

**Meeting Agenda**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**

via Zoom  
or Call +1-346-248-7799 Meeting ID:729 257 1422 Passcode: 957016

September 12, 2022, 8:30 a.m. (CDT)

A=Action  
D=Discussion  
I=Information

A. Call to Order.....	Budahl
B. Public Comment.....	Oratory
C. A-Approval of Minutes of Meeting August 12, 2022.....	2-3
D. A-Approval of Certificates & Firm Permits.....	4-5
E. A-Approval of Financial Statements through August 2022.....	6-16
F. A-Executive Director's Report.....	17

**NASBA**

G. D-Board of Directors Meeting Minutes May 6, 2022.....	18-26
H. D-Board of Directors Meeting Minutes July 8, 2022.....	27-28
I. D-Board of Directors Meeting Highlights July 22, 2022.....	29-30
J. D-Proposed Bylaws Changes for Consideration.....	31-34

**EXECUTIVE SESSION pursuant to SDCL 1-25-2**

K. Equivalent Reviews, follow-up, and enforcement cases for Board Approval.....	Spt. Pkt.
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**FUTURE MEETING DATES (all times CDT)**

- L. Meeting Dates  
October 18 – 10:30 Zoom Meeting  
December 15 – 8:30 Zoom Meeting
- M. Adjournment

**Meeting Minutes**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**  
August 12, 2022 8:30 a.m. CDT

Chair Deidre Budahl called the meeting to order at 8:38am. A quorum was present.

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

**Others Present:** Nicole Kasin, Executive Director; Trista Burke, Secretary; and Jerry McCabe, DLR.

Chair Budahl asked if there were any additions to the agenda:  
Financial Statements through July 2022  
Peer Review

Jeff Strand made a motion to approve the agenda. Jeff Smith seconded the motion. **MOTION PASSED.**

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

Jeff Strand made a motion to approve the election of board officers as follows: Deidre Budahl – Chair, Holly Engelhart - Vice Chair, and Jay Tolsma - Secretary/Treasurer. Russell Olson seconded the motion. **MOTION PASSED.**

Jay Tolsma made a motion to approve the June 16, 2022, meeting minutes. Holly Engelhart seconded the motion. **MOTION PASSED.**

Jeff Strand made a motion to approve the issuance of certificates and firm permits through August 4, 2022. Russell Olson seconded the motion. **MOTION PASSED.**

Russell Olson made a motion to approve the financial statements through July 2022. Jeff Strand seconded the motion. **MOTION PASSED.**

The Board discussed NASBA's annual meeting which will be held October 30-November 2, 2022, in San Diego, CA.

Jay Tolsma made a motion to approve travel for board members and the executive director to attend NASBA's annual meeting in San Diego, CA October 30-November 2, 2022. Jeff Smith seconded the motion. **MOTION PASSED.**

The Board reviewed the report on the CPA exam grades for the 73<sup>rd</sup> window.

Holly Engelhart made a motion to ratify the CPA exam scores for the 73<sup>rd</sup> window through June 2022. Jeff Strand seconded the motion. **MOTION PASSED.**

The Board reviewed and discussed the FY24 proposed budget.

Jeff Strand made a motion to approve the FY24 budget as presented. Russell Olson seconded the motion. **MOTION PASSED.**

Executive Director Kasin discussed her report on annual renewals for individuals and firms, CPE

extensions, July newsletter, initial licenses application and character references, NASBA credit extension, and model rules.

Holly Engelhart made a motion to approve any candidate with uniform CPA examination credit(s) on January 1, 2024, will have such credit(s) extended to June 30, 2025. Jay Tolsma seconded the motion. **MOTION PASSED.**

The Board discussed the NASBA Board of Directors meeting minutes from January 18, 2022, and Board of Director meeting highlights from May 6, 2022.

The following individuals with the South Dakota CPA Society joined the meeting at 10:30 a.m. Tommy Pollema, JoLynn Sorum, and Stacy Buckley were present with Erik Gilbertson joining via Zoom.

