jay Tolsma made a motion to enter executive session for the deliberative process for peer reviews, follow-ups, an off-site request, a complaint, and a consent agreement. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Board came out of executive session.

Marty Guindon made a motion to accept the peer reviews, follow-ups, an off-site request, a complaint, and a consent agreement as discussed in executive session. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Chair Budahl turned the gavel over to Vice-Chair Jeff Strand to be the administrator for the hearing.

Hearing for Steven Wagner resumed at 10:50 a.m.

Deidre Budahl made a motion to withdraw the prior decision from the December 5, 2018 meeting. Marty Guindon seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Jay Tolsma made a motion to give Steven Wagner an extension until February 16, 2019 to complete CPE hours. Deidre Budahl seconded the motion. A roll call was taken. **MOTION PASSED.** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Vice Chair Strand turned the gavel back over to Chair Budahl for the board meeting.

FUTURE MEETING DATES (all times CT)

March 20, 2019 8:30 a.m. conference call

April 23, 2019 9:00 conference call; in-person, if needed

David Pummel made a motion to adjourn the meeting. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma -yea; Guindon -yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

All business having come before the board was concluded and Chair Deidre Budahl adjourned the meeting at 10:58 a.m.

Deidre Budahl, CPA, Chair

Atte. _____
Nicole Kasin, Executive Director

Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through March 15, 2019

Number	Name	Date Issued	Location
3421	Adam Randall Scott Bormann	01/17/19	Mitchell, SD
3422	Luke Steven Guetter	01/22/19	Sioux Falls, SD
3423	Kevin Patrick Blind	01/23/19	Sioux Falls, SD
3424	Mitchell Jay Bolkema	02/14/19	Sioux Falls, SD
3425	Dylan Jo Hanson	02/14/19	Sioux Falls, SD
3426	Brandon Ryan Telkamp	02/19/19	Alpena, SD
3427	Deborah Jean Zaller	02/19/19	Tampa, FL
3428	Alexandra Jo Olson	02/21/19	Sioux Falls, SD
3429	Justin Edward Olson	03/05/19	Huron, SD
3430	Lee Brown Watkins	03/15/19	Rapid City, SD

BAL409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 01/31/2019

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	482,401.15	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			482,401.15	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			482,401.15	DR **	
BUDGET UNIT TOTAL 1031			482,401.15	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 01/31/2019

AGENCY BUDGET CENTER-5	UNIT 1031	LABOR & REGULATION BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
COMPANY NO 6503 PROFESSIONAL & LICENSING BOARDS													
6503	103100061802	51010100			CGEX181227	01/02/2019						2,693.37	DR
6503	103100061802	51010100			CGEX190111	01/16/2019						2,681.82	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES													
6503	103100061802	51010200			CGEX181227	01/02/2019						5,375.19	DR *
6503	103100061802	51010200			CGEX190111	01/16/2019						1,789.80	DR
6503	103100061802	51010200			CGEX190111	01/16/2019						2,011.56	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES													
OBJECT: 5101 EMPLOYER SALARIES													
6503	103100061802	51020100			CGEX181227	01/02/2019						9,176.55	DR **
6503	103100061802	51020100			CGEX190111	01/16/2019						309.97	DR
6503	103100061802	51020100			CGEX190111	01/16/2019						326.18	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE													
6503	103100061802	51020200			CGEX181227	01/02/2019						636.15	DR *
6503	103100061802	51020200			CGEX190111	01/16/2019						235.34	DR
6503	103100061802	51020200			CGEX190111	01/16/2019						248.43	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE													
6503	103100061802	51020600			CGEX181227	01/02/2019						483.77	DR *
6503	103100061802	51020600			CGEX190111	01/16/2019						740.29	DR
6503	103100061802	51020600			CGEX190111	01/16/2019						738.94	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE													
6503	103100061802	51020800			CGEX181227	01/02/2019						1,479.23	DR *
6503	103100061802	51020800			CGEX190111	01/16/2019						9.40	DR
6503	103100061802	51020800			CGEX190111	01/16/2019						9.87	DR
OBJSUB: 5102080 WORKER'S COMPENSATION													
6503	103100061802	51020900			CGEX181227	01/02/2019						19.27	DR *
6503	103100061802	51020900			CGEX190111	01/16/2019						1.03	DR
6503	103100061802	51020900			CGEX190111	01/16/2019						1.06	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION													
OBJECT: 5102 EMPLOYEE BENEFITS													
GROUP: 51 PERSONAL SERVICES													
6503	103100061802	52040100			C109A-016	01/04/2019						2,620.51	DR **
6503	103100061802	52040100			C109A-016	01/04/2019						11,797.06	DR ***
6503	103100061802	52040100			C109A-016	01/04/2019						278.75	DR
6503	103100061802	52040100			C109A-016	01/04/2019						278.75	DR
6503	103100061802	52040100			C109A-016	01/04/2019						278.75	CR
OBJSUB: 5204010 SUBSCRIPTIONS													
6503	103100061802	52041800			DP912099	01/18/2019						278.75	CR *
6503	103100061802	52041800			DP912099	01/18/2019						99.30	DR
OBJSUB: 5204180 COMPUTER SERVICES-STATE													
6503	103100061802	52042000			PL910057	01/23/2019						99.30	DR *
6503	103100061802	52042000			PL911059	01/23/2019						186.58	DR
6503	103100061802	52042000			PL912054	01/18/2019						290.80	DR
6503	103100061802	52042000			PM912043	02/01/2019						164.12	DR
6503	103100061802	52042000			PM912043	02/01/2019						17.58	DR
6503	103100061802	52042000			RM912048	01/11/2019						80.52	DR
OBJSUB: 5204200 CENTRAL SERVICES													
6503	103100061802	52042000										739.60	DR *

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 01/31/2019

AGENCY BUDGET CENTER-5	UNIT 10310	LABOR & REGULATION BOARD OF ACCOUNTANCY	COMP CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
6503	1031000061802	52042300	19T012	JUL-JUN19	01/23/2019	620630	SUNSETOFFI	12043890			136.93	DR
6503	103100061802	5204230	JANITORIAL & MAINT SERV		01/29/2019	00555736	ELBOCOMPUT	12124520			136.93	DR *
6503	103100061802	52043400	98443		01/29/2019	00555736	ELBOCOMPUT	12124520			192.00	DR
6503	103100061802	52043400	98444		01/29/2019	00555736	ELBOCOMPUT	12124520			16.60	DR
6503	103100061802	5204460	COMPUTER SOFTWARE MAINT		01/29/2019	00555766	MALIFINANC	12219369			208.60	DR *
6503	103100061802	5204460	N7443186		01/29/2019	00555766	MALIFINANC	12219369			603.00	DR
6503	103100061802	52044900	EQUIPMENT RENTAL		01/23/2019	668014	MCGINTISRO	12074040			603.00	DR *
6503	103100061802	52044900	ACCOUNTRENT18-19		01/23/2019	668014	MCGINTISRO	12074040			1,380.75	DR
6503	103100061802	5204490	RENTS-PRIVATE OWNED PROP.		01/02/2019						1,380.75	DR *
6503	103100061802	52045300	TL910152		01/09/2019						130.25	DR
6503	103100061802	52045300	TL911152		01/11/2019						135.43	DR
6503	103100061802	52045300	TL912152		01/11/2019						107.32	DR
6503	103100061802	52045300	1111090019964		01/11/2019	00552342	MIDCONTINE	12023782			255.00	DR
6503	103100061802	52045300	8381416X12242018		01/11/2019	00012620	ATTMOBILIT	12279233			50.77	DR
6503	103100061802	5204540	TELECOMMUNICATIONS SRVCS		01/11/2019	02277499	XCELENERGY	12023853			678.77	DR *
6503	103100061802	5204540	5159417006 1218		01/11/2019	02277499	XCELENERGY	12023853			83.57	DR
6503	103100061802	52047400	ELECTRICITY		01/16/2019	206646N					84.02	DR *
6503	103100061802	5204740	C1109A-018		01/16/2019	206646N					84.02	DR
6503	103100061802	52049600	BANK FEES AND CHARGES		01/11/2019	00552284	NATLASSNST	12005047			84.02	DR *
6503	103100061802	52049600	103		01/11/2019	00552284	NATLASSNST	12005047			13,269.20	DR
6503	103100061802	52049600	117		01/11/2019	00552284	NATLASSNST	12005047			4,935.48	DR
6503	103100061802	52049600	130		01/11/2019	00552284	NATLASSNST	12005047			3,913.48	DR
6503	103100061802	5204960	OTHER CONTRACTUAL SERVICE		01/29/2019	02280091	INNOVATIVE	12550348			22,118.16	DR *
6503	103100061802	5204960	CONTRACTUAL SERVICES		01/29/2019	02280091	INNOVATIVE	12550348			25,853.95	DR **
6503	103100061802	52050200	IN2352199		01/29/2019	02280091	INNOVATIVE	12550348			564.43	DR
6503	103100061802	5205020	OFFICE SUPPLIES		01/11/2019	00552569	STAPLESADV	12163692		01	564.43	DR *
6503	103100061802	52050280	3398789934		01/11/2019	00552569	STAPLESADV	12163692			80.02	DR
6503	103100061802	52053200	OFFICE SUPPLIES		01/04/2019	00551813	PREFERREDP	12308425			80.02	DR *
6503	103100061802	52053200	24550		01/11/2019	00552601	PREFERREDP	12308425			27.60	DR
6503	103100061802	52053200	24607		01/11/2019	00552601	PREFERREDP	12308425			3.45	DR
6503	103100061802	5228000	PRINTING-COMMERCIAL		01/09/2019						31.05	DR *
6503	103100061802	5228000	SUPPLIES & MATERIALS		01/09/2019						675.50	DR **
6503	103100061802	5228000	T109-074		01/09/2019						854.87	DR
6503	103100061802	5228000	T109-078		01/09/2019						301.99	DR
6503	103100061802	5228000	OPER FRANS OUT -NON BUDGT								1,156.86	DR *
6503	103100061802	5228000	NONOP EXP/NONBGTD OP TR								1,156.86	DR **
6503	103100061802	5228000	OPERATING EXPENSES								27,686.31	DR ***

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STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 01/31/2019

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMP:	6503								39,483.37	DR *****
CNTR:	1031000061802								39,483.37	DR *****
B. UNIT:	1031								39,483.37	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of January 31, 2019

	Jan 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	384.53
1140000 · Pool Cash State of SD	482,401.15
Total Checking/Savings	482,785.68
Other Current Assets	
1131000 · Interest Income Receivable	-546.47
1213000 · Investment Income Receivable	1,885.43
Total Other Current Assets	1,338.96
Total Current Assets	484,124.64
Fixed Assets	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-4,259.34
Total 1670000 · Computer Software	29,815.66
Total Fixed Assets	29,815.66
TOTAL ASSETS	513,940.30
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	44,447.75
Total Accounts Payable	44,447.75
Other Current Liabilities	
2430000 · Accrued Wages Payable	8,528.17
2810000 · Amounts Held for Others	19,407.94
Total Other Current Liabilities	27,936.11
Total Current Liabilities	72,383.86
Long Term Liabilities	
2960000 · Compensated Absences Payable	21,155.20
Total Long Term Liabilities	21,155.20
Total Liabilities	93,539.06
Equity	
3220000 · Net Position	288,009.36
3300100 · Invested In Capital Assets	29,815.66
3900 · Retained Earnings	51,160.67
Net Income	51,415.55
Total Equity	420,401.24
TOTAL LIABILITIES & EQUITY	513,940.30

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2018 through January 2019

	Jul '18 - Jan 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,900.00	2,500.00	-600.00	76.0%
4293551 · Certificate Renewals-Active	63,000.00	60,000.00	3,000.00	105.0%
4293552 · Certificate Renewals-Inactive	20,300.00	21,000.00	-700.00	96.7%
4293553 · Certificate Renewals-Retired	1,300.00	1,250.00	50.00	104.0%
4293554 · Initial Firm Permits	700.00	700.00	0.00	100.0%
4293555 · Firm Permit Renewals	13,850.00	14,500.00	-650.00	95.5%
4293557 · Initial Audit	300.00	900.00	-600.00	33.3%
4293558 · Re-Exam Audit	1,140.00	2,460.00	-1,320.00	46.3%
4293560 · Late Fees-Initial Certificate	50.00			
4293561 · Late Fees-Certificate Renewals	3,000.00	3,000.00	0.00	100.0%
4293563 · Late Fees-Firm Permit Renewals	850.00	500.00	350.00	170.0%
4293564 · Late Fees-Peer Review	550.00	1,300.00	-750.00	42.3%
4293566 · Firm Permit Owners	109,935.00	109,000.00	935.00	100.9%
4293567 · Peer Review Admin Fee	675.00	5,500.00	-4,825.00	12.3%
4293568 · Firm Permit Name Change	75.00	100.00	-25.00	75.0%
4293569 · Initial FAR	660.00	1,140.00	-480.00	57.9%
4293570 · Initial REG	390.00	660.00	-270.00	59.1%
4293571 · Initial BEC	180.00	930.00	-750.00	19.4%
4293572 · Re-Exam FAR	1,230.00	1,860.00	-630.00	66.1%
4293573 · Re-Exam REG	1,350.00	2,310.00	-960.00	58.4%
4293574 · Re-Exam BEC	1,320.00	2,310.00	-990.00	57.1%
4491000 · Interest and Dividend Revenue	5,660.71	4,500.00	1,160.71	125.8%
4896021 · Legal Recovery Cost	250.00	1,000.00	-750.00	25.0%
Total Income	228,665.71	237,420.00	-8,754.29	96.3%
Gross Profit	228,665.71	237,420.00	-8,754.29	96.3%
Expense				
5101010 · F-T Emp Sal & Wages	36,727.84	82,258.00	-45,530.16	44.6%
5101020 · P-T/Temp Emp Sal & Wages	20,373.53	43,000.00	-22,626.47	47.4%
5101030 · Board & Comm Mbrs Fees	3,060.00	4,739.00	-1,679.00	64.6%
5102010 · OASI-Employer's Share	4,146.81	9,582.00	-5,435.19	43.3%
5102020 · Retirement-ER Share	3,359.41	7,515.00	-4,155.59	44.7%
5102060 · Health /Life Ins.-ER Share	10,457.66	8,470.00	1,987.66	123.5%
5102080 · Worker's Compensation	104.06	213.00	-108.94	48.9%
5102090 · Unemployment Insurance	16.52	125.00	-108.48	13.2%
5203010 · Auto--State Owned	61.59	400.00	-338.41	15.4%
5203020 · Auto-Private-Ownes Low Mileage	234.60	400.00	-165.40	58.7%
5203030 · In State-Auto- Priv. High Miles	906.36	1,500.00	-593.64	60.4%
5203100 · In State-Lodging	237.00	1,000.00	-763.00	23.7%
5203120 · In State-Incidentals to Travel	10.00	100.00	-90.00	10.0%
5203140 · InState-Tax Meals Not Overnigt	59.00	100.00	-41.00	59.0%
5203150 · InState-Non-Tax Meals OverNight	148.00	400.00	-252.00	37.0%
5203230 · OS-Auto Private High Mileage	61.32	100.00	-38.68	61.3%
5203260 · OS-Air Commercial Carrier	4,654.34	6,500.00	-1,845.66	71.6%
5203280 · OS-Other Public Carrier	958.70	700.00	258.70	137.0%
5203300 · OS-Lodging	5,520.19	9,000.00	-3,479.81	61.3%
5203320 · OS-Incidentals to Travel	236.00	500.00	-264.00	47.2%
5203350 · OS-Non-Taxable Meals Overnight	612.00	1,000.00	-388.00	61.2%
5204010 · Subscriptions	46.08	1,000.00	-953.92	4.6%
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	7,300.00	-7,300.00	0.0%
5204050 · Consultant Fees - Computer	16,924.90	15,000.00	1,924.90	112.8%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	2,780.00	6,500.00	-3,720.00	42.8%
5204180 · Computer Services-State	968.80	5,000.00	-4,031.20	19.4%
5204181 · Computer Development Serv-State	426.00	2,000.00	-1,574.00	21.3%
5204200 · Central Services	4,207.81	9,000.00	-4,792.19	46.8%
5204220 · Equipment Service & Maintenance	20.83	300.00	-279.17	6.9%
5204230 · Janitorial/Maintenance Services	958.51	1,650.00	-691.49	58.1%
5204340 · Computer Software Maintenance	405.60	2,000.00	-1,594.40	20.3%
5204360 · Advertising-Newspapers	306.49	1,000.00	-693.51	30.6%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July 2018 through January 2019