The Board and representatives from the SD CPA Society discussed the CPA exam transition policy, NASBA UAA model rules, the educators update and society updates on their initiatives.

Representatives from the SD CPA Society left the meeting at 11:07 a.m.

Jeff Strand made a motion at 11:10 a.m. to enter executive session for the deliberative process for peer reviews, follow up, and enforcement cases. Russell Olson seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 1:08 p.m.

Jeff Strand made a motion to accept the peer reviews as discussed in executive session. Russell Olson seconded the motion. **MOTION PASSED.**

Jay Tolsma made a motion to agree to rescind the consent agreement of enforcement case 115-22. Russell Olson seconded the motion. **MOTION PASSED.**

Holly Engelhart made a motion to close case 101-23 with no disciplinary action. Jeff Strand seconded the motion. **MOTION PASSED.**

**FUTURE MEETING DATES** (all times CT)

September 12, 2022 – 8:30 a.m. Zoom meeting

October 18, 2022 – 10:30 a.m. Zoom meeting

December 15, 2022 – 8:30 a.m. Zoom meeting.

Jeff Strand made a motion to adjourn the meeting. Russell Olson seconded the motion. **MOTION PASSED.**

All business having come before the board was concluded and Chair Deidre Budahl adjourned the meeting at 1:17 p.m.

\_\_\_\_\_  
Deidre Budahl, CPA, Chair

Attest: \_\_\_\_\_  
Nicole Kasin, Executive Director

\_\_\_\_\_  
Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES  
BOARD COPY**

**Issued Through September 6, 2022**

Number	Name	Date Issued	Location
3601	Lydia Jean Morley	8/17/22	Chamberlain, SD
3602	Brittney Marie Graese	8/17/22	Rapid City, SD
3603	Christopher Michael Caputo	8/17/22	Chicago, IL
3604	Shane N. VanDeBerg	8/18/22	Sioux Falls, SD
3605	Thomas Richard Alvarez	8/18/22	Indianapolis, IN
3606	Ashley Nicole Hellwig	8/18/22	Sioux Falls, SD
3607	Szilvia Nador	8/23/22	Dallas, TX
3608	Tyler Wolterstorff	7/31/22	Sioux Falls, SD
3609	Jolene D. Sieben	8/26/22	*Backdated Brandon, SD
3610	Christian Douglas Devereaux	8/29/22	Sioux Falls, SD
3611	Mason Michael Koch	9/01/22	Sioux Falls, SD

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

**Issued Through  
September 5, 2022**

<b>Number</b>	<b>Name</b>	<b>Date Issued</b>	<b>Basis/Comments</b>
1776	Westberg Eischens, PLLP Willmar, MN	08/18/22	New Firm
1777	BGW CPA PLLC Charlotte, NC	08/24/22	New Firm

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	554,849.58	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			554,849.58	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			554,849.58	DR **	
BUDGET UNIT TOTAL 1031			554,849.58	DR ***	

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 08/31/2022

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503 PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGECC220819	08/24/2022					523.87	CR
6503	103100061802	51010100	CGEX220727	08/03/2022					2,894.80	DR
6503	103100061802	51010100	CGEX220811	08/17/2022					3,081.51	DR
OBSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX220727	08/03/2022					5,452.44	DR
6503	103100061802	51010200	CGEX220811	08/17/2022					2,016.21	DR
OBSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
OBJECT: 5101 EMPLOYEE SALARIES										
6503	103100061802	51020100	CGECC220819	08/24/2022					9,851.53	DR
6503	103100061802	51020100	CGEX220727	08/03/2022					37.24	CR
6503	103100061802	51020100	CGEX220811	08/17/2022					319.40	DR
OBSUB: 5102010 CASI-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGECC220819	08/24/2022					644.19	DR
6503	103100061802	51020200	CGEX220727	08/03/2022					31.44	CR
6503	103100061802	51020200	CGEX220811	08/17/2022					294.66	DR
OBSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGECC220819	08/24/2022					591.08	DR
6503	103100061802	51020600	CGEX220727	08/03/2022					69.93	CR
6503	103100061802	51020600	CGEX220811	08/17/2022					1,244.57	DR
OBSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	103100061802	51020800	CGECC220819	08/24/2022					2,408.63	DR
6503	103100061802	51020800	CGEX220727	08/03/2022					1.26	CR
6503	103100061802	51020800	CGEX220811	08/17/2022					11.78	DR
OBSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGECC220819	08/24/2022					23.64	DR
6503	103100061802	51020900	CGEX220727	08/03/2022					.07	CR
6503	103100061802	51020900	CGEX220811	08/17/2022					.64	DR
OBSUB: 5102090 UNEMPLOYMENT COMPENSATION										
OBJECT: 5102 EMPLOYEE BENEFITS										
GROUP: 51 PERSONAL SERVICES										
6503	103100061802	52031000	73085-98,738223	08/26/2022	00807188	COUNTRYINN	12532341		13,520.35	DR
OBSUB: 5203100 LODGING/IN-STATE										
6503	103100061802	52032600	CGEX220818	08/19/2022	029790				150.00	DR
OBSUB: 5203260 AIR-COMM-OUT-OF-STATE										
6503	103100061802	52032800	CGEX220818	08/19/2022	029790				1,299.70	DR
OBSUB: 5203280 OTHER-PUBLIC-OUT-OF-STATE										

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 08/31/2022

AGENCY BUDGET CENTER-5	UNIT 1031	LABOR & REGULATION BOARD OF ACCOUNTANCY - INFO 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	520333000		CGEX220818		08/19/2022	029790				1,146.36	DR
OBJSUB: 5203300 LODGING/OUT-OF-STATE												
6503 103100061802 520333200 CGEX220818 08/19/2022 029790												
OBJSUB: 5203320 INCIDENTALS-OUT-OF-STATE												
6503 103100061802 520333500 CGEX220818 08/19/2022 029790												
OBJSUB: 5203350 NON-TAXABLE MEALS/OUT-ST												
6503 103100061802 52040200 TRAVEL 830 08/26/2022 00806803 NATIONALAS 12005047												
OBJSUB: 5204020 DUES & MEMBERSHIP FEES												
6503 103100061802 52040500 22-1000-002 9799 08/19/2022 00805796 GISOLUTION 12290765												
OBJSUB: 5204050 COMPUTER CONSULTANT												
6503 103100061802 52041800 DP307096 08/26/2022												
OBJSUB: 5204180 COMPUTER SERVICES-STATE												
6503 103100061802 52042000 PL307056 08/26/2022												
OBJSUB: 5204200 CENTRAL SERVICES												
6503 103100061802 52042200 IN969910 08/26/2022 02459913 ABBUSINESS 12036980												
OBJSUB: 5204220 EQUIPMENT SERV & MAINT												
6503 103100061802 52042300 231004 JUL-JUN23 08/19/2022 014314 SUNSETOFFI 12627537												
OBJSUB: 5204230 JANITORIAL & MAINT SERV												
6503 103100061802 52045210 ACCOUNTRENT22-23 08/24/2022 017928 MCGINNISRO 12074040												
OBJSUB: 5204521 REVENUE BOND LEASE PYMTS												
6503 103100061802 52045300 TL307149 08/05/2022												
6503 103100061802 52045300 8381416X07242022 08/03/2022 00052372 AUTMOBILIT 12279233												
OBJSUB: 5204530 TELECOMMUNICATIONS SRVCS												
6503 103100061802 52047400 CI103A-006 08/10/2022 314743												
OBJSUB: 5204740 BANK FEES AND CHARGES												
6503 103100061802 52049600 3210369-IN 08/29/2022 00807298 NATIONALAS 12005047												
6503 103100061802 52049600 767 08/03/2022 00802476 NATIONALAS 12005047												
OBJSUB: 5204960 OTHER CONTRACTUAL SERVICE												
6503 103100061802 52050200 CONTRACTUAL SERVICES 0001811 08/17/2022 00805333 ECONMATERSY 12627232												
6503 103100061802 52050200 0477746 08/26/2022 00807091 HPTNC 12125515												
OBJSUB: 5205020 OFFICE SUPPLIES												
6503 103100061802 52053200 32213 08/29/2022 00807518 PREFERREDP 12308425												