	Jul '18 - Jan 19	Budget	\$ Over Budget	% of Budget
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	1,603.60	4,000.00	-2,396.40	40.1%
5204490 · Rents Privately Owned Property	8,061.90	16,235.10	-8,173.20	49.7%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	2,770.55	4,500.00	-1,729.45	61.6%
5204540 · Electricity	533.76	865.00	-331.24	61.7%
5204560 · Water	67.05	240.00	-172.95	27.9%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	4,412.67	6,500.00	-2,087.33	67.9%
5204960 · Other Contractual Services	391.50	0.00	391.50	100.0%
5205020 · Office Supplies	25,205.02	24,000.00	1,205.02	105.0%
5205310 · Printing State	0.00	250.00	-250.00	0.0%
5205320 · Printing/Duplicating/Binding Co	175.95	1,000.00	-824.05	17.6%
5205330 · Supplemental Publications	486.25	700.00	-213.75	69.5%
5205350 · Postage	1,023.52	2,000.00	-976.48	51.2%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207490 · Telephone Equipment	1,599.60			
5207900 · Computer Hardware	1,153.02	4,800.00	-3,646.98	24.0%
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	265.04	500.00	-234.96	53.0%
5228000 · Operating Transfers Out-NonBudg	3,997.96	6,000.00	-2,002.04	66.6%
5228030 · Depreciation Expense	3,312.82			
Total Expense	177,250.16	308,052.10	-130,801.94	57.5%
Net Ordinary Income	51,415.55	-70,632.10	122,047.65	-72.8%
Net Income	51,415.55	-70,632.10	122,047.65	-72.8%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
January 2019

	Jan 19	Jan 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	300.00	350.00	-50.00	-14.3%
4293551 · Certificate Renewals-Active	100.00	50.00	50.00	100.0%
4293552 · Certificate Renewals-Inactive	0.00	300.00	-300.00	-100.0%
4293554 · Initial Firm Permits	100.00	100.00	0.00	0.0%
4293555 · Firm Permit Renewals	0.00	50.00	-50.00	-100.0%
4293557 · Initial Audit	60.00	120.00	-60.00	-50.0%
4293558 · Re-Exam Audit	60.00	360.00	-300.00	-83.3%
4293561 · Late Fees-Certificate Renewals	100.00	350.00	-250.00	-71.4%
4293564 · Late Fees-Peer Review	0.00	100.00	-100.00	-100.0%
4293566 · Firm Permit Owners	260.00	455.00	-195.00	-42.9%
4293567 · Peer Review Admin Fee	75.00	525.00	-450.00	-85.7%
4293568 · Firm Permit Name Change	50.00	75.00	-25.00	-33.3%
4293569 · Initial FAR	120.00	210.00	-90.00	-42.9%
4293570 · Initial REG	60.00	120.00	-60.00	-50.0%
4293571 · Initial BEC	60.00	150.00	-90.00	-60.0%
4293572 · Re-Exam FAR	90.00	240.00	-150.00	-62.5%
4293573 · Re-Exam REG	120.00	360.00	-240.00	-66.7%
4293574 · Re-Exam BEC	90.00	90.00	0.00	0.0%
4896021 · Legal Recovery Cost	0.00	200.00	-200.00	-100.0%
Total Income	1,645.00	4,205.00	-2,560.00	-60.9%
Gross Profit	1,645.00	4,205.00	-2,560.00	-60.9%
Expense				
5101010 · F-T Emp Sal & Wages	5,375.19	5,199.35	175.84	3.4%
5101020 · P-T/Temp Emp Sal & Wages	3,801.36	2,046.75	1,754.61	85.7%
5101030 · Board & Comm Mbrs Fees	0.00	240.00	-240.00	-100.0%
5102010 · OASI-Employer's Share	636.15	504.82	131.33	26.0%
5102020 · Retirement-ER Share	483.77	434.76	49.01	11.3%
5102060 · Health /Life Ins.-ER Share	1,479.23	1,524.86	-45.63	-3.0%
5102080 · Worker's Compensation	19.27	13.77	5.50	39.9%
5102090 · Unemployment Insurance	2.09	3.26	-1.17	-35.9%
5203010 · Auto--State Owned	0.00	-102.37	102.37	100.0%
5203030 · In State-Auto- Priv. High Miles	124.32	0.00	124.32	100.0%
5204180 · Computer Services-State	0.00	99.30	-99.30	-100.0%
5204181 · Computer Development Serv-State	0.00	423.00	-423.00	-100.0%
5204200 · Central Services	283.79	354.38	-70.59	-19.9%
5204220 · Equipment Service & Maintenance	4.36	3.46	0.90	26.0%
5204230 · Janitorial/Maintenance Services	136.93	134.25	2.68	2.0%
5204340 · Computer Software Maintenance	0.00	192.00	-192.00	-100.0%
5204460 · Equipment Rental	56.80	56.80	0.00	0.0%
5204490 · Rents Privately Owned Property	1,380.75	1,269.45	111.30	8.8%
5204530 · Telecommunications Services	448.72	396.38	52.34	13.2%
5204540 · Electricity	86.51	80.25	6.26	7.8%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	84.02	-0.41	84.43	20,592.7%
5204960 · Other Contractual Services	173.00	0.00	173.00	100.0%
5205020 · Office Supplies	24,779.20	0.00	24,779.20	100.0%
5205320 · Printing/Duplicating/Binding Co	20.70	17.25	3.45	20.0%
5207960 · Computer Software Expense	208.60	0.00	208.60	100.0%
5228000 · Operating Transfers Out-NonBudg	1,156.86	545.11	611.75	112.2%
5228030 · Depreciation Expense	473.26	0.00	473.26	100.0%
Total Expense	41,237.23	13,458.77	27,778.46	206.4%
Net Ordinary Income	-39,592.23	-9,253.77	-30,338.46	-327.9%
Net Income	-39,592.23	-9,253.77	-30,338.46	-327.9%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2018 through January 2019

	Jul '18 - Jan 19	Jul '17 - Jan 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,900.00	1,550.00	350.00	22.6%
4293551 · Certificate Renewals-Active	63,000.00	65,650.00	-2,650.00	-4.0%
4293552 · Certificate Renewals-Inactive	20,300.00	20,400.00	-100.00	-0.5%
4293553 · Certificate Renewals-Retired	1,300.00	1,280.00	20.00	1.6%
4293554 · Initial Firm Permits	700.00	550.00	150.00	27.3%
4293555 · Firm Permit Renewals	13,850.00	14,850.00	-1,000.00	-6.7%
4293557 · Initial Audit	300.00	330.00	-30.00	-9.1%
4293558 · Re-Exam Audit	1,140.00	1,440.00	-300.00	-20.8%
4293560 · Late Fees-Initial Certificate	50.00	100.00	-50.00	-50.0%
4293561 · Late Fees-Certificate Renewals	3,000.00	3,050.00	-50.00	-1.6%
4293563 · Late Fees-Firm Permit Renewals	850.00	450.00	400.00	88.9%
4293564 · Late Fees-Peer Review	550.00	550.00	0.00	0.0%
4293566 · Firm Permit Owners	109,935.00	115,325.00	-5,390.00	-4.7%
4293567 · Peer Review Admin Fee	675.00	1,200.00	-525.00	-43.8%
4293568 · Firm Permit Name Change	75.00	200.00	-125.00	-62.5%
4293569 · Initial FAR	660.00	810.00	-150.00	-18.5%
4293570 · Initial REG	390.00	390.00	0.00	0.0%
4293571 · Initial BEC	180.00	420.00	-240.00	-57.1%
4293572 · Re-Exam FAR	1,230.00	960.00	270.00	28.1%
4293573 · Re-Exam REG	1,350.00	1,230.00	120.00	9.8%
4293574 · Re-Exam BEC	1,320.00	630.00	690.00	109.5%
4491000 · Interest and Dividend Revenue	5,660.71	5,470.45	190.26	3.5%
4896021 · Legal Recovery Cost	250.00	500.00	-250.00	-50.0%
Total Income	228,665.71	237,335.45	-8,669.74	-3.7%
Gross Profit	228,665.71	237,335.45	-8,669.74	-3.7%
Expense				
5101010 · F-T Emp Sal & Wages	36,727.84	37,107.56	-379.72	-1.0%
5101020 · P-T/Temp Emp Sal & Wages	20,373.53	14,578.38	5,795.15	39.8%
5101030 · Board & Comm Mbrs Fees	3,060.00	4,380.00	-1,320.00	-30.1%
5102010 · OASI-Employer's Share	4,146.81	3,813.18	333.63	8.8%
5102020 · Retirement-ER Share	3,359.41	3,101.31	258.10	8.3%
5102060 · Health /Life Ins.-ER Share	10,457.66	10,625.27	-167.61	-1.6%
5102080 · Worker's Compensation	104.06	89.21	14.85	16.7%
5102090 · Unemployment Insurance	16.52	23.27	-6.75	-29.0%
5203010 · Auto--State Owned	61.59	0.00	61.59	100.0%
5203020 · Auto-Private-Ownes Low Mileage	234.60	103.04	131.56	127.7%
5203030 · In State-Auto- Priv. High Miles	906.36	767.76	138.60	18.1%
5203100 · In State-Lodging	237.00	218.00	19.00	8.7%
5203120 · In State-Incidentals to Travel	10.00	10.00	0.00	0.0%
5203140 · InState-Tax Meals Not OverNigt	59.00	11.00	48.00	436.4%
5203150 · InState-Non-Tax Meals OverNight	148.00	143.00	5.00	3.5%
5203230 · OS-Auto Private High Mileage	61.32	0.00	61.32	100.0%
5203260 · OS-Air Commercial Carrier	4,654.34	2,379.97	2,274.37	95.6%
5203280 · OS-Other Public Carrier	958.70	424.99	533.71	125.6%
5203300 · OS-Lodging	5,520.19	5,684.84	-164.65	-2.9%
5203320 · OS-Incidentals to Travel	236.00	245.00	-9.00	-3.7%
5203350 · OS-Non-Taxable Meals Overnight	612.00	556.00	56.00	10.1%
5204010 · Subscriptions	46.08	283.83	-237.75	-83.8%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	7,200.00	-7,200.00	-100.0%
5204050 · Consultant Fees - Computer	16,924.90	0.00	16,924.90	100.0%
5204160 · Workshop Registration Fees	2,780.00	3,047.06	-267.06	-8.8%
5204180 · Computer Services-State	968.80	722.10	246.70	34.2%
5204181 · Computer Development Serv-State	426.00	2,846.85	-2,420.85	-85.0%
5204200 · Central Services	4,207.81	4,245.76	-37.95	-0.9%
5204220 · Equipment Service & Maintenance	20.83	19.58	1.25	6.4%
5204230 · Janitorial/Maintenance Services	958.51	939.75	18.76	2.0%
5204340 · Computer Software Maintenance	405.60	192.00	213.60	111.3%
5204360 · Advertising-Newspapers	306.49	0.00	306.49	100.0%
5204460 · Equipment Rental	1,603.60	1,731.40	-127.80	-7.4%
5204490 · Rents Privately Owned Property	8,061.90	8,886.15	-824.25	-9.3%
5204530 · Telecommunications Services	2,770.55	2,975.78	-205.23	-6.9%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2018 through January 2019

	Jul '18 - Jan 19	Jul '17 - Jan 18	\$ Change	% Change
5204540 · Electricity	533.76	402.66	131.10	32.6%
5204560 · Water	67.05	77.05	-10.00	-13.0%
5204740 · Bank Fees and Charges	4,412.67	4,244.86	167.81	4.0%
5204960 · Other Contractual Services	391.50	431.10	-39.60	-9.2%
5205020 · Office Supplies	25,205.02	660.56	24,544.46	3,715.7%
5205310 · Printing State	0.00	132.75	-132.75	-100.0%
5205320 · Printing/Duplicating/Binding Co	175.95	93.15	82.80	88.9%
5205330 · Supplemental Publications	486.25	0.00	486.25	100.0%
5205350 · Postage	1,023.52	7.20	1,016.32	14,115.6%
5207490 · Telephone Equipment	1,599.60	0.00	1,599.60	100.0%
5207900 · Computer Hardware	1,153.02	0.00	1,153.02	100.0%
5207960 · Computer Software Expense	265.04	0.00	265.04	100.0%
5228000 · Operating Transfers Out-NonBudg	3,997.96	3,687.65	310.31	8.4%
5228030 · Depreciation Expense	3,312.82	0.00	3,312.82	100.0%
Total Expense	177,250.16	130,289.02	46,961.14	36.0%
Net Ordinary Income	51,415.55	107,046.43	-55,630.88	-52.0%
Net Income	51,415.55	107,046.43	-55,630.88	-52.0%

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	429,318.40	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			429,318.40	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			429,318.40	DR **	
BUDGET UNIT TOTAL 1031			429,318.40	DR ***	

+ 6,265.36 deposit 2-12-19
 + 583.40 deposit 2-25-19

436,167.16

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 02/28/2019

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503 PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX190128	02/01/2019					2,854.54	DR
6503	103100061802	51010100	CGEX190213	02/15/2019					2,499.40	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX190128	02/01/2019					5,353.94	DR
6503	103100061802	51010200	CGEX190213	02/15/2019					1,892.76	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
OBJECT: 5101 EMPLOYEE SALARIES										
6503	103100061802	51020100	CGEX190128	02/01/2019					3,610.92	DR
6503	103100061802	51020100	CGEX190213	02/15/2019					8,964.86	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX190128	02/01/2019					255.68	DR
6503	103100061802	51020200	CGEX190213	02/15/2019					235.45	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX190128	02/01/2019					491.13	DR
6503	103100061802	51020600	CGEX190213	02/15/2019					759.11	DR
OBJSUB: 5102060 HEALTH/LIFE INS -ER SHARE										
6503	103100061802	51020800	CGEX190128	02/01/2019					1,476.77	DR
6503	103100061802	51020800	CGEX190213	02/15/2019					9.95	DR
OBJSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX190128	02/01/2019					18.81	DR
6503	103100061802	51020900	CGEX190213	02/15/2019					1.06	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION										
OBJECT: 5102 EMPLOYEE BENEFITS										
GROUP: 51 PERSONAL SERVICES										
6503	103100061802	52030200	CGEX190221	02/22/2019					2,608.69	DR
OBJSUB: 5203020 AUTO PRIV (IN-ST.) L/RTE										
6503	103100061802	52030300	CGEX190207	02/08/2019					103.96	DR
6503	103100061802	52030300	CGEX190207	02/08/2019					62.16	DR
6503	103100061802	52030300	CGEX190220	02/20/2019					62.16	DR
6503	103100061802	52030300	CGEX190220	02/20/2019					62.16	DR
OBJSUB: 5203030 AUTO-PRIV (IN-ST.) H/RTE										
6503	103100061802	52031000	CGEX190221	02/22/2019					124.32	DR
OBJSUB: 5203100 LODGING/IN-STATE										
6503	103100061802	52031500	CGEX190221	02/22/2019					57.00	DR
OBJSUB: 5203150 NON-TAXABLE MEALS/IN-ST										