10,251.75 DR \*  
25,190.62 DR \*\*  
22.35 DR  
1.46 DR

23.81 DR \*  
36.50 DR



STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 08/31/2022

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
	OBJSUB: 5205320		PRINTING-COMMERCIAL							36.50	DR *
	OBJECT: 5205		SUPPLIES & MATERIALS							60.31	DR **
	6503 103100061802	5228000	T103-024	08/03/2022						620.33	DR **
	OBJSUB: 5228000		OPER TRANS OUT -NON BUDGT							620.33	DR **
	OBJECT: 5228		NONOP EXP/NONBGTD OP TR							28,698.22	DR ***
	GROUP: 52		OPERATING EXPENSES							42,218.57	DR ****
	COMP: 6503									42,218.57	DR ****
	CNTR: 103100061802									42,218.57	DR ****
	B. UNIT: 1031									42,218.57	DR *****

**South Dakota Board of Accountancy**  
**Balance Sheet**  
As of August 31, 2022

	Aug 31, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
1130000 · Local Checking - Great Western	264.67
1140000 · Pool Cash State of SD	554,849.58
<b>Total Checking/Savings</b>	555,114.25
<b>Other Current Assets</b>	
1131000 · Interest Income Receivable	13,325.47
1213000 · Investment Income Receivable	1,076.95
<b>Total Other Current Assets</b>	14,402.42
<b>Total Current Assets</b>	569,516.67
<b>Fixed Assets</b>	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-24,136.54
<b>Total 1670000 · Computer Software</b>	9,938.46
<b>Total Fixed Assets</b>	9,938.46
<b>TOTAL ASSETS</b>	579,455.13
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
2110000 · Accounts Payable	9,344.67
<b>Total Accounts Payable</b>	9,344.67
<b>Other Current Liabilities</b>	
2430000 · Accrued Wages Payable	11,070.40
2810000 · Amounts Held for Others	30,519.01
<b>Total Other Current Liabilities</b>	41,589.41
<b>Total Current Liabilities</b>	50,934.08
<b>Long Term Liabilities</b>	
2960000 · Compensated Absences Payable	30,386.76
<b>Total Long Term Liabilities</b>	30,386.76
<b>Total Liabilities</b>	81,320.84
<b>Equity</b>	
3220000 · Net Position	307,886.84
3300100 · Invested In Capital Assets	9,938.18
3900 · Retained Earnings	63,948.99
Net Income	116,360.28
<b>Total Equity</b>	498,134.29
<b>TOTAL LIABILITIES &amp; EQUITY</b>	579,455.13

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
**July through August 2022**

	Jul - Aug 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	625.00	2,500.00	-1,875.00	25.0%
4293551 · Certificate Renewals-Active	52,000.00	62,500.00	-10,500.00	83.2%
4293552 · Certificate Renewals-Inactive	13,250.00	19,500.00	-6,250.00	67.9%
4293553 · Certificate Renewals-Retired	1,250.00	1,500.00	-250.00	83.3%
4293554 · Initial Firm Permits	200.00	700.00	-500.00	28.6%
4293555 · Firm Permit Renewals	10,900.00	14,500.00	-3,600.00	75.2%
4293557 · Initial Audit	240.00	900.00	-660.00	26.7%
4293558 · Re-Exam Audit	300.00	2,460.00	-2,160.00	12.2%
4293560 · Late Fees-Initial Certificate	150.00	0.00	150.00	100.0%
4293561 · Late Fees-Certificate Renewals	1,850.00	3,000.00	-1,150.00	61.7%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	200.00	500.00	-300.00	40.0%
4293564 · Late Fees-Peer Review	650.00	1,300.00	-650.00	50.0%
4293566 · Firm Permit Owners	84,960.00	109,000.00	-24,040.00	77.9%
4293567 · Peer Review Admin Fee	975.00	5,500.00	-4,525.00	17.7%
4293568 · Firm Permit Name Change	25.00	100.00	-75.00	25.0%
4293569 · Initial FAR	150.00	1,140.00	-990.00	13.2%
4293570 · Initial REG	30.00	660.00	-630.00	4.5%
4293571 · Initial BEC	90.00	930.00	-840.00	9.7%
4293572 · Re-Exam FAR	360.00	1,860.00	-1,500.00	19.4%
4293573 · Re-Exam REG	270.00	2,310.00	-2,040.00	11.7%
4293574 · Re-Exam BEC	180.00	2,310.00	-2,130.00	7.8%
4491000 · Interest and Dividend Revenue	4,114.25	9,500.00	-5,385.75	43.3%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
<b>Total Income</b>	<b>172,769.25</b>	<b>243,670.00</b>	<b>-70,900.75</b>	<b>70.9%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	11,480.47	82,212.00	-70,731.53	14.0%
5101020 · P-T/Temp Emp Sal & Wages	8,788.79	50,018.00	-41,229.21	17.6%
5101030 · Board & Comm Mbrs Fees	1,260.00	5,509.00	-4,249.00	22.9%
5102010 · OASI-Employer's Share	1,424.25	10,116.00	-8,691.75	14.1%
5102020 · Retirement-ER Share	1,216.13	7,934.00	-6,717.87	15.3%
5102060 · Health /Life Ins.-ER Share	4,924.79	25,433.00	-20,508.21	19.4%
5102080 · Worker's Compensation	48.63	198.00	-149.37	24.6%
5102090 · Unemployment Insurance	2.62	132.00	-129.38	2.0%
5203010 · Auto--State Owned	0.00	250.00	-250.00	0.0%
5203020 · Auto-Private-Ownes Low Mileage	69.92	400.00	-330.08	17.5%
5203030 · In State-Auto- Priv. High Miles	528.36	1,500.00	-971.64	35.2%
5203100 · In State-Lodging	150.00	1,000.00	-850.00	15.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	42.00	100.00	-58.00	42.0%
5203150 · InState-Non-Tax Meals OverNight	80.00	400.00	-320.00	20.0%
5203230 · OS-Auto Private High Mileage	0.00	200.00	-200.00	0.0%
5203260 · OS-Air Commercial Carrier	1,299.70	7,000.00	-5,700.30	18.6%
5203280 · OS-Other Public Carrier	197.72	700.00	-502.28	28.2%
5203300 · OS-Lodging	1,146.36	9,000.00	-7,853.64	12.7%
5203320 · OS-Incidentals to Travel	113.60	500.00	-386.40	22.7%
5203350 · OS-Non-Taxable Meals Overnight	204.00	1,000.00	-796.00	20.4%