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 02/28/2019

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APEVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	52041800	TRAVEL DP901096	03/01/2019					317.28	DR **
6503	103100061802	52042000	COMPUTER SERVICES-STATE FM912070	02/20/2019	00558295	ABBUSINESS	12036980		99.30	DR *
6503	103100061802	52042000	PL901057	02/20/2019	00563620	ABBUSINESS	12036980		996.19	DR DR
6503	103100061802	52042000	PP912043	02/06/2019	00563620	ABBUSINESS	12036980		126.27	DR DR
6503	103100061802	52042200	CENTRAL SERVICES IN576421	02/06/2019	00558295	ABBUSINESS	12036980		21.57	DR DR
6503	103100061802	52042200	IN582797, 586424	02/26/2019	00563620	ABBUSINESS	12036980		1.144.03	DR *
6503	103100061802	52042200	IN586018	02/26/2019	00563620	ABBUSINESS	12036980		61.16	DR DR
6503	103100061802	52042200	EQUIPMENT SERV & MAINT 191012 JUL-JUN19	02/20/2019	620630	SUNSETOFFI	12043890		1.58	DR DR
6503	103100061802	52042300	JANITORIAL & MAINT SERV ACCOUNTRENT18-19	02/20/2019	668014	MCGINNISRO	12074040		79.00	DR DR
6503	103100061802	52045300	RENTS-PRIVATE OWNED PROP. TL901152	02/13/2019	00559829	MIDCONTINE	12023782		141.74	DR *
6503	103100061802	52045300	11110900110034	02/13/2019	00559829	MIDCONTINE	12023782		136.93	DR *
6503	103100061802	52045300	8381416X01242019	02/13/2019	00013751	AFTMOBILIT	12279233		1.380.75	DR *
6503	103100061802	52045300	TELECOMMUNICATIONS SRVCS 5159417006 0119	02/13/2019	02281865	XCEIENERGY	12023853		137.95	DR DR
6503	103100061802	52049600	ELECTRICITY N299-192	02/15/2019	00559708	NATIASSNST	12005047		260.00	DR DR
6503	103100061802	52049600	148	02/13/2019	00561550	NATIASSNST	12005047		50.78	DR DR
6503	103100061802	52049600	164	02/15/2019	00561550	NATIASSNST	12005047		448.73	DR *
6503	103100061802	52050280	OTHER CONTRACTUAL SERVICE CONTRACTUAL SERVICES	02/06/2019	00558612	STAPLESADV	12163692	01	86.51	DR *
6503	103100061802	52050280	3401266287, 66288	02/06/2019	00558612	STAPLESADV	12163692	01	173.00	DR DR
6503	103100061802	52050280	68332 JAN19	02/15/2019	00561754	ECOWATER	12035896		11,255.64	DR DR
6503	103100061802	52050280	OFFICE SUPPLIES 24769	02/13/2019	00561002	PREFERREDP	12308425		4,208.00	DR DR
6503	103100061802	52053200	PRINTING-COMMERCIAL SUPPLIES & MATERIALS	02/06/2019	00558612	STAPLESADV	12163692	01	15,636.64	DR *
6503	103100061802	52074510	3401266287, 66288	02/06/2019	00558612	STAPLESADV	12163692	01	19,074.63	DR **
6503	103100061802	52079010	OFFICE FURN & FIXTURES IN2373010	02/20/2019	02283375	INNOVATIVE	12550348		6.68	DR DR
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		22.35	DR DR
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		29.03	DR *
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		20.70	DR *
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		49.73	DR **
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		170.04	DR DR
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		23,946.97	DR *
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		23,946.97	DR DR
6503	103100061802	52079010	COMPUTER HARDWARE CAPITAL OUTLAY	02/20/2019	02283375	INNOVATIVE	12550348		24,117.01	DR **

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 02/28/2019

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	5228000	T109-097	02/15/2019					607.55	DR

OBJSUB: 5228000 OPER TRANS OUT -NON BUDGT
 OBJCT: 5228 NONOP EXP/NONMGTD OP TR
 GROUP: 52 OPERATING EXPENSES
 COMP: 6503
 CNTR: 103100061802
 B. UNIT: 1031

607.55 DR *
 607.55 DR **
 44,166.20 DR ***
 55,739.75 DR ****
 55,739.75 DR *****
 55,739.75 DR *****

South Dakota Board of Accountancy
Balance Sheet
As of February 28, 2019

	Feb 28, 19
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - Great Western	384.53
1140000 · Pool Cash State of SD	436,167.16
Total Checking/Savings	436,551.69
Other Current Assets	
1131000 · Interest Income Receivable	-546.47
1213000 · Investment Income Receivable	1,885.43
Total Other Current Assets	1,338.96
Total Current Assets	437,890.65
Fixed Assets	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-4,732.60
Total 1670000 · Computer Software	29,342.40
Total Fixed Assets	29,342.40
TOTAL ASSETS	467,233.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	11,266.23
Total Accounts Payable	11,266.23
Other Current Liabilities	
2430000 · Accrued Wages Payable	8,528.17
2810000 · Amounts Held for Others	22,950.74
Total Other Current Liabilities	31,478.91
Total Current Liabilities	42,745.14
Long Term Liabilities	
2960000 · Compensated Absences Payable	21,155.20
Total Long Term Liabilities	21,155.20
Total Liabilities	63,900.34
Equity	
3220000 · Net Position	288,482.62
3300100 · Invested In Capital Assets	29,342.40
3900 · Retained Earnings	51,160.67
Net Income	34,347.02
Total Equity	403,332.71
TOTAL LIABILITIES & EQUITY	467,233.05

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2018 through February 2019

	Jul '18 - Feb 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,075.00	2,500.00	-425.00	83.0%
4293551 · Certificate Renewals-Active	63,040.00	60,000.00	3,040.00	105.1%
4293552 · Certificate Renewals-Inactive	20,300.00	21,000.00	-700.00	96.7%
4293553 · Certificate Renewals-Retired	1,300.00	1,250.00	50.00	104.0%
4293554 · Initial Firm Permits	750.00	700.00	50.00	107.1%
4293555 · Firm Permit Renewals	13,950.00	14,500.00	-550.00	96.2%
4293557 · Initial Audit	360.00	900.00	-540.00	40.0%
4293558 · Re-Exam Audit	1,410.00	2,460.00	-1,050.00	57.3%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,000.00	3,000.00	0.00	100.0%
4293563 · Late Fees-Firm Permit Renewals	950.00	500.00	450.00	190.0%
4293564 · Late Fees-Peer Review	650.00	1,300.00	-650.00	50.0%
4293566 · Firm Permit Owners	110,325.00	109,000.00	1,325.00	101.2%
4293567 · Peer Review Admin Fee	750.00	5,500.00	-4,750.00	13.6%
4293568 · Firm Permit Name Change	75.00	100.00	-25.00	75.0%
4293569 · Initial FAR	780.00	1,140.00	-360.00	68.4%
4293570 · Initial REG	510.00	660.00	-150.00	77.3%
4293571 · Initial BEC	270.00	930.00	-660.00	29.0%
4293572 · Re-Exam FAR	1,380.00	1,860.00	-480.00	74.2%
4293573 · Re-Exam REG	1,440.00	2,310.00	-870.00	62.3%
4293574 · Re-Exam BEC	1,440.00	2,310.00	-870.00	62.3%
4491000 · Interest and Dividend Revenue	5,660.71	4,500.00	1,160.71	125.8%
4896021 · Legal Recovery Cost	1,250.00	1,000.00	250.00	125.0%
Total Income	231,715.71	237,420.00	-5,704.29	97.6%
Gross Profit	231,715.71	237,420.00	-5,704.29	97.6%
Expense				
5101010 · F-T Emp Sal & Wages	42,081.78	82,258.00	-40,176.22	51.2%
5101020 · P-T/Temp Emp Sal & Wages	23,984.45	43,000.00	-19,015.55	55.8%
5101030 · Board & Comm Mbrs Fees	3,060.00	4,739.00	-1,679.00	64.6%
5102010 · OASI-Employer's Share	4,766.82	9,582.00	-4,815.18	49.7%
5102020 · Retirement-ER Share	3,850.54	7,515.00	-3,664.46	51.2%
5102060 · Health /Life Ins.-ER Share	11,934.43	8,470.00	3,464.43	140.9%
5102080 · Worker's Compensation	122.87	213.00	-90.13	57.7%
5102090 · Unemployment Insurance	18.49	125.00	-106.51	14.8%
5203010 · Auto--State Owned	61.59	400.00	-338.41	15.4%
5203020 · Auto-Private-Ownes Low Mileage	338.56	400.00	-61.44	84.6%
5203030 · In State-Auto- Priv. High Miles	906.36	1,500.00	-593.64	60.4%
5203100 · In State-Lodging	294.00	1,000.00	-706.00	29.4%
5203120 · In State-Incidentals to Travel	10.00	100.00	-90.00	10.0%
5203140 · InState-Tax Meals Not OverNigt	59.00	100.00	-41.00	59.0%
5203150 · InState-Non-Tax Meals OverNight	180.00	400.00	-220.00	45.0%
5203230 · OS-Auto Private High Mileage	61.32	100.00	-38.68	61.3%
5203260 · OS-Air Commercial Carrier	4,654.34	6,500.00	-1,845.66	71.6%
5203280 · OS-Other Public Carrier	958.70	700.00	258.70	137.0%
5203300 · OS-Lodging	5,520.19	9,000.00	-3,479.81	61.3%
5203320 · OS-Incidentals to Travel	236.00	500.00	-264.00	47.2%
5203350 · OS-Non-Taxable Meals Overnight	612.00	1,000.00	-388.00	61.2%
5204010 · Subscriptions	46.08	1,000.00	-953.92	4.6%
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	7,300.00	-7,300.00	0.0%
5204050 · Consultant Fees - Computer	18,799.90	15,000.00	3,799.90	125.3%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	4,170.00	6,500.00	-2,330.00	64.2%
5204180 · Computer Services-State	1,068.10	5,000.00	-3,931.90	21.4%
5204181 · Computer Development Serv-State	426.00	2,000.00	-1,574.00	21.3%
5204200 · Central Services	5,330.27	9,000.00	-3,669.73	59.2%
5204220 · Equipment Service & Maintenance	22.41	300.00	-277.59	7.5%
5204230 · Janitorial/Maintenance Services	1,095.44	1,650.00	-554.56	66.4%
5204340 · Computer Software Maintenance	405.60	2,000.00	-1,594.40	20.3%
5204360 · Advertising-Newspapers	306.49	1,000.00	-693.51	30.6%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July 2018 through February 2019

	<u>Jul '18 - Feb 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	2,285.60	4,000.00	-1,714.40	57.1%
5204490 · Rents Privately Owned Property	9,442.65	16,235.10	-6,792.45	58.2%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	3,081.33	4,500.00	-1,418.67	68.5%
5204540 · Electricity	633.85	865.00	-231.15	73.3%
5204560 · Water	67.05	240.00	-172.95	27.9%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	4,477.31	6,500.00	-2,022.69	68.9%
5204960 · Other Contractual Services	391.50	0.00	391.50	100.0%
5205020 · Office Supplies	25,296.10	24,000.00	1,296.10	105.4%
5205310 · Printing State	0.00	250.00	-250.00	0.0%
5205320 · Printing/Duplicating/Binding Co	175.95	1,000.00	-824.05	17.6%
5205330 · Supplemental Publications	486.25	700.00	-213.75	69.5%
5205350 · Postage	1,023.52	2,000.00	-976.48	51.2%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207490 · Telephone Equipment	1,599.60	0.00	1,599.60	100.0%
5207900 · Computer Hardware	1,153.02	4,800.00	-3,646.98	24.0%
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	281.64	500.00	-218.36	56.3%
5228000 · Operating Transfers Out-NonBudg	4,605.51	6,000.00	-1,394.49	76.8%
5228030 · Depreciation Expense	3,786.08			
Total Expense	<u>197,368.69</u>	<u>308,052.10</u>	<u>-110,683.41</u>	<u>64.1%</u>
Net Ordinary Income	<u>34,347.02</u>	<u>-70,632.10</u>	<u>104,979.12</u>	<u>-48.6%</u>
Net Income	<u><u>34,347.02</u></u>	<u><u>-70,632.10</u></u>	<u><u>104,979.12</u></u>	<u><u>-48.6%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2018 through February 2019

	Jul '18 - Feb 19	Jul '17 - Feb 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,075.00	1,750.00	325.00	18.6%
4293551 · Certificate Renewals-Active	63,040.00	65,650.00	-2,610.00	-4.0%
4293552 · Certificate Renewals-Inactive	20,300.00	20,400.00	-100.00	-0.5%
4293553 · Certificate Renewals-Retired	1,300.00	1,280.00	20.00	1.6%
4293554 · Initial Firm Permits	750.00	600.00	150.00	25.0%
4293555 · Firm Permit Renewals	13,950.00	14,850.00	-900.00	-6.1%
4293557 · Initial Audit	360.00	330.00	30.00	9.1%
4293558 · Re-Exam Audit	1,410.00	1,500.00	-90.00	-6.0%
4293560 · Late Fees-Initial Certificate	50.00	150.00	-100.00	-66.7%
4293561 · Late Fees-Certificate Renewals	3,000.00	3,050.00	-50.00	-1.6%
4293563 · Late Fees-Firm Permit Renewals	950.00	450.00	500.00	111.1%
4293564 · Late Fees-Peer Review	650.00	600.00	50.00	8.3%
4293566 · Firm Permit Owners	110,325.00	115,390.00	-5,065.00	-4.4%
4293567 · Peer Review Admin Fee	750.00	1,275.00	-525.00	-41.2%
4293568 · Firm Permit Name Change	75.00	200.00	-125.00	-62.5%
4293569 · Initial FAR	780.00	900.00	-120.00	-13.3%
4293570 · Initial REG	510.00	390.00	120.00	30.8%
4293571 · Inital BEC	270.00	420.00	-150.00	-35.7%
4293572 · Re-Exam FAR	1,380.00	1,020.00	360.00	35.3%
4293573 · Re-Exam REG	1,440.00	1,470.00	-30.00	-2.0%
4293574 · Re-Exam BEC	1,440.00	690.00	750.00	108.7%
4491000 · Interest and Dividend Revenue	5,660.71	5,470.45	190.26	3.5%
4896021 · Legal Recovery Cost	1,250.00	700.00	550.00	78.6%
Total Income	231,715.71	238,535.45	-6,819.74	-2.9%
Gross Profit	231,715.71	238,535.45	-6,819.74	-2.9%
Expense				
5101010 · F-T Emp Sal & Wages	42,081.78	41,960.79	120.99	0.3%
5101020 · P-T/Temp Emp Sal & Wages	23,984.45	16,783.71	7,200.74	42.9%
5101030 · Board & Comm Mbrs Fees	3,060.00	4,380.00	-1,320.00	-30.1%
5102010 · OASI-Employer's Share	4,766.82	4,286.66	480.16	11.2%
5102020 · Retirement-ER Share	3,850.54	3,524.84	325.70	9.2%
5102060 · Health /Life Ins.-ER Share	11,934.43	12,085.78	-151.35	-1.3%
5102080 · Worker's Compensation	122.87	102.61	20.26	19.7%
5102090 · Unemployment Insurance	18.49	26.49	-8.00	-30.2%
5203010 · Auto--State Owned	61.59	0.00	61.59	100.0%
5203020 · Auto-Private-Ownes Low Mileage	338.56	103.04	235.52	228.6%
5203030 · In State-Auto- Priv. High Miles	906.36	767.76	138.60	18.1%
5203100 · In State-Lodging	294.00	218.00	76.00	34.9%
5203120 · In State-Incidentals to Travel	10.00	10.00	0.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	59.00	11.00	48.00	436.4%
5203150 · InState-Non-Tax Meals OverNight	180.00	143.00	37.00	25.9%
5203230 · OS-Auto Private High Mileage	61.32	0.00	61.32	100.0%
5203260 · OS-Air Commercial Carrier	4,654.34	2,379.97	2,274.37	95.6%
5203280 · OS-Other Public Carrier	958.70	424.99	533.71	125.6%
5203300 · OS-Lodging	5,520.19	5,684.84	-164.65	-2.9%
5203320 · OS-Incidentals to Travel	236.00	245.00	-9.00	-3.7%
5203350 · OS-Non-Taxable Meals Overnight	612.00	556.00	56.00	10.1%
5204010 · Subscriptions	46.08	283.83	-237.75	-83.8%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	7,200.00	-7,200.00	-100.0%
5204050 · Consultant Fees - Computer	18,799.90	6,518.75	12,281.15	188.4%
5204160 · Workshop Registration Fees	4,170.00	3,742.06	427.94	11.4%
5204180 · Computer Services-State	1,068.10	821.40	246.70	30.0%
5204181 · Computer Development Serv-State	426.00	2,952.60	-2,526.60	-85.6%
5204200 · Central Services	5,330.27	5,458.84	-128.57	-2.4%
5204220 · Equipment Service & Maintenance	22.41	21.96	0.45	2.1%
5204230 · Janitorial/Maintenance Services	1,095.44	1,074.00	21.44	2.0%
5204340 · Computer Software Maintenance	405.60	192.00	213.60	111.3%
5204360 · Advertising-Newspapers	306.49	0.00	306.49	100.0%
5204460 · Equipment Rental	2,285.60	2,391.20	-105.60	-4.4%
5204490 · Rents Privately Owned Property	9,442.65	10,155.60	-712.95	-7.0%
5204530 · Telecommunications Services	3,081.33	3,470.53	-389.20	-11.2%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2018 through February 2019

	<u>Jul '18 - Feb 19</u>	<u>Jul '17 - Feb 18</u>	<u>\$ Change</u>	<u>% Change</u>
5204540 · Electricity	633.85	476.20	157.65	33.1%
5204560 · Water	67.05	77.05	-10.00	-13.0%
5204740 · Bank Fees and Charges	4,477.31	4,544.69	-67.38	-1.5%
5204960 · Other Contractual Services	391.50	431.10	-39.60	-9.2%
5205020 · Office Supplies	25,296.10	855.86	24,440.24	2,855.6%
5205310 · Printing State	0.00	132.75	-132.75	-100.0%
5205320 · Printing/Duplicating/Binding Co	175.95	93.15	82.80	88.9%
5205330 · Supplemental Publications	486.25	0.00	486.25	100.0%
5205350 · Postage	1,023.52	7.20	1,016.32	14,115.6%
5207490 · Telephone Equipment	1,599.60	0.00	1,599.60	100.0%
5207900 · Computer Hardware	1,153.02	0.00	1,153.02	100.0%
5207960 · Computer Software Expense	281.64	0.00	281.64	100.0%
5228000 · Operating Transfers Out-NonBudg	4,605.51	4,180.05	425.46	10.2%
5228030 · Depreciation Expense	3,786.08	0.00	3,786.08	100.0%
Total Expense	<u>197,368.69</u>	<u>151,975.30</u>	<u>45,393.39</u>	<u>29.9%</u>
Net Ordinary Income	<u>34,347.02</u>	<u>86,560.15</u>	<u>-52,213.13</u>	<u>-60.3%</u>
Net Income	<u><u>34,347.02</u></u>	<u><u>86,560.15</u></u>	<u><u>-52,213.13</u></u>	<u><u>-60.3%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
 January through February 2019

	Jan - Feb 19	Jan - Feb 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	475.00	550.00	-75.00	-13.6%
4293551 · Certificate Renewals-Active	140.00	50.00	90.00	180.0%
4293552 · Certificate Renewals-Inactive	0.00	300.00	-300.00	-100.0%
4293554 · Initial Firm Permits	150.00	150.00	0.00	0.0%
4293555 · Firm Permit Renewals	100.00	50.00	50.00	100.0%
4293557 · Initial Audit	120.00	120.00	0.00	0.0%
4293558 · Re-Exam Audit	330.00	420.00	-90.00	-21.4%
4293560 · Late Fees-Initial Certificate	0.00	50.00	-50.00	-100.0%
4293561 · Late Fees-Certificate Renewals	100.00	350.00	-250.00	-71.4%
4293563 · Late Fees-Firm Permit Renewals	100.00	0.00	100.00	100.0%
4293564 · Late Fees-Peer Review	100.00	150.00	-50.00	-33.3%
4293566 · Firm Permit Owners	650.00	520.00	130.00	25.0%
4293567 · Peer Review Admin Fee	150.00	600.00	-450.00	-75.0%
4293568 · Firm Permit Name Change	50.00	75.00	-25.00	-33.3%
4293569 · Initial FAR	240.00	300.00	-60.00	-20.0%
4293570 · Initial REG	180.00	120.00	60.00	50.0%
4293571 · Initial BEC	150.00	150.00	0.00	0.0%
4293572 · Re-Exam FAR	240.00	300.00	-60.00	-20.0%
4293573 · Re-Exam REG	210.00	600.00	-390.00	-65.0%
4293574 · Re-Exam BEC	210.00	150.00	60.00	40.0%
4896021 · Legal Recovery Cost	1,000.00	400.00	600.00	150.0%
Total Income	4,695.00	5,405.00	-710.00	-13.1%
Gross Profit	4,695.00	5,405.00	-710.00	-13.1%
Expense				
5101010 · F-T Emp Sal & Wages	10,729.13	10,052.58	676.55	6.7%
5101020 · P-T/Temp Emp Sal & Wages	7,412.28	4,252.08	3,160.20	74.3%
5101030 · Board & Comm Mbrs Fees	0.00	240.00	-240.00	-100.0%
5102010 · OASI-Employer's Share	1,256.16	978.30	277.86	28.4%
5102020 · Retirement-ER Share	974.90	858.29	116.61	13.6%
5102060 · Health /Life Ins.-ER Share	2,956.00	2,985.37	-29.37	-1.0%
5102080 · Worker's Compensation	38.08	27.17	10.91	40.2%
5102090 · Unemployment Insurance	4.06	6.48	-2.42	-37.4%
5203010 · Auto--State Owned	0.00	-102.37	102.37	100.0%
5203020 · Auto-Private-Ownes Low Mileage	103.96	0.00	103.96	100.0%
5203030 · In State-Auto- Priv. High Miles	124.32	0.00	124.32	100.0%
5203100 · In State-Lodging	57.00	0.00	57.00	100.0%
5203150 · InState-Non-Tax Meals OverNight	32.00	0.00	32.00	100.0%
5204050 · Consultant Fees - Computer	1,875.00	6,518.75	-4,643.75	-71.2%
5204160 · Workshop Registration Fees	1,390.00	695.00	695.00	100.0%
5204180 · Computer Services-State	99.30	198.60	-99.30	-50.0%
5204181 · Computer Development Serv-State	0.00	528.75	-528.75	-100.0%
5204200 · Central Services	1,406.25	1,567.46	-161.21	-10.3%
5204220 · Equipment Service & Maintenance	5.94	5.84	0.10	1.7%
5204230 · Janitorial/Maintenance Services	273.86	268.50	5.36	2.0%
5204340 · Computer Software Maintenance	0.00	192.00	-192.00	-100.0%
5204460 · Equipment Rental	738.80	716.60	22.20	3.1%
5204490 · Rents Privately Owned Property	2,761.50	2,538.90	222.60	8.8%
5204530 · Telecommunications Services	759.50	891.13	-131.63	-14.8%
5204540 · Electricity	186.60	153.79	32.81	21.3%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	148.66	299.42	-150.76	-50.4%
5204960 · Other Contractual Services	173.00	0.00	173.00	100.0%
5205020 · Office Supplies	24,870.28	195.30	24,674.98	12,634.4%
5205320 · Printing/Duplicating/Binding Co	20.70	17.25	3.45	20.0%
5207960 · Computer Software Expense	225.20	0.00	225.20	100.0%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
January through February 2019

	<u>Jan - Feb 19</u>	<u>Jan - Feb 18</u>	<u>\$ Change</u>	<u>% Change</u>
5228000 · Operating Transfers Out-NonBudg	1,764.41	1,037.51	726.90	70.1%
5228030 · Depreciation Expense	946.52	0.00	946.52	100.0%
Total Expense	<u>61,355.76</u>	<u>35,145.05</u>	<u>26,210.71</u>	<u>74.6%</u>
Net Ordinary Income	<u>-56,660.76</u>	<u>-29,740.05</u>	<u>-26,920.71</u>	<u>-90.5%</u>
Net Income	<u><u>-56,660.76</u></u>	<u><u>-29,740.05</u></u>	<u><u>-26,920.71</u></u>	<u><u>-90.5%</u></u>

REPORT TO BOARD ON NASBA REGIONAL CONFERENCE

Nicole Kasin

The NASBA Western Regional Conference will be held in Salt Lake City, UT on June 18-20, 2019.

This is a request for the Board to approve travel for the Executive Director and Board members that will be attending.

NASBA
2019 Western Regional Meeting
Salt Lake City, UT – June 18-20, 2019

AGENDA

Monday, June 17, 2019

6:00 – 8:00 pm Dinner for New Accountancy Board Members (& guests)

Tuesday, June 18, 2019

8:00 – 9:00 am New Accountancy Board Member Breakfast

9:00 am – 3:15 pm *New Accountancy Board Member Orientation Program*

4:00 – 5:00 pm *Regional Meeting Registration*

6:00 – 8:00 pm *Welcome Reception*

Wednesday, June 19, 2019

7:30 – 8:45 am Communications Breakfast Meeting (All Attendees Welcome)

7:30 – 9:00 am BREAKFAST (All Welcome)

9:00 am – 12:00 pm General Session – Moderator: Nicola Neilon

9:00 – 9:15 am Welcome from Regional Directors

9:15 – 10:00 am Update from NASBA Leadership
Janice L. Gray, Chair, NASBA
Ken L. Bishop, President & CEO, NASBA

10:00 – 10:30 am Protection of Records in the Digital Age
Security Expert TBD

10:30 – 11:00 am BREAK

11:00 – 12:00 pm The Evolution of the CPA Profession: Next Steps
Catherine R. Allen, Chair, Working Group
Laurie J. Tish, Vice Chair, NASBA

NASBA

2019 Western Regional Meeting

Salt Lake City, UT – June 18-20, 2019

AGENDA

- 12:00 – 1:15 pm LUNCH (All meeting attendees – Assigned tables)
- 1:15 – 2:15 p.m. General Session – Moderator: Faye Miller**
- 1:15 – 1:45 pm Recent Legislative Battles: Using the Toolkit
*John Johnson, Director of Legislative and Governmental Affairs
and others TBD*
- 1:45 – 2:15 pm Legal Update
Noel L. Allen, Outside Legal Counsel, NASBA
- 2:15 - 2:30 pm *Report of the CPA Examination Review Board*
- 2:30 – 2:45 pm BREAK
- 2:45 – 4:30 pm Meet with Your Region
*C. Jack Emmons – Southwest Regional Director
Faye D. Miller – Central Regional Director
Nicola Neilon – Mountain Regional Director
Katrina Salazar – Pacific Regional Director*
- (Participation limited to Board of Accountancy members, staff and former Board of Accountancy members. Each Region will meet in a separate room with the Regional Director leading the discussion. Election of Nominating Committee Representatives in Central and Southwest Regions.)*
- 2:45 – 3:45 pm Seminar for Other Attendees: Speak Up on Legislation in Your Jurisdiction
Moderator: John W. Johnson
- 4:30 pm RECESS
- 4:45 pm Call to Leadership Reception

NASBA

2019 Western Regional Meeting

Salt Lake City, UT – June 18-20, 2019

AGENDA

Thursday, June 20, 2019

- 7:30 – 8:45 am Board of Accountancy Presidents'/Chairs' Breakfast Meeting
Moderator: Janice L. Gray
- 7:30 – 8:45 am Board of Accountancy Executive Directors' Breakfast Meeting
Moderator: Richard Carroll
- 7:30 – 9:00 am BREAKFAST (All Welcome)
- 9:00 am – 12:00 pm General Session – Moderator: C. Jack Emmons**
- 9:00 – 9:15 am Report from Regional Breakouts
Moderator: C. Jack Emmons
Panelists: Regional Directors
- 9:15 – 9:45 am Education Research Projects
Moderator: Wade Jewell
Panelists: Research Grant Winners
- 9:45 – 10:15 am Reinvigorating the Peer Review Program
Panelists: CAC and AICPA representatives
- 10:15 – 10:45 am Proposed Peer Review Model Rules
Jack F. Dailey, Jr., Chair, Compliance Assurance Committee
And Richard Carroll, Chair, Executive Directors Committee
- 11:00 -11:30 am The NOCLAR Challenge and UAA Projects
Coalter Baker, Chair Uniform Accountancy Act Committee
- 11:30 am – Noon Uniform CPA Examination Developments
Colleen K. Conrad, Executive Vice President & COO
and AICPA representative
- 12:00 – 1:00 pm LUNCH (Meeting Attendees Only)

NASBA

2019 Western Regional Meeting

Salt Lake City, UT – June 18-20, 2019

AGENDA

- 1:00 – 3:30 pm** **General Session – Moderator: Katrina Salazar**
- 1:00 – 1:30 pm Driving CPE Audit Efficiency and CPE Compliance
Amy Tongate, Associate Director of CPE Services
- 1:30 – 2:00 pm Diversity Success: Attracting Quality
Speaker(s) TBD
- 2:00 – 2:30 pm Pioneering Change: Ohio and Bitcoin
Speaker(s) TBD
- 2:30 – 3:00 pm Reaching Gen Z
Speaker TBD (Interactive)
- 3:00 – 3:15 pm Questions and Answers for NASBA
Janice L. Gray
Ken L. Bishop
- 3:15 – 3:30 pm Raffle Drawing
- 3:30 pm ADJOURN
- 6:30 pm Celebration

Request for Reinstatement of CPA Exam Scores

The applicant passed the CPA exam in April 2010.

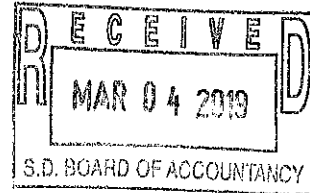
She completed her ethics exam in June 2010.

She has completed 900 hours of experience, but then stopped working to obtain the 2000 hours needed for licensure.

The following letter details the reasoning she did not complete her experience for licensure and she is requesting that her CPA exam scores be reinstated so she does not have to take the CPA exam again and can just complete the experience requirement and then apply for the initial CPA certificate.

20:75:01:07. Discretion to waive certain requirements. Upon good cause shown by the applicant or licensee, the board may waive any application or administrative fees or any deadlines set in this article. For the purpose of this section, good cause includes any personal emergency, act of God, administrative error made by the board or the board of another state, military deployment, or substantial compliance with SDCL chapter 36-20B or article 20:75.

The Board can waive the requirement and reinstate the exam scores or require the candidate to apply as an initial candidate to sit for the Uniform CPA exam.



SD Board of Accountancy

301 East 14th Street, Suite 200, Sioux Falls, SD 57104

Dear SD Board of Accountancy,

I would like to petition the board to review my CPA examination results and allow me more time to become a licensed CPA in regard to my experience hours.

I had taken all four sections of the CPA exam around the 2009 and 2010 time frame and passed each one followed by the ethics course in June 2010. I had around 900 hours of experience in auditing through Ketel Thorstenson but was missing the additional hours to complete my licensure. At the time, I had just had our first son, and after discussing it, we decided I should stay home with him instead of putting him in childcare. Since then, we had a daughter and adopted a son. We felt it was in the best interest of our family for our children to be raised at home during their early years. At the current time our youngest is ready to go into preschool and I am eager to re-enter the workforce.

At this time, I would really like to pursue my CPA licensure and would like to request that you consider allowing my exam scores to be re-instated as current. Thank you very much for your time and consideration.

Warm regards,

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

CPE Audits

The list of licensees has been selected for CPE audits and letters were sent out to those selected on October 1, 2018. The documentation is due in our office no later than October 31, 2018. The following is the current status of the audits as of March 15, 2019:

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	110	110	0	0	103	7

Legislation – Definition of Attest HB 1057

The bill passed the House of Representative unanimously 70-0 on January 29, 2019 and it passed the Senate unanimously 28-0 on February 12, 2019. The bill was delivered to the Governor on February 27, 2019 and she signed the bill on March 1, 2019.

Office Remodel/Move to State Network

The Board has completed its move to the state network for phone, internet, and computer support.

NASBA – Committee Interest

An email was sent out on 3-7-19 for committee interest for the 2019-2020 year for NASBA committees. The request is that the interest form be completed and submitted by May 3, 2019.

Board Discussion

- Any New Business/topics?

National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
October 26, 2018- Hyatt Regency, Scottsdale, AZ

1. Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Theodore Long (OH) at 9:00 a.m. on Friday, October 26, 2018 at the Hyatt Regency in Scottsdale, AZ.