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
 July through August 2022

	Jul - Aug 22	Budget	\$ Over Budget	% of Budget
5204010 · Subscriptions	0.00	1,300.00	-1,300.00	0.0%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	3,700.00	-3,700.00	0.0%
5204050 · Consultant Fees - Computer	5,925.93	25,000.00	-19,074.07	23.7%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	2,085.00	7,500.00	-5,415.00	27.8%
5204180 · Computer Services-State	528.30	6,000.00	-5,471.70	8.8%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	1,548.71	9,000.00	-7,451.29	17.2%
5204220 · Equipment Service & Maintenance	7.61	300.00	-292.39	2.5%
5204230 · Janitorial/Maintenance Services	319.68	1,825.00	-1,505.32	17.5%
5204330 · Computer Software Lease	0.00	190.00	-190.00	0.0%
5204340 · Computer Software Maintenance	0.00	1,000.00	-1,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	751.36	4,000.00	-3,248.64	18.8%
5204480 · Microfilm and Photography	0.00	0.00	0.00	0.0%
5204490 · Rents Privately Owned Property	2,761.50	16,569.00	-13,807.50	16.7%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	424.16	5,500.00	-5,075.84	7.7%
5204540 · Electricity	91.40	900.00	-808.60	10.2%
5204560 · Water	22.35	240.00	-217.65	9.3%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,210.00	-1,210.00	0.0%
5204730 · Maintenance Contracts	0.00	0.00	0.00	0.0%
5204740 · Bank Fees and Charges	4,554.89	6,650.00	-2,095.11	68.5%
5204960 · Other Contractual Services	0.00	0.00	0.00	0.0%
5205020 · Office Supplies	80.65	3,000.00	-2,919.35	2.7%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	36.50	500.00	-463.50	7.3%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	620.33	8,300.00	-7,679.67	7.5%
5228030 · Depreciation Expense	946.52	5,679.12	-4,732.60	16.7%
<b>Total Expense</b>	<b>56,882.23</b>	<b>331,565.12</b>	<b>-274,682.89</b>	<b>17.2%</b>
<b>Net Ordinary Income</b>	<b>115,887.02</b>	<b>-87,895.12</b>	<b>203,782.14</b>	<b>-131.8%</b>
<b>Net Income</b>	<b>115,887.02</b>	<b>-87,895.12</b>	<b>203,782.14</b>	<b>-131.8%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**August 2022**

	Aug 22	Aug 21	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	575.00	225.00	350.00	155.6%
4293551 · Certificate Renewals-Active	15,850.00	6,550.00	9,300.00	142.0%
4293552 · Certificate Renewals-Inactive	3,900.00	2,150.00	1,750.00	81.4%
4293553 · Certificate Renewals-Retired	490.00	300.00	190.00	63.3%
4293554 · Initial Firm Permits	100.00	50.00	50.00	100.0%
4293555 · Firm Permit Renewals	3,700.00	2,750.00	950.00	34.6%
4293557 · Initial Audit	180.00	90.00	90.00	100.0%
4293558 · Re-Exam Audit	120.00	120.00	0.00	0.0%
4293560 · Late Fees-Initial Certificate	150.00	0.00	150.00	100.0%
4293561 · Late Fees-Certificate Renewals	1,850.00	1,700.00	150.00	8.8%
4293563 · Late Fees-Firm Permit Renewals	200.00	600.00	-400.00	-66.7%
4293564 · Late Fees-Peer Review	0.00	150.00	-150.00	-100.0%
4293566 · Firm Permit Owners	26,670.00	19,460.00	7,210.00	37.1%
4293567 · Peer Review Admin Fee	0.00	150.00	-150.00	-100.0%
4293569 · Initial FAR	30.00	150.00	-120.00	-80.0%
4293570 · Initial REG	30.00	120.00	-90.00	-75.0%
4293571 · Inital BEC	60.00	90.00	-30.00	-33.3%
4293572 · Re-Exam FAR	90.00	90.00	0.00	0.0%
4293573 · Re-Exam REG	180.00	150.00	30.00	20.0%
4293574 · Re-Exam BEC	120.00	90.00	30.00	33.3%
4491000 · Interest and Dividend Revenue	4,114.25	7,149.03	-3,034.78	-42.5%
<b>Total Income</b>	<b>58,409.25</b>	<b>42,134.03</b>	<b>16,275.22</b>	<b>38.6%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	5,452.44	2,931.00	2,521.44	86.0%
5101020 · P-T/Temp Emp Sal & Wages	4,399.09	2,150.02	2,249.07	104.6%
5101030 · Board & Comm Mbrs Fees	0.00	60.00	-60.00	-100.0%
5102010 · OASI-Employer's Share	644.19	318.16	326.03	102.5%
5102020 · Retirement-ER Share	591.08	304.88	286.20	93.9%
5102060 · Health /Life Ins.-ER Share	2,408.63	1,267.03	1,141.60	90.1%
5102080 · Worker's Compensation	23.64	7.12	16.52	232.0%
5102090 · Unemployment Insurance	1.28	0.44	0.84	190.9%
5203020 · Auto-Private-Ownes Low Mileage	69.92	109.02	-39.10	-35.9%
5203030 · In State-Auto- Priv. High Miles	528.36	687.96	-159.60	-23.2%
5203100 · In State-Lodging	150.00	169.00	-19.00	-11.2%
5203140 · InState-Tax Meals Not OverNigt	42.00	42.00	0.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	80.00	94.00	-14.00	-14.9%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	0.00	5,538.25	-5,538.25	-100.0%
5204160 · Workshop Registration Fees	2,085.00	0.00	2,085.00	100.0%
5204180 · Computer Services-State	0.00	520.05	-520.05	-100.0%
5204200 · Central Services	346.66	0.00	346.66	100.0%
5204220 · Equipment Service & Maintenance	7.61	6.32	1.29	20.4%
5204230 · Janitorial/Maintenance Services	159.84	145.31	14.53	10.0%
5204330 · Computer Software Lease	0.00	714.70	-714.70	-100.0%
5204460 · Equipment Rental	751.36	751.36	0.00	0.0%
5204490 · Rents Privately Owned Property	1,380.75	1,380.75	0.00	0.0%
5204530 · Telecommunications Services	212.05	206.64	5.41	2.6%
5204540 · Electricity	45.63	116.73	-71.10	-60.9%

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**August 2022**

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	<u>Aug 22</u>	<u>Aug 21</u>	<u>\$ Change</u>	<u>% Change</u>
5204560 · Water	22.35	0.00	22.35	100.0%
5204740 · Bank Fees and Charges	3,146.82	2,960.27	186.55	6.3%
5205020 · Office Supplies	1.46	56.65	-55.19	-97.4%
5205320 · Printing/Duplicating/Binding Co	36.50	18.25	18.25	100.0%
5228000 · Operating Transfers Out-NonBudg	620.33	1,004.35	-384.02	-38.2%
5228030 · Depreciation Expense	473.26	473.26	0.00	0.0%
<b>Total Expense</b>	<u>26,880.25</u>	<u>25,233.52</u>	<u>1,646.73</u>	<u>6.5%</u>
<b>Net Ordinary Income</b>	<u>31,529.00</u>	<u>16,900.51</u>	<u>14,628.49</u>	<u>86.6%</u>
<b>Net Income</b>	<u><u>31,529.00</u></u>	<u><u>16,900.51</u></u>	<u><u>14,628.49</u></u>	<u><u>86.6%</u></u>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July through August 2022**

	Jul - Aug 22	Jul - Aug 21	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	625.00	350.00	275.00	78.6%
4293551 · Certificate Renewals-Active	52,000.00	64,150.00	-12,150.00	-18.9%
4293552 · Certificate Renewals-Inactive	13,250.00	19,300.00	-6,050.00	-31.4%
4293553 · Certificate Renewals-Retired	1,250.00	1,550.00	-300.00	-19.4%
4293554 · Initial Firm Permits	200.00	50.00	150.00	300.0%
4293555 · Firm Permit Renewals	10,900.00	14,850.00	-3,950.00	-26.6%
4293557 · Initial Audit	240.00	150.00	90.00	60.0%
4293558 · Re-Exam Audit	300.00	376.12	-76.12	-20.2%
4293560 · Late Fees-Initial Certificate	150.00	50.00	100.00	200.0%
4293561 · Late Fees-Certificate Renewals	1,850.00	1,700.00	150.00	8.8%
4293563 · Late Fees-Firm Permit Renewals	200.00	600.00	-400.00	-66.7%
4293564 · Late Fees-Peer Review	650.00	500.00	150.00	30.0%
4293566 · Firm Permit Owners	84,960.00	127,430.00	-42,470.00	-33.3%
4293567 · Peer Review Admin Fee	975.00	600.00	375.00	62.5%
4293568 · Firm Permit Name Change	25.00	0.00	25.00	100.0%
4293569 · Initial FAR	150.00	210.00	-60.00	-28.6%
4293570 · Initial REG	30.00	150.00	-120.00	-80.0%
4293571 · Initial BEC	90.00	90.00	0.00	0.0%
4293572 · Re-Exam FAR	360.00	330.00	30.00	9.1%
4293573 · Re-Exam REG	270.00	240.00	30.00	12.5%
4293574 · Re-Exam BEC	180.00	180.00	0.00	0.0%
4491000 · Interest and Dividend Revenue	4,114.25	7,149.03	-3,034.78	-42.5%
4896021 · Legal Recovery Cost	0.00	1,601.89	-1,601.89	-100.0%