2. Report of Attendance

President and CEO Ken L. Bishop reported the following were present:

Officers

Theodore W. Long, Jr., CPA (OH), Chair
Janice L. Gray, CPA (OK) Vice Chair
Telford A. Lodden, CPA (IA), Past Chair
Jimmy E. Burkes, CPA (MS), Treasurer
W. Michael Fritz, CPA (OH), Secretary

Directors-at-Large

J. Coalter Baker, CPA (TX)
Maria E. Caldwell, CPA (FL)
John F. Dailey, Jr., CPA (NJ)
Tyrone E. Dickerson, CPA (VA)
Raymond N. Johnson, CPA (OR)
E. Kent Smoll, CPA (KS)

Regional Directors

Catherine R. Allen (NY), Northeast Regional Director
C. Jack Emmons, CPA (NM), Southwest Regional Director
Sheldon P. Holzman, CPA (IL), Great Lakes Regional Director
Sharon A. Jensen, CPA (MN), Central Regional Director
Nicola Neilon, CPA (NV), Mountain Regional Director
Katrina Salazar, CPA (CA), Pacific Regional Director
Stephanie M. Saunders, CPA (VA), Middle Atlantic Regional Director
Casey Stuart, CPA (TN), Southeast Regional Director

Executive Directors' Liaison

Randall A. Ross, CPA (OK) – Executive Directors Committee Liaison

Staff

Ken L. Bishop, President and Chief Executive Officer
Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer

Louise Dratler Haberman, Vice President - Information and Research
Thomas Kenny, Director - Communications
Daniel J. Dustin, Vice President – State Board Relations
Noel L. Allen, Esq., Outside Legal Counsel

Guests

Laurie J. Tish, CPA (WA), Vice Chair Nominee
A. Carlos Barrera, CPA (TX), Director-at-Large Nominee
Jack Anderson Bonner, Jr., CPA (TN), Southeast Regional Director Nominee
Faye D. Miller, CPA (ND), Central Regional Director Nominee
Michael H. Womble, CPA (NC), Middle Atlantic Regional Director Nominee
Richard C. Carroll, Esq. (KY), 2018-2019 Executive Directors Committee Liaison

3. Welcome

Chair Long welcomed those coming on to the Board and asked the incoming Board members to introduce themselves.

4. Approval of Minutes

Secretary W. Michael Fritz presented the minutes of the July 20, 2018 meeting of the Board of Directors. Mr. Fritz called for corrections and Ms. Gray noted a title correction. Mr. Fritz moved for acceptance of the minutes with the change to “Vice Chair.” Mr. Emmons seconded and the minutes were unanimously approved.

5. Report of the Chair

Chair Long summarized the discussions held during the previous day’s meeting of the Executive Committee. Topics were reviewed in preparation for today’s Board meeting, including: federal initiatives, operational issues, the technology pathway, MRAs, 150/120 and peer review oversight.

Chair Long reported he had recently addressed the AICPA Council Meeting. He called on Dr. Ray Johnson to discuss the American Accounting Association meeting which he attended in August. Dr. Johnson noted there was heavy focus on technology at the AAA meeting, and on what is being done to integrate blockchain into the accounting curriculum.

Recalling the Regional Meetings, Chair Long said the message was received that the technology pathway then under consideration was not acceptable. However, other good ideas were gathered at those meetings. It was recognized that technology will affect the accounting profession. A joint group has been put together to work on this project including stakeholders with different perspectives. It is hoped that this new group will come back with a report for the AICPA/NASBA leadership summit in early February.

Names had been submitted to the AICPA for appointments to their committees; however, Mr. Long said he had not heard back from the Institute on those appointments.

6. CPT Election

Chair Long said he would like to nominate Donald H. Burkett to be chair of the NASBA Center for the Public Trust taking effect in January. Ms. Saunders seconded and all approved.

7. Report of the President

President and CEO Bishop and Executive Vice President and COO Colleen Conrad reported:

- As Nashville has one of the lowest unemployment rates, staff events have been held to let employees know NASBA is a special place to work, supporting staff retention. These activities included a summer picnic and sponsored charity events. Employees from Venezuela and Egypt recently became citizens and were honored.

- The relocation of NASBA's New York City office to the 26th floor of its building has been completed. It has been decorated in the same style as the Nashville headquarters. The Nashville headquarters redesign has worked out well and so has the new Guam facility.

- NASBA had a booth at the American Accounting Association's Annual Meeting in August, where it highlighted the CPT's ethics certification program as well as NASBA's CPA examination candidate performance books, ALL and CPT student chapters. The meeting had 3,500 attendees. Mr. Bishop credited Dr. Raymond Johnson and Dr. Carlos Johnson for increasing NASBA's relevance to the AAA.

- The membership of the Public Company Accounting Oversight Board has completely turned over. NASBA leaders will meet with the new board on November 27. PCAOB Member James Kaiser will speak at the NASBA Annual Meeting.

- There is a strong business nexus with the Chartered Accountants Australia/New Zealand and the state of California. President Bishop met with CAANZ CEO and the California Board. Mr. Bishop was the keynote speaker at the California Society's Annual Meeting.

- President Bishop also met with Kevin Prendergast, the chief executive of the Irish Auditing and Accounting Supervisory Authority (IAASA), and with CPA Ireland leaders. Because of legislative changes in Ireland, IAASA now is responsible for experience, CPE and other requirements that previously were under the control of the professional associations. IAASA supports IQAB's development of a mutual recognition agreement with CPA Ireland, similar to the existing one with the Chartered Accountants of Ireland.

- The Gateway connection to the states has been normalized and now NASBA is looking at minor enhancements. The rules engine project rolled out in spring 2018 and the first organization should be going live with it in November. The CPE Audit project is 82 percent completed and should be totally completed, on target, in March. Pilot testing with some State Boards is scheduled to start in December 2018. President Bishop said: "One of our very big swings is bringing IT to where we need it to be to move the organization forward."

- Wade Jewell has injected new energy into the NIES and AEQUO operations.

- A new customer service program was rolled out that calls for employees to "own the call" and "have a smile on your face," etc. A customer service week was held with the theme of "Customer Service is Our Super Power."

- The National Registry Summit was held September 24-26 focused on bringing quality into CPE. President Bishop said he is proud of what the Registry has accomplished.

- There are signs that the volume of CPA Examination sections applied for is rebounding to normal levels. As of January 1, the Examination will cover the new tax law. The continuous testing project is in full swing. NASBA has recently surveyed the State Boards to begin the

dialogue regarding what timing to switch to continuous testing might work, as many need to change rules and /or statute. Testing centers have been opened in Germany, England, Ireland and Scotland for citizens and residents of the EU, Norway, Switzerland, Russia and the United States. Talks continue about the possibility and logistics of testing in India.

- There has never been a more important time to have legislative support in place as anti-regulation threats exist. NASBA and AICPA are working together on this but are taking different approaches. President Bishop asked the Board members to quickly contact NASBA if such legislation appears in their jurisdiction.

- Trending issues for the Board's consideration include CPA evolution, 120 vs. 150 education requirements, and the updated NASBA strategic plan. A 10-person joint NASBA / AICPA working group, chaired by Catherine Allen, has been appointed to provide input to leadership on how the CPA profession might evolve in response to the need for enhanced skillsets related to technology and data analytics. Alfonzo Alexander is the group's facilitator.

- President Bishop said he was unhappy with what has happened in peer review, where there was an arbitrary launch of guidance by the AICPA Peer Review Board affecting and directly related to Boards of Accountancy. Discussions are going on to ensure contact is made on the oversight of peer review.

- Some Boards are asking about the education and experience requirements. Leadership wants to get the mood of all Boards of Accountancy on these issues.

- The Strategic Plan will be presented to the NASBA Board for their approval. The task force looking at the current plan was headed by Ted Long.

- The Fisk Trust in Nashville awarded the NASBA Center for the Public Trust \$25,000 in recognition of its creative work as a not-for-profit organization. President Bishop congratulated the CPT for earning this award.

8. Report of the Vice Chair

Vice Chair Janice Gray reported those individuals selected for the 2018-19 NASBA committees had received letters announcing their appointments last week. She announced that every current State Board member who asked to be assigned to a committee was placed on one.

9. Report of the Administration and Finance Committee

Treasurer Jimmy Burkes referred the Board members to the Annual Report's respective pages 43 and 54 for fiscal 2018's Management Discussion and Analysis and audited financial statements. As of September 30 the investment return on long-term investments was approximately 5 percent for the trailing 12 months and 2.31 percent for the first three calendar quarters of 2018. The investment committee feels positively about these returns. October has seen a return to an increasingly volatile market, Mr. Burkes noted.

NASBA's revenue was down \$3.1 million for fiscal 2018 because of a drop in Examination-related revenue, which accounts for 88 percent of NASBA's operating revenue. Overall expenses were up 1 percent and mission-related spending was up 3.2 percent. The \$300,000 increase in mission spending this year was almost exclusively in regulation and public protection.

Executive Vice President and Chief Financial Officer Michael Bryant summarized the components of the increase in NASBA's net assets of the two years presented in the audited

financial statements and gave a detailed explanation of the fiscal 2018 gain from the investment in affiliate. Mr. Burkes presented the five-year trends in mission-related services and net assets noting healthy positive increases in both.

Mr. Bryant gave a brief financial update for the current year, fiscal 2019, noting that NASBA overall was slightly positive to budget for the first two months of the year.

10. Report of the Audit Committee

Audit Committee Chair Maria E. Caldwell referred the Board members to page 52 of the Annual Report where the Audit Committee's report could be found. She said the Committee had discharged its responsibility as described more fully in the report included in the Board's materials. The independent auditors told the Audit Committee that NASBA's books are the cleanest they audit and that they feel management understands and performs its role well.

The Audit Committee had two areas of focus during the fiscal 2018 audit: (1) the gain from the investment in the equity affiliate, and (2) the presentation of the escrow funds in NASBA's financial statements. The Committee was satisfied with how both items were reflected in the financial reports. Some additional agreed upon audit procedures related to the escrowed funds have been requested for the fiscal 2019 audit.

Ms. Caldwell moved for the Board to accept the Executive Committee's approval of the opinion and audited financial statements for fiscal 2018. And acceptance of the auditor recommendation for the next fiscal year. Kent Smoll seconded. All approved.

11. Report of the Vice President of State Board Relations

Vice President for State Board Relations Daniel Dustin briefly explained his role to the Board: He is to be the advocate for State Boards. He works with the Executive Directors Committee, Uniform Accountancy Act Committee and the Relations with Member Boards Committee. Over the last three years he had been to State Board meetings in 47 jurisdictions. He plans to continue to try to visit 15-18 Boards each year, coordinating his visits with the Regional Directors. Mr. Dustin said he is concerned with the recent lack of participation by Boards in Connecticut, Iowa, Michigan and Puerto Rico. However, he is encouraged by the Boards in Delaware, Utah and Illinois having increased their involvement. Working with the Regional Directors, he will be able to identify which Boards to focus on, and can encourage Board members to aspire to involvement in NASBA.

Mr. Dustin said John Johnson takes the lead on legislative and governmental affairs. All states need to be concerned about the anti-regulatory environment now, as 18 states had anti-regulation legislation introduced. Mr. Dustin said he and Mr. Johnson are talking about creating a tool box for states to use if anti-regulation legislation is introduced in their jurisdiction. Working together, the AICPA, State CPA Societies, The Accountants Coalition, Boards of Accountancy and NASBA are supporting the Accountancy Stakeholders Work Group which includes James Corley (Arkansas Board), Ronald Gitz (LA Society), Nicola Neilon (NV Board), Tammy Velasquez (The Accountants Coalition) and Emily Walker (VA Society) and staff.

12. Report of the Compliance Assurance Committee

Compliance Assurance Committee (CAC) Chair John Dailey reported the Committee had completed their draft of the Model Rules related to peer review and had submitted them to the Uniform Accountancy Act Committee.

On August 2, the Peer Review Board (PRB) met and adopted changes to the PRB Handbook without exposure or comment from stakeholders. Changes to the Handbook's Chapter 3, which contains guidance on Peer Review Oversight Committees, have caused difficulty to many Boards. Subsequently, on September 24, the CAC met in Durham with the PRB, at which time the PRB said they had overreached with the Chapter 3 revisions and would pull it back. In October, AICPA Vice President James Brackens again said Chapter 3 would be pulled back and revised. This still has not happened.

Mr. Ross said a notice had gone out stating that the guidance would be recalled, but it would be in effect until revised language is approved.

Mr. Dailey believes NASBA needs to meet again with Mr. Brackens to clear up the situation. President Bishop said he had also spoken to AICPA Executive Vice President Sue Coffey and believed there would be an immediate pull back. It is part of the State Boards' responsibility to have oversight of the process, President Bishop agreed, and this cannot wait until January to be resolved. He noted that NASBA still wants uniformity throughout the U.S. but with adequate oversight.

13. Report from the Uniform Accountancy Act Committee

UAA Committee Chair Coalter Baker presented a change in the language of Model Rule 5-7(a)(2) that had been requested by the CBT Administration Committee and approved by the UAA Committee for distribution. This would enable candidates to have more flexibility in scheduling their testing. Mr. Baker made the motion to expose the proposed change for comment and Ms. Saunders seconded. Mr. Ross questioned when this change would take effect as it would be critical that the change happens in all states at the same time. Ms. Conrad said the continuous testing is expected to be ready by January 2020, but recognized that the switch could not be affected until the State Boards are uniformly ready. She agreed to work on non-substantive edits to the proposed change with Noel Allen and bring the revised language to the Board later in the day.

Several Boards have voiced eagerness to adopt this change. Mr. Baker withdrew his motion and Ms. Saunders withdrew her second.

Following a break, the revised language was presented. Mr. Baker made a motion to expose the language for comment. Mr. Reisig seconded. The Board approved exposing the proposed amendment for a 90-day period.

UAA Chair Baker next presented the Model Rules on peer review. He credited CAC Chair John Dailey for working on substantially changing the rules to give them more clarity and for staff liaison Rebecca Gebhardt for her important role in getting this project completed. Among the changes included are: 1- Defined sponsoring organization, administering entity and what peer review program should provide. 2- Made change to use the term "peer review" but states it fits under a "compliance assurance" program. 3- Clearly states what is subject to peer review. 4 -Requires peer review documents SHALL be submitted to the Board and could be done by Facilitated State Board Access. (The UAA Committee voted to place in the Rule that the documents had to be provided to the State Board.) 5- States that PROC members will have no conflict of interest (but it is up to the State Board to determine if such a conflict exists).

Mr. Baker said this proposal has gone through many hours of study and he made a motion to expose it for comment. Mr. Dailey seconded. Ms. Neilon pointed out a typographical error in 7-7b, which change Mr. Baker and Mr. Dailey agreed to correct and amended their motion. The Board then approved the exposure of the document. There was then additional discussion about the length and timing of the exposure period. Mr. Baker proposed the exposure period run from January 1, 2019 until June 28, 2019. Ms. Saunders seconded, and all agreed.

To educate the UAA Committee on NOCLAR (non-compliance with laws and regulations) by clients, Mr. Baker assembled an AICPA/NASBA UAA Committee meeting in Nashville September 12-13. He invited IESBA Chair Stavros Thomadakis, IESBA Technical Director Ken Siong, PEEC Chair Robert Denham, NASBA Ethics Committee Chair Catherine Allen and NASBA Legal Counsel Noel Allen to address the group. Mr. Baker said he was disappointed that the UAA Committee members were not more open-minded and he believes more work needs to be done on this topic.

Mr. Allen said there is a way to protect practitioners with a change to UAA Section 18. Ms. Saunders remarked that she thought the UAA Committee members were agreeable to a rule similar to Japan's version of the IESBA guidance that only covers attest services, but only with the necessary change in Section 18. Mr. Baker anticipates this discussion will continue.

Ms. Allen noted that the PCAOB has NOCLAR on their agenda. President Bishop said the agreement with AICPA was that NOCLAR would be considered by both the UAA Committee and PEEC.

Chair Long summarized the NASBA Board's discussion and told Mr. Baker there was no objection from the NASBA Board in moving ahead on NOCLAR in the way he believes is necessary.

14. Report of the Executive Directors' Committee

Executive Directors Committee Chair Randy Ross reported the Boards' executive directors are concerned about:

1-Still finding instances where the AICPA is bringing up taglines using "Association" rather than "Institute."

2-The AICPA is pushing CGMA again, despite their earlier agreement not to promote the credential to non- CPAs where the state's law would be in conflict.

3-New legislative sessions are including antiregulatory legislation.

4- ABV issue keeps coming up.

Mr. Ross thanked the Board for allowing him to serve as the executive directors' liaison this year.

15. Report of the Strategic Planning Task Force

As chair of the Strategic Planning Task Force, Mr. Long presented the 2018-2023 NASBA Strategic Plan for approval by the Board. The revised strategic plan includes changes intended to provide more clarity in several areas, expand NASBA's visibility and relevance, support state-based regulation and expand legislative and regulatory support. Additionally, a new emphasis on operational sustainability is included and a new objective in support of proactive and effective communication is added. Mr. Long thanked Ed Barnicott for serving as

the project's facilitator, going through five drafts of the plan. Ms. Saunders moved to accept the plan and Mr. Emmons seconded. All approved.

16. Report of the Diversity Committee

Diversity Committee Chair Maria Caldwell said the committee had been active this year. They had called up new State Board members and encouraged them to become active in NASBA. They had compared the minority population in each state with the composition of the State Accountancy Board. She said the Committee members are targeting those states where there is the most disparity between the Board's composition and the state's demographics.

17. Policy Discussion

Chair Long invited the Board members to discuss the direction in which they would like the new CPA evolution working group to go. Dr. Johnson said he had just returned from a meeting of the International Accounting Education Standards Board and they questioned when more technical skills will be driven via the Uniform CPA Examination and is the Examination becoming more nimble to change? Ms. Allen said the new working group that she chairs will keep the topic moving forward and will give recommendations to the supporting staff group and leadership.

It was noted that several Boards of Accountancy have recently raised the topic of 120 credits versus 150 credits of education for licensure. Chair Long asked the Board to discuss this issue. Board members noted the complexity of the issue, including the cost of the extra 30 credits, the quality and relevance of the course work, the new types of learning programs, the passing results, the potential barriers to entry, the reasoning and resources that went into creating the 150- credit requirement, the goals of the 150, etc. It was noted that the experience requirement was reduced when the education requirement was increased. Incoming Chair Gray agreed that the issue should be explored further during the upcoming year.

Questions were raised about the engagement software /practice monitoring software being developed by the AICPA.

18. Thanks to Retiring Board Members

Chair Long thanked retiring Board members Tyrone Dickerson, Raymond Johnson, Kent Smoll, Casey Stuart and Randy Ross for their service to the NASBA Board and the State Boards. He also thanked Telford Lodden, for his many years of service to the NASBA Board in leadership roles, including as Chair. Vice Chair Janice Gray thanked Chair Theodore Long for his service to the Board as well. Ms. Gray observed: "He has made a real commitment; he did not step back; he continues to do what he committed to." Chair Long thanked all for their support and characterized his health issues as "just a bump in the road."

19. Adjournment

Mr. Emmons moved to adjourn, and Mr. Smoll seconded. The meeting was adjourned at 3:30 p.m.

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors

October 30, 2018 - Hyatt Regency, Scottsdale, AZ

1. Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Janice L. Gray (OK) at 12:00 p.m. on Tuesday, October 30, 2018 at the Hyatt Regency in Scottsdale, AZ.

2. Report of Attendance

President and CEO Ken L. Bishop reported the following were present:

Officers

Janice L. Gray, Jr., CPA (OK) Chair
Laurie J. Tish, CPA (WA) Vice Chair
Theodore W. Long, Jr., CPA (OH), Past Chair

Directors-at-Large

J. Coalter Baker, CPA (TX)
A. Carlos Barrera, CPA (TX)
Jimmy E. Burkes, CPA (MS)
Maria E. Caldwell, CPA (FL)
John F. Dailey, Jr., CPA (NJ)
W. Michael Fritz, CPA (OH)
Sharon A. Jensen, CPA (MN)
Richard N. Reising, CPA (MT)
Stephanie M. Saunders, CPA (VA)

Regional Directors

Catherine R. Allen, CPA (NY), Northeast Regional Director
J. Andy Bonner, CPA (TN), Southeast Regional Director
C. Jack Emmons, CPA (NM), Southwest Regional Director
Sheldon P. Holzman, CPA (IL), Great Lakes Regional Director
Faye D. Miller, CPA (ND), Central Regional Director
Nicola Neilon, CPA (NV), Mountain Regional Director
Katrina Salazar, CPA (CA), Pacific Regional Director
Michael H. Womble, CPA (NC), Middle Atlantic Regional Director

Richard Carroll, Esq. (KY) – Executive Directors Committee Liaison

Staff

Ken L. Bishop, President and Chief Executive Officer

Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer
Louise Dratler Haberman, Vice President - Information and Research
Noel L. Allen, Esq., Outside Legal Counsel

3. Election of Officers

Following an explanation of the election process by NASBA Chair Janice L. Gray, the 2018-19 NASBA Board of Directors took the following actions:

The Board unanimously re-elected Jimmy E. Burkes (MS) as NASBA Treasurer.

The Board unanimously re-elected W. Michael Fritz (OH) as NASBA Secretary.

4. Adjournment

The meeting was adjourned at 12:15 p.m. by Chair Gray.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

January 18, 2019 – Fort Myers, FL

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, January 18, 2019 at the JW Marriott in Marco Island, Florida, the Board took the following actions:

- Unanimously approved the November NASBA financial statements as recommended by the Administration and Finance Committee and presented by Treasurer Jimmy E. Burkes (MS).
- Unanimously approved the appointment of J. Coalter Baker (TX) as a NASBA representative to the NASBA Center for the Public Trust's Board of Directors. Mr. Burkes also continues to serve on the CPT Board.
- Unanimously approved a motion to support the member Boards' efforts to enforce their laws and rules pertaining to the use of titles.
- Received a report from President and CEO Ken L. Bishop on NASBA's new agreement to outsource its IT operations to CGI. He explained this agreement is expected to enhance NASBA's IT capability and allow NASBA to have flexibility in IT capacity that it never was able to achieve with a fixed internal shop. Prior to entry into this agreement, CGI had assisted NASBA in the development of the Gateway System, the CPE Audit Service and other IT projects.
- Heard from Chair Janice L. Gray (OK) that she has appointed a task force to consider concerns raised by some State Boards relative to the 150-credit-hour education requirement. NASBA Vice Chair Laurie J. Tish (WA) has been appointed to chair the task force. A report is expected.
- Were informed by Chair Gray that a productive meeting with the members of the Public Company Accounting Oversight Board was held in November in Washington, D.C. She, President Bishop, Executive Vice President and COO Colleen K. Conrad, and Vice President – Information and Research Louise Dratler Haberman had met with the entire PCAOB, each of whom had been newly appointed within the year. Chair Gray also attended a meeting of the Accountancy Board of Ohio in December and joined many of the NASBA committees' conference calls.
- Learned from Executive Vice President Conrad about states' preparations for continuous testing for the Uniform CPA Examination. Boards have been asked to comment by February 11 on a proposed amendment to Model Rule 5-7 to accommodate the change.
- Received a summary from CPA Evolution Working Group Chair Catherine R. Allen (NY) of her group's efforts, including the outreach initiatives each member has conducted. Ms. Allen said the final report of the Working Group will be presented to the February AICPA/NASBA summit meeting and will offer some recommendations to ensure the future relevance of the CPA.

- Were briefed by Senior Vice President and Chief Financial Officer Michael R. Bryant on the impact of the lower than projected number of CPA Examination testing applicants through the first part of the fiscal year and how NASBA management has taken steps to manage expenses in response to the associated revenue decline. Mr. Bryant noted that mission spending has exceeded the prior year's amount through the first four months. Additionally, NASBA is not intending to reduce mission spending to address the revenue decline. He also reported on the impact of the volatility of the stock market on NASBA's long-term investment portfolio.
- Heard from Compliance Services Director and Chief Legal Officer Maria L. Caldwell regarding two major software applications that NASBA has and will be launching in 2019. Working with CGI, NASBA has created a new line of business called CPE Rules Engine Service. NASBA completed the first client implementation in December 2018 and has two more implementations scheduled for the first half of 2019. CGI is also assisting in the development of a new CPE Audit Service system that will provide a modern, scalable platform for use by Boards in auditing compliance with CPE rules. The new CPE Audit Service is to be introduced at the March 2019 Executive Directors Meeting. She also praised the new CGI arrangement and indicated that the timing could not have been better given the major IT initiatives NASBA currently has underway.
- Learned from Compliance Assurance Committee Chair John F. Dailey, Jr., (NJ) about continuing efforts to have corrections made to the AICPA's guidance on peer review administration relative to qualifications for members of Peer Review Oversight Committees. Executive Vice President Conrad reported talks are ongoing with AICPA senior staff to revise the distributed guidance.
- Received a report from Uniform Accountancy Act Committee Chair J. Coalter Baker on possible plans to form a joint UAA Committee/ Professional Ethics Executive Committee task force to continue examining how international standards on clients' noncompliance with laws and regulations (NOCLAR) could be applied in the U.S. to protect the public without harm to professionals.
- Heard from Executive Directors Committee Chair Richard C. Carroll (KY) on plans for the March 26-28, 2019 Annual Conference for Executive Directors and Board Staff, to be held in San Antonio, TX. In recognition of the large number of State Board executive directors who were appointed this year, a new executive directors' orientation session is being scheduled in conjunction with the meeting.
- Were informed by Legislative Support Committee Chair Nicola Neilon (NV) that a "Hike to the Hill" is under consideration, to educate elected officials on the public protection role of certified public accountants.
- Learned from Education Committee Chair Stephanie M. Saunders (VA) that recommendations from the CPA Evolution Working Group and the 120/150 Task Force are being awaited before recommendations can be proposed by the Education Committee. The Committee is now focused on evaluating proposals received for NASBA's 2019 education research grants.

The next meeting of the NASBA Board of Directors will be held on April 26, 2019, in San Francisco, CA.

Distribution: State Board Chairs/Presidents, Members and Executive Directors, NASBA Board of Directors and Committee Chairs, and NASBA Staff Directors

Executive Summary
November 15, 2018 to January 7, 2019
Regional Directors' Focus Question Responses

37 Boards Responding

Alaska, Arizona, Arkansas, California, CNMI, Colorado, Guam, Hawaii, Idaho, Illinois BOE, Illinois DFPR, Iowa, Kansas, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, Wyoming

1. (a) Does your Board specify what courses qualify for the 150-hour requirement beyond the basic requirements in the UAA Model Rules?

Yes: CA, KS, LA, MS, NC, NE, NY, OH, OK, OR, TX, UT, VT, WY

No: AK, AR, CO, GU, IA, ID, IL BOE, IL DFPR, ME, MN, MO, MT, ND, NM, NV, PA, SD, TN

(b) Has your Board been asked to provide more specificity and, if so, how did your Board respond?

No: AK, AR, AZ, CA, CNMI, CO, GU, HI, IA, ID, IL DFPR, KS, ME, MI, MN, MT, NC, ND, NE, NM, NV, NY, OH, OK, SD, TN, UT, WA, WY

Yes: IL BOE, LA, MO, MS, PA, TX, VT

2. (a) What process does your Board have for granting hardship exceptions for meeting CPE requirements?

Some Responses: Considered on Case-by-case basis: AR, CA, CO, IA, ID, LA, ME, MI, MS, MT, ND, NE, NM, NY, OH, PA, SD, TX, UT, VT, WY

(b) Approximately how frequently are these requested?

Some Responses: 10 or less a year: AR, CO, IA, ID, KS, LA, MI, MT, NE, NM, ND, NV, OH, SD, UT, WY; 15-30 – CA, NC; 50-MS; one or more a month: NY, OK.

3. (a) Does your Board have the ability to influence the selection of Board Members?

Yes: CNMI, CO, IL BOE, KS, LA, NE, NY, OH, PA, SD; **No:** AK, AR, CA, IA, IL DFPR, MI, MN, MO, MS, MT, ND, OK, TX, UT, VT, WY

(b) If yes, what have you done to increase the diversity of the membership of your Board?

Sample Response: NE – Generally, they do not; however, requirements do not preclude them from recommending members. The Nebraska Society of CPAs usually provides possible Board members. Recently, the Nebraska Society President and the Executive Director met with a minority accounting association to assist in recruiting minority members. Overall, the Board's makeup has included diversity.

4. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?

Some responses: CA – The California Board of Accountancy and its PROC are evaluating the sufficiency of the AICPA's peer reviewer population. TN – A few Board members are interested in revisiting the 150 hours.

5. Can NASBA be of any assistance to your Board at this time?

Some responses: LA – We will be asking for a review of the Self-Evaluation Report we are preparing from John Johnson's area soon since this is a first for us. ME – The Board is considering changes to its work experience and measuring continuing education. ND – Help monitor our legislation. PA – Pennsylvania is interested in having the Wall Certificate program available to the initial licensees as we no longer issue wall certificates to licensees.

For details, see Regional Directors' Focus Questions Report.

NASBA REGIONAL DIRECTORS' FOCUS QUESTIONS REPORT

The following is a summary of the written responses to focus questions gathered from the member Boards by NASBA's Regional Directors between November 15, 2018, and January 7, 2019. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Nicola Neilon (NV) – Chair, Committee on Relations with Member Boards,
-- Mountain Regional Director*

Catherine R. Allen (NY) – Northeast Regional Director

J. Andy Bonner, Jr. (TN) – Southeast Regional Director

C. Jack Emmons (NM) – Southwest Regional Director

Sheldon P. Holzman (IL) – Great Lakes Regional Director

Faye D. Miller (ND) – Central Regional Director

Michael H. Womble (NC) – Middle Atlantic Regional Director

Katrina Salazar (CA) – Pacific Regional Director

BOARDS RESPONDING – 37

Alaska, Arizona, Arkansas, California, CNMI, Colorado, Guam, Hawaii, Idaho, Illinois BOE, Illinois DFPR, Iowa, Kansas, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, Wyoming

1. (a) Does your Board specify what courses qualify for the 150-hour requirement beyond the basic requirements in the UAA Model Rules?

Yes: CA, KS, LA, MI, MN, MS, NC, NE, NY, OH, OK, OR, TX, UT, VT, WY

If yes, give details:

CA – Candidates must complete the specified requirements listed below:

- 24 semester units of accounting courses;
- 24 semester units of business-related courses;
- 20 semester units of accounting study;
- 10 semester units of ethics study (3 semester units which must be in a course devoted specifically to accounting ethics or accountants' professional responsibilities).

The remaining units may be completed in any subject area to fulfill the remainder of the 150 semester unit total. This is in accordance with California Business and Professions Code section 5093.

KS – See K.A.R. 74-2-7 on our website: <http://www.ksboa.org/pdf/article2.pdf>.

LA – Twenty-four hours in Accounting: Intermediate – 6 hours; Audit – 3 hours; Cost – 3 hours; Tax – 3 hours; Electives – 6 hours + 3 hours in one of the following: Governmental/NFP, Advanced, or Theory; 24 hours in Business including 3 hours of BLAW covering UCC plus other topics.

MI – Administrative rule R338.5116 establishes specific requirements for obtaining a concentration in accounting.

MS – Mississippi Board Rule 2.2.1 requires a minimum of 48 semester hours of upper or graduate level accounting and business courses which must include at least 24 semester hours of upper division or graduate level accounting courses. The accounting courses must include at least 3 semester hours each of financial accounting, auditing, taxation, management/cost accounting, and government/not-for-profit accounting.

NC – Yes. NCGS 93-12(5)a sets forth the education required of candidates applying for CPA certification (licensure). The 150 semester hours required include a concentration in accounting, as defined by 21 NCAC 08A .0309, and 24 semester hours of coursework which include one (1) three (3) semester hour course from at least eight (8) of the following 10 fields of study:

- communications;
- computer technology;
- economics;
- ethics;
- finance;
- humanities/social science;
- international environment;
- law;
- management; or
- statistics.

Anyone applying for CPA certification (licensure) who holds a Master's or more advanced degree in accounting, tax law, economics, finance, business administration, or a law degree from an accredited college or university or the equivalent thereof, is in compliance with 21 NCAC 08F .0410(b). An applicant who did not sit for the Exam as a North Carolina candidate must submit an official college/university transcript (with official school seal and signature of college registrar) that shows the completion of the education requirement pursuant to NCGS 93-12(5), 21 NCAC 08A .0309, and 21 NCAC 08F .0410.

NE – Board regulations require the courses to meet subject areas. Recently, a task force and the Board's Educational Advisory Committee updated requirements for consideration by the Board in 2019.

NY – Includes the basic rules in UAA plus the following: 33 semester hours in accounting and 36 semester hours in business. The accounting course work must contain the following four required courses: financial accounting and reporting (upper level), taxation, auditing

(upper level), cost and/or managerial accounting. The curriculum must contain the study of business and accounting communications; ethics and professional responsibility; and accounting research, either by integration into the coursework of other courses or in separate courses.

OH – See Board rule 4701-3-03;

OK – The total educational program of the applicant for examination shall include an accounting concentration or its equivalent as determined acceptable by the Board which shall include not less than thirty (30) semester hours, or the equivalent thereof, in accounting courses above principles of accounting or introductory accounting, with at least one course in auditing or assurance; the remaining accounting courses shall be selected from financial accounting, accounting theory, cost/managerial accounting, federal income tax, governmental, not-for-profit accounting, accounting information systems, accounting history and other accounting electives; at least nine (9) semester hours shall be from any or all of the subjects of economics, statistics, business law, finance, business management, marketing, business communication, risk management, insurance, management information systems or computer science at the upper-division level of college or above or the equivalent of such subjects as determined by the Board.

OR – The Oregon Board requires accounting specific courses be upper division. We do not require specific courses.

TX – 30 hours of upper level accounting vs. 24 in UAA Model Rules.

UT – They are specified in Rules.

VT – Our statutes require 42 semester hours in accounting and related for licensure. Our rules require 3 semester hours in accounting, U.S. Tax and U.S. Business Law within the 42 hours.

WY – The rule details a list of accounting courses “in some or all of the following subjects.” In addition, a list of various business course types is provided.

No: AK, AR, AZ, CNMI, CO*, GU, HI, IA, ID, IL BOE, IL DFPR, ME, MN, MO**, MT, ND, NM, NV, PA, SD, TN, WA

CO*- Except for the following: 27 semester hours of non-duplicative coursework in business administration at the undergraduate or graduate level; 3-semester hour, or more, coursework in business administration at the undergraduate or graduate level; 3-semester hour, or more, course work concentrating on accounting or business ethics; 6 semester hours must be in auditing, **which must include a 3-semester hour, or more, course concentrating on U.S. GAAS.**

MO** - We are currently following the model rule outline.

WA – WAC 4-30-060 specifies the breakdown between accounting and business administration credits – and the number needing to be upper division credits.

(b) Has your Board been asked to provide more specificity and, if so, how did your Board respond? If yes, please explain below.

No: AK, AR, AZ, CA, CNMI, CO, GU, HI, IA, ID, IL DFPR, KS, ME, MI, MT, NC, ND, NE, NM, NV, NY, OH, OK, SD, TN, UT, WA, WY.

Yes: IL BOE – We have been asked to more clearly define “Research and Analysis” and “Business Communication.”

LA – Students ask – just to be sure – and are advised that they should consider taking courses that will help advance them in the business world, but it is ultimately up to them beyond what the Board Rules specify. The Board does have a policy that community college courses taken after earning a degree must be pre-approved to qualify for the 150-hour requirement.

MO – Our Board is currently drafting a rule change that will include part of the education model rule language.

MS – The Board’s rules are quite clear, as discussed above.

NY – We have 83 semester hours of course specific education within the 150-hour requirement set forth in our Rules and Regulations.

PA –The Board accepts Micro/Macro Economics courses towards the 150.

TX – Texas has specificity in its rules.

VT – The Board’s response has been to refer the requesting party to the section of our rules dealing with the issue of Studies in Accounting, Auditing and Business.

2. (a) What process does your Board have for granting hardship exceptions for meeting CPE requirements?

AK – Licensee must put their request in writing and should also list the statute/regulation they are requesting the exception under.

AR – Requests are presented to the Board for approval – if approved, then similar requests are approved by the Executive Director.

AZ – Pursuant to A.R.S. 32-730(C), the Board may grant a full or partial exemption from continuing professional education requirements or an extension of time to complete the continuing professional education requirements for registrants on a demonstration of good cause. Pursuant to A.R.S. 32-701(17), good cause means factors that temporarily prevent a registrant from satisfying a particular requirement in a specific instance as determined by the Board and may include:

(a) A disability.

- (b) An illness.
- (c) A physical or mental condition.
- (d) Military service.
- (e) Financial hardship.
- (f) A natural disaster.
- (g) Any condition or circumstance that the Boards deems relevant.

CA – In accordance with the California Board of Accountancy (CBA) Regulations section 90, the CBA may grant up to six months for an extension or exemption from completing the continuing education (CE) requirements for the following:

- Reasons of health, certified by a medical doctor, which prevent compliance by the licensee;
- Service of the licensee on extended active duty with the Armed Forces of the United States;
- Other good cause.

The request may be made on the CE Extension/Exemption Request Form and submitted directly to the CBA office with the license renewal application, CE Reporting Worksheet, and license renewal fee prior to license expiration date in order to maintain uninterrupted practice rights.

CNMI – We have not had to deal with this yet.

CO – They are presented to the Board on a case by case basis.

GU – May be granted at the Board's discretion based on request from licensee for granting hardship exceptions for meeting CPE requirements.

HI – Hawaii Administrative Rules (HAR) 16-71-46 gives exceptions by reason of health (as certified by a medical doctor), military service on extended active duty, or any other cause approved by the Board.

IA – Each case considered individually.

ID – When a licensee completes their online CPE reporting they can ask for an exemption for hardship reasons at that time. All inquiries are reviewed by the CPE coordinator who then reaches out to the licensee for supporting documentation, such as doctors' notes in the cases of a medical issue. The information is then shared with our volunteer CPE Committee who reviews the requests and makes a determination. We then have those CPE Committee recommendations ratified by our Board.

Note that our rules allow for CPE extensions for those who do not meet their annual requirement by December 31 of each year for various reasons. Those are reviewed by staff and the CPE Committee who make a recommendation. Normally, these requests are granted unless a licensee has repeatedly failed to meet their requirement and are frequently asking for extensions. In those cases where a licensee has had consecutive or frequent requests for extensions the Committee has asked the licensee to appear before the Board for approval or have made appearing before the Board a requirement before any further extensions are

granted. All extensions of time, however, carry a penalty of 1/2 of what the licensee is short. For example, if a licensee is short 8 credits, they would be assessed a penalty of 4 additional hours. The shortfall and penalty need to be completed by April 30th of each year.

IL DFPR – Utilize the CPE guidelines in the Illinois Public Accounting Act and Rules.

KS – We have never had anyone file a request for leniency on their CPE due to financial difficulties. We have had people request an extension of time to complete their CPE due to medical issues.

LA – The Board will consider hardship requests if circumstances are outside of the licensee’s control – typically medical or personal. Third-party documentation is required, where possible. More often, an extension of time is the preferred course and will be granted rather than an exemption. Each request is reviewed by the Board and a determination made based on its facts and circumstances.

ME – Under Maine statute, Title 10 sub. Sec.8003 5-A(D)(4) the Board may issue continuing education deferments in cases of undue hardship. The process would be to renew a license w/o conditions for completing CPEs, or more likely, issue a consent agreement with terms and conditions for completing CPEs and then renewing the license. The Board does not have specific criteria for identifying hardships or the conditions for granting deferments. It’s been decided case by case.

MI – Michigan statute MCL 339.204(2) allows a Board to waive CPE requirements if the Board finds the failure to complete CPE was due to the licensee’s disability, military service, or absence from the continental United States or due to circumstances beyond the control of the licensee that the Board considers sufficient cause to waive the requirement. By rule, licensees cannot obtain more than 50% of the required CPE hours from self-study programs. However, administrative rule R 338.5218(2) allows the department to preapprove a waiver based on physical limitations precluding live attendance to allow a licensee to obtain more than 50% of CPE from self-study.

MN – Handled by a committee.

MO – Missouri rule “20CSR 2010-4.041” provides “exceptions and waiver” guidance.

MS – The Mississippi Board doesn’t have a written policy for granting hardship CPE exceptions. Previous practice has been for a licensee to request an extension of time to obtain any deficient hours with a penalty added of 50% of deficient hours. If the licensee has faced a situation viewable as a medical hardship, they can document that hardship and request the Board provide: (1) an extension to obtain hours (with a 50% penalty on deficient hours); (2) a waiver of penalty hours; (3) a waiver of deficient hours; or (4) some combination of options noted herein or some other option not disclosed.

MT – Case-by-case based on application.

NC - As a requirement for continued licensure, the Board requires all active CPAs to complete 40 hours of CPE, including at least two hours of regulatory or behavioral professional ethics and by December 31 of each year. All active CPAs must report their CPE by completing the annual license renewal process by July 1 each year. If a CPA fails to complete the CPE requirements prior to the end of the previous calendar year, but the CPA has completed them by June 30, the Board may issue a Letter of Warning for the first such failure within a five calendar year period and deny the renewal of the CPA's certificate for a period of not less than 30 days and until the CPA meets the reinstatement requirements for the second such failure within a five calendar year period.

ND - It is a case-by-case situation, and the hardship has to relate to an emergency and significant documentation of the situation is needed.

NE - Case-by-case basis. On most cases specific documentation is required including statements from a medical professional and others to confirm the request.

NM - If an extension request is before the expiration date Board staff can administratively approve an extension for up to 60 days as long as the request is based on extenuating circumstances such as medical reasons. The Board also requests supporting documents such as medical notes. If the request is made after the expiration, or if the request is for more than 60 days, these requests require Board approval.

NV - Board regulations provide the Board the authority to grant hardship exceptions. Board staff has been delegated the responsibility of determining if a hardship case has occurred. Staff has the ability to waive penalties, waive CPE or portions of the required CPE, or provide extensions of time. Historically this has been based on a death in the family, personal hardship or medical difficulties.

NY - The licensee must make a written request.

OH - Only extensions to complete CPE requirements are given by the Board, via the Executive Director based on either documented medical illness (self or close family member) or military deployment.

OK - Our rules specify that if you have a medical hardship or military assignment, an extension may be granted upon receipt of official documentation.

OR - Exceptions are granted on a case-by-case basis. Licensees are required to provide proof of the hardship.

PA - The Board may, upon application, waive in whole or in part a CPE requirement upon a showing of individual hardship, such as for reasons of health, military service or other good cause. The Board, upon application, may extend the time period for completing CPE upon a showing that the failure to timely comply was due to reasonable cause. The licensee must request this by writing to the Board and the Board's CPE Committee will review the request with associated documents regarding the request and make their determination based on what

the licensee presents. Documentation must be provided for medical and military and depending on the “good cause,” they may have to provide supporting documents to prove their case.

SD – ARSD 20:75:04:10 allows an administratively granted CPE extension for 90 days. If subsequent requests for extensions are made, the Board will review the request and may grant them on a case-by-case basis for good cause. Good cause includes personal emergencies, acts of God, or administrative errors made by the Board.

TN – Per Rule, a licensee may request an extension of time of up to six months to complete their CPE.

TX – Texas considers hardship exceptions (extenuating circumstances) during the annual licensure renewal. Each new submission is reviewed by the Licensing Division.

UT – Individual basis. Submit waiver request to Division for military service, religious fulltime service, or extended illness exceptions.

VT – Section 8.3 of our rules lists the specific circumstances for hardship exceptions. The section also includes a provision for ‘other good cause’ which allows the board to address unique circumstances. We also provide a 90-day extension from the renewal date for those licensees who provide an explanation and complete the CPE requirements within 90 days.

WA – We really don’t grant hardship exemptions for meeting the minimum credit requirements for the number of credits needed, but we might reconsider whether or not a particular class would qualify for credit.

WY – Board rules (Ch. 5, Sect. 1(h)) provide the Board the authority to “suspend, relax, or grant exceptions to the continuing education requirements for individual hardship or other good cause shown.” The holder must request an exception in writing and appropriate supporting documentation in order for the Board to consider an exception to the rule.

(b) Approximately how frequently are these requested?

Please explain:

AK – A couple times per year.

AR – Around 10 per year.

AZ – We get 3-5 requests each month for a CPE extension or exception.

CA – There are typically between 15-30 CE Extension/Exemption requests received per month, which is less than one percent of the monthly renewals received.

CNMI – We have not had any such requests.

CO – Very few.

HI – Around 1 to 2 every biennial renewal.

IA – Rarely.

ID – We may get 1-2 requests for an exception or waiver of CPE per year for hardships. As for our extensions, of the roughly 2,800 CPE reports filed we receive anywhere from 58-80 per year. We have seen the number of repeat requesters for extensions go down due to the fact they must appear before the Board to be granted a further request.

IL DFPR – Requested at the time of the renewal when the question is marked as such on the renewal form.

KS – Very little frequency.

LA – 1-5 annually.

ME – CPE deferments are requested annually by roughly 5 percent of the pool of licensees. An exact number has not been calculated.

MI – Approximately less than 10 requests are received each year.

MN – Approximately once a month.

MO – We receive exception and waiver requests on a regular basis.

MS – About 50 licensees per year will be granted an extension both with and without hardship documented (out of approximately 4,000 total active licensees).

MT – Less than 10 a year.

NE – Around 5 or so.

NM – We receive around 3-5 extension requests a month. We have only approved seven (7) for the year. We are very strict when it comes to granting extensions.

NC – Between 250 to 500 CPAs are annually issued a Letter of Warning for completing their CPE after January 1st. No more than 20 CPAs request and are granted an extension without a Letter of Warning. No more than five CPAs annually have their renewals denied because of failure to complete their CPE by December 31st during a five calendar year period.

ND – Less than one time a year.

NV – Approximately 6-8 per year out of 4,000 licensees.

NY – A couple per month.

OK – Approximately once a month.

OH – We process approximately six per year.

OR – We usually get a few each renewal season.

PA – Every renewal period there are licensees who request a waiver or extension of their CPE. There have been some that request a waiver for the initial license, but not the number who request during renewal.

SD – Administrative extensions are approximately 2.5% of licensees a year and subsequent requests average 10 requests for less a year.

TN – Extensions are requested less than 1% of the time. A much larger percentage (about 25%) complete penalty hours after a review of their records during a CPE audit.

TX - Extenuating circumstances are rarely requested and granted on a case-by-case basis. Texas has other CPE exemption options that are more often used and approved (unemployed, no association with accounting, live out of state, etc.).

UT – Two - three times per year.

VT – Approximately 15-20 per renewal period.

WA – Rarely.

WY – In the eight plus years the Executive Director has been employed by the Board, there have been no more than 2-3 requests for exceptions. These requests were in connection with very serious health issues from which holders did not recover.

3. (a) Does your Board have the ability to influence the selection of Board Members?

Yes: CNMI, CO, IL BOE, KS, LA, NE, NY, OH, OR, PA, SD, WA

(b) If Yes, what have you done to increase the diversity of the membership of your Board?

CNMI – At present we only have three Board members. We are trying to have another CPA here appointed. The Governor was just inaugurated yesterday. We have let his office know about the new candidate.

CO – We make recommendations based on the applications received and interviews conducted. We are continually looking at the composition of the Board and striving for diversity.

IL BOE – Our influence exists only to the extent of working with the State Society in supporting individuals who have applied for Board membership. We are still trying to promote diversity, but have had limited success.

KS – There was no option for “somewhat” or “maybe.” We have very few minorities in this state that are CPAs. We do have a sufficient number of women on our Board, however.

LA – The Board has the ability to influence the pool of persons – only in that the Board can encourage interested persons to be sure to express interest with the CPA Society. The CPA Society submits a list to the Governor’s office of recommendations for consideration. There is not much turnover in Board membership, and our Board has had a relatively good balance of male/female, Caucasian/African American, public/academia/industry members.

NC – We meet with our state CPA association’s executive staff to discuss upcoming appointments of Board members to ensure that all appointments reflect diversity of race, religion, sex, and the field of accounting such as public practice, business and industry of the 21,500 licensees of the Board.

NE – Generally, they do not; however, requirements do not preclude them from recommending members. The Nebraska Society of CPAs usually provides possible Board members. Recently, the Nebraska Society President and the Executive Director met with a minority accounting association to assist in recruiting minority members. Over all, the Board’s makeup has included diversity.

NY – The Board has a diverse group of members. New York is a large state and the members are selected based upon several factors such as: geographic location; the size of the practice; type of professional services; industry; education; and government.

OR – The Board encourages licensees to volunteer on Board committees. The Board reviews interested parties and tries to pick those licensees that represent different portions of Oregon, various employment areas and a representation of both men and women and all races.

PA – The Board members have discussed the issue with the Commissioner as well as writing to the Governor’s Office of Public Liaison indicating their concerns regarding diversity.

SD – The Board works with the Department and with the CPA Society to provide recommendations to the Governor’s office.

WA – I do quite a bit of outreach and informational interviewing of potential Board members. We try to maintain a pool of applicants that are ready, willing and able to serve on the Board when the need arises.

No: AR, AZ, CA, HI, IA, IL DFPR, MI, MN, MO, MS, MT, ND, OK, TX, UT, VT, WY

No (with explanation):

AK – The Board does request geographical representation of Board membership but is not guaranteed to have that request granted.

GU – Members are appointed by the Governor.

ID - The Governor's office will listen to suggestions by the office, but those suggestions do not carry much weight. We can be an influence from the standpoint of who is recommended by the Idaho Society or citizens for the position. The primary organization recommending candidates comes from the Society, so each year the Executive Director visits with the Society Director to express our thoughts about the makeup of the Board and our needs.

ME- However, departing Board members will sometimes recommend a replacement for him/her.

NM – We can ask people to apply but that does not mean the individual will be appointed.

NV – The Board does not have the ability to influence the selection of Board members. However, the Society is required to submit a list of three names to the Governor. Once the names have been submitted the Board can send a letter of support if it so chooses.

TN – Technically no, but we are typically asked by the State Society for any recommendations in an informal manner. Diversity in many areas is considered during these discussions.

4. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?

AK – We are being told that travel restrictions (even for in state Board meetings) will be increasing even more than in past years.

AZ – We have some rule changes taking effect February 4, 2019. The notable changes are:

1. NASBA International Evaluation Services (NIES) will be a sole source provider for the evaluation of foreign education transcripts.
2. The Board will allow CPE reciprocity.

CA – PEER REVIEWER POPULATION. The CBA and its Peer Review Oversight Committee (PROC) are evaluating the sufficiency of the American Institute of CPAs (AICPA) peer reviewer population.

Peer Review is an important component of the CBA's mission to protect consumers. A decrease in the peer reviewer population in California could have potential adverse effects on the California peer review program and consumers.

Over the past year plus, the CBA and PROC have sent multiple communications seeking to better understand the peer reviewer population, requesting data related to California peer

reviewers including:

- Number of individuals performing peer reviews;
- Number of peer reviews performed by each peer reviewer;
- Number of peer reviewers performing peer reviews of specialized industries;
- Number of peer reviews performed by peer reviewers of specialized industries;
- Number of individuals added to the peer reviewer population over the past year;
- Number of individuals who ceased performing peer reviews over the last year;
- Number of individuals intending to cease performing peer reviews over the next three years.

The data received raise concern over the peer reviewer population's ability to perform the necessary number of peer reviews in California. For example, the data shows the following:

- Sixty-seven percent of the peer reviews were completed by 20 California reviewers, and further 31 percent were completed by four California reviewers.
- Thirty-two percent of the total number of peer reviews with must-select engagements were completed by two California reviewers.
- The ratio of enrolled accounting firms to active peer reviews nationally was 14.65 to 1, while in California the ratio was 30.25 to 1 (as of 2016).
- During a survey conducted by the AICPA in 2014, nearly half of the peer reviews were performed by reviewers 61 years of age or older, and of those individuals approximately 60 percent intended to retire before 2020.

As peer review continues to evolve, especially in light of the new benchmark model adopted by the AICPA for its administering entities and with smaller administering entities discontinuing administering peer reviews, an unknown impact could occur with the peer reviewer population.

As peer review is a condition for accounting firms' license renewals, thus their ability to continue to practice and provide services to their clients, ensuring a sufficient and diverse pool of peer reviewers is critical to the success of peer review.

Over the next year, the CBA and PROC will continue to make peer reviewer population a significant topic of evaluation as it relates to peer review. The CBA is continuing to work with the AICPA and California Society of CPAs to take steps to have a sufficient peer reviewer population.

ONLINE CREDIT CARD PAYMENT SYSTEM

As of early December, the California Board of Accountancy released its online license renewal payment portal. Providing this alternative payment method is easier and faster for licensees and reduces the timeframe for receiving a renewed license!

LEGISLATION

Legislation was signed into law in September 2018 (Senate Bill 795) to make permanent the CBA's mobility program. This program allows qualified, out-of-state CPAs to practice in

California without providing notice or paying a fee to the CBA. For guidance on the requirements of this program, please contact (916) 561-1704 or pracprivinfo@cba.ca.gov.

CNMI – The Board Chair has been working with John Johnson and Nathan Standley on getting our UAA updated. The Chair did submit a draft of the legislation to the Legislature’s legal counsel last fall. The Chair was just waiting for the inauguration before trying to push it along.

CO – The Accountancy Sunset Report that was recently published has some minor recommendations that will improve clarity. There is also a recommendation to permit CGMAs who are not CPAs to use the title CGMA provided they do not purport to provide services that require a CPA license. These recommendations will go through the General Assembly. NASBA is aware of these recommendations.

GU – Guam has elected its first female governor and a legislature that has a female majority.

HI – There are upcoming rule changes that are being proposed by the Board to allow for year round CPA examinations. Also, continued collaboration with the Oregon Society of Certified Public Accountants to serve as the sponsoring organization for the Hawaii Peer Review Program.

ID – The 2019 Idaho legislative session begins in January and we are expecting further discussion on the overhaul of the administrative procedures hearing process that was stalled in 2018 and, of course, the new Governor (former Lt. Governor who will be sworn in in January) has made regulatory reform a focus and we expect recommendations to come from his newly created work group and interim committee in licensing issues. Stay tuned, it could be a long interesting session.

IL BOE – The Board recently dropped the Research and Analysis requirement from the educational requirements to sit. Members of the Board staff and a Board member have been visiting Chicago schools to promote the CPA profession to inner city college track students.

LA – Louisiana is currently in its annual review season. We are also responding to the Governor’s request for a Self-Evaluation Report, which is a lengthy report on our history, key functions, statutes and rules, policymaking structure, funding, organization and effectiveness. This is in response to legislation passed this year seeking to review all boards including licensing

ME – The Board is considering changes to its work experience and measuring continuing education.

MI – The recreational use of marijuana is now legal in Michigan. What will the impact be for CPA firms that have staff that use it? How will Federal law impact State law?

MN – Working on statute change to implement a retired CPA designation.

MO – The Board is changing the CPE requirement to forty hours annually (two hours of ethics within forty) starting January 1, 2020. The Board is working on changes to the education requirement to sit for the CPA Exam. The change will bring Missouri's education requirement closer to the Model Rule language.

MS – The Mississippi Board is still awaiting a decision on pending Rules changes by our state's Occupational Licensing Review Commission (OLRC). The OLRC was established by statute in 2017 with authority to review and approve or reject any new or revised Rules promulgated by occupational licensing Boards like ours. The Board approved the proposed text of the Rules changes in early June of this year.

NC – Our Board and the North Carolina Association of CPAs have formed a joint task force to review our current CPE rules, UAA Model Rules, and the NASBA/AICPA CPE Standards and make recommendations to our Board for rule-making.

ND – The state is currently studying the composition of all licensure boards in light of the North Carolina dental case. Right now it will be looked at by the state legislature but no real change is being proposed. Also, we are looking at the mobility/portability for all licensure boards. Our Board is covered but others in the state are at risk of having some law changes.

NE – The Board anticipates a 2019 Rule Project. The Board's Committees are reviewing several initiatives including CPE reciprocity, education requirements, inactive status, and others for recommendations to the Board for regulation changes. This includes review of UAA requirements. It is also anticipated a Legislative Bill will be filed to clarify and allow ESOP's as ownership entities for CPA firms.

NM – The Board is transitioning to online renewals for firm permits. Currently online renewals are only for individual licenses.

NY – This year there was legislation signed into law to remove the newly licensed exemption for CPE. The Board will make recommendations to the Board of Regents to modify the regulation pertaining to this matter. The Board also recommended to the Board of Regents to make additional changes to the CPE requirements, including annual ethics. These changes will be worked on through the year, in addition to the changes to the regulation for the examination to allow for continuous testing.

OK – New governor, licensing task force, and two new oversight committees.

OH – Ohio's transition to a new licensing platform happened in April of 2018, and staff are completing the first round of renewals.

OR – The Board is in the beginning stages of choosing a vendor for online licensing. The Board's Laws and Rules Committee will be meeting soon to review and recommend amendments to the Oregon Administrative Rules to the Board.

PA – The CPE changes will impact those renewing in 2019.

SD – We just completed the process for rule changes.

TX – 11/14/18 Completed the Sunset Review process with some modifications. The Legislature will convene in January to consider the decisions of the Sunset Commission.

TN – A few Board members are interested in seeing the 150 hour requirement for licensure revisited.

UT – The Legislature will consider legislation in this upcoming session (beginning January 2019) to change the hours required to sit for the CPA Exam to 120 from 135.

VT – Still waiting for final implementation of our rule changes. It should be done shortly.

WA – We are revamping our licensing requirements, and we remain in communication with British Columbia Chartered Professional Accountants regarding cross border reciprocity for component business entities.

WY – The 2019 Wyoming Legislature opens its session in early January. The Board's practice act will be sponsored by a Committee. The proposed act revisions would modify the definition of attest and implement firm mobility. The Executive Director is retiring during the summer of 2019. The Board is preparing to recruit and train a replacement Executive Director.

5. Can NASBA be of any assistance to your Board at this time?

If Yes, please explain below:

AK – Yes. The Board will continue to request travel scholarships as necessary to be able to participate at NASBA events/meetings.

CA – OUTREACH AND COMMUNICATIONS. The CBA looks forward to continue working with Thomas Kenny and his team to make improvements to the CBA's communication and outreach program.

CNMI – Yes. NASBA can assist in getting our UAA updated and with our Board adopting Rules. The Chair will reach out if it becomes necessary for a NASBA person to either communicate with the CNMI Legislature or to come to Saipan.

GU – Defer testing in China to preserve the Guam Computer Testing Center.

HI – Yes. NASBA is essential as the “go-to” source for information and serves as the main contact to circulate relevant questions amongst the various Boards. The Board would like to see a list of accredited bodies be made available by NASBA.

LA – We will be asking for a review of the Self-Evaluation Report we are preparing from John Johnson's area soon since this is a first for us.

ME – A formal review of proposed changes to the Board’s rules at the time of public comment. Dan Dustin and the Executive Director are in the early stages of discussing proposed rules. The Executive Director has solicited his feedback in a few areas.

ND – Help monitor our legislation.

NE – Always appreciate the assistance of NASBA staff to gather information and other materials when beginning a rule project.

NM – NASBA is currently assisting us with the formatting of our newsletter. This is the second time the Executive Director has personally worked with NASBA on it and it has been great!! Thank you for the assistance!

NY – Yes. NASBA needs to continue to partner with the State Boards on peer review matters as there are continuing issues that need to be resolved.

OK – Yes. Be prepared to assist the OAB during the legislative session.

PA – Pennsylvania is interested in having the Wall Certificate program available to the initial licensees as we no longer issue wall certificates to licensees.

WY – There is nothing pressing at this time; however, the Board and staff wish to acknowledge the responsiveness of NASBA’s staff when we do need some support. It is the best! Thank you!

6. NASBA’s Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled?

- **Input only from Board Chair: CNMI, MN, ND**
- **Input only from Executive Director: AR, AZ, CA, CO, IA, IL BOE, IL DFPR, LA, ME, MI, NE, NM, OK, OR, PA, TN, TX, UT, WA**
- **Input only from Board Chair and Executive Director: KS, MO, NC**
- **Input from all Board Members and Executive Director: GU, MS, MT, NV, SD, VT, WY**
- **Input from some Board Members and Executive Director: ID, NY**
- **Other (please explain): Input from Donna Oklok (Investigations Supervisor) OH**
- **Input from all Board members - HI**

REGIONAL DIRECTORS' FOCUS QUESTIONS

The input received from our focus questions is reviewed by all members of NASBA's Board of Directors, committee chairs and executive staff and used to guide their actions. Please send your Board's responses to NASBA and your Regional Director by April 11, 2019.

JURISDICTION _____ **DATE** _____

NAME OF PERSON SUBMITTING FORM _____

1. Reports of cybercrimes continue to appear in the news. During NASBA's 2018 Annual Meeting, NASBA Outside Legal Counsel Noel L. Allen told the audience, "Over 50 jurisdictions have data breach notification statutes and some jurisdictions are considering revisions to strengthen data laws." Published reports indicate that dozens of CPA firm have experienced data breaches in the last three years. Other professions, such as attorneys and health care professionals, have already adopted rules or interpretative guidance regarding their respective licensees' responsibilities for minimizing the risk of a data breach and for actions to take in the event of a breach.

Existing statutes, rules and standards regarding confidentiality, competency, and legal compliance might provide state boards with some ways to address CPA firm data breaches (or a failure to report) but these do not directly discuss data breaches.

(a) Do you believe that NASBA should explore this issue more?

_____ Yes

_____ No

In what areas could NASBA assist:

(b) Provide more education in this area?

_____ Yes

_____ No

(c) Create a compilation of jurisdictional similarities and differences?

_____ Yes

_____ No

(d) Schedule a forum for additional discussion at Regional or Annual Meeting?

_____ Yes

_____No

(e) Other assistance (explain) _____

2. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about? _____

3. Can NASBA be of any assistance to your Board at this time?

a. No. _____

b. Yes. Please explain. _____

4. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

Input only from Board Chair

Input only from Executive Director

Input only from Board Chair and Executive Director

Input from all Board Members and Executive Director

Input from some Board Members and Executive Director

Input from all Board Members

Input from some Board Members

Other (please explain):



CPA Examination Rule Change Language

At the October 26, 2018 meeting of the National Association of State Boards of Accountancy's Board of Directors, on the recommendation of the Uniform Accountancy Act Committee, the following was approved for exposure for comment for a three-month period concluding on February 11, 2019.

The exposed rule is to prepare for continuous testing, which requires the elimination of testing windows currently necessary in the administration of the Uniform CPA Examination. As such change will take some time to accomplish, and Boards will be adopting this rule at different times, the language is constructed to clarify that this change will not go into effect until the state board and national examination systems are ready to support continuous testing.

Please consider the amended rule on the following page and send your comments to:

Ed Barnicott – CBT Administration Committee Staff Liaison (ebarnicott@nasba.org) and
Louise Haberman – UAA Committee Staff Liaison (lhhaberman@nasba.org).



Current Version of Rule 5-7(a)(2)

~~(a) (2) Candidates cannot retake a failed Test Section(s) in the same testing window. A testing window is equal to a calendar quarter (January-March, April-June, July-September, October-December). Candidates will be able to test no less than two (2) months out of each testing window.~~

Proposed Change to Rule 5-7(a)(2)

Rule 5-7 – Retake and granting of credit requirements.

(a) A Candidate may take the required Test Sections individually and in any order. Credit for any Test Section(s) passed shall be valid for a period of eighteen (18) months and be calculated from the actual date the Candidate took that Test Section, without having to attain a minimum score on any failed Test Section(s) and without regard to whether the Candidate has taken other Test Sections.

- (1) Candidates must pass all Test Sections of the examination within a rolling eighteen (18) month period, which begins on the date that the first Test Section(s) passed is taken.
- (2)
 - (A) Subject to subsection 7(a)(2)(B), Candidates cannot retake a failed Test Section(s) in the same testing window. A testing window is equal to a calendar quarter (January-March, April-June, July-September, October-December). Candidates will be able to test no less than two (2) months out of each testing window.
 - (B) If the Board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, subsection (A) will no longer be effective, and a Candidate can retake a Test Section once their grade for any previous attempt of that same Test Section has been released.