<b>Total Income</b>	<b>172,769.25</b>	<b>241,607.04</b>	<b>-68,837.79</b>	<b>-28.5%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	11,480.47	11,206.85	273.62	2.4%
5101020 · P-T/Temp Emp Sal & Wages	8,788.79	8,463.44	325.35	3.8%
5101030 · Board & Comm Mbrs Fees	1,260.00	1,260.00	0.00	0.0%
5102010 · OASI-Employer's Share	1,424.25	1,303.47	120.78	9.3%
5102020 · Retirement-ER Share	1,216.13	1,180.25	35.88	3.0%
5102060 · Health /Life Ins.-ER Share	4,924.79	5,010.04	-85.25	-1.7%
5102080 · Worker's Compensation	48.63	27.52	21.11	76.7%
5102090 · Unemployment Insurance	2.62	1.79	0.83	46.4%
5203020 · Auto-Private-Ownes Low Mileage	69.92	109.02	-39.10	-35.9%
5203030 · In State-Auto- Priv. High Miles	528.36	687.96	-159.60	-23.2%
5203100 · In State-Lodging	150.00	169.00	-19.00	-11.2%
5203140 · InState-Tax Meals Not OverNigt	42.00	42.00	0.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	80.00	94.00	-14.00	-14.9%
5203260 · OS-Air Commercial Carrier	1,299.70	0.00	1,299.70	100.0%
5203280 · OS-Other Public Carrier	197.72	0.00	197.72	100.0%
5203300 · OS-Lodging	1,146.36	0.00	1,146.36	100.0%
5203320 · OS-Incidentals to Travel	113.60	0.00	113.60	100.0%
5203350 · OS-Non-Taxable Meals Overnight	204.00	0.00	204.00	100.0%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	5,925.93	5,538.25	387.68	7.0%
5204160 · Workshop Registration Fees	2,085.00	0.00	2,085.00	100.0%
5204180 · Computer Services-State	528.30	520.05	8.25	1.6%
5204200 · Central Services	1,548.71	1,266.98	281.73	22.2%

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July through August 2022**

	<u>Jul - Aug 22</u>	<u>Jul - Aug 21</u>	<u>\$ Change</u>	<u>% Change</u>
5204220 · Equipment Service & Maintenance	7.61	9.60	-1.99	-20.7%
5204230 · Janitorial/Maintenance Services	319.68	290.62	29.06	10.0%
5204330 · Computer Software Lease	0.00	714.70	-714.70	-100.0%
5204460 · Equipment Rental	751.36	830.36	-79.00	-9.5%
5204490 · Rents Privately Owned Property	2,761.50	2,761.50	0.00	0.0%
5204530 · Telecommunications Services	424.16	310.14	114.02	36.8%
5204540 · Electricity	91.40	116.73	-25.33	-21.7%
5204560 · Water	22.35	22.35	0.00	0.0%
5204740 · Bank Fees and Charges	4,554.89	3,032.27	1,522.62	50.2%
5205020 · Office Supplies	80.65	148.18	-67.53	-45.6%
5205320 · Printing/Duplicating/Binding Co	36.50	40.15	-3.65	-9.1%
5228000 · Operating Transfers Out-NonBudg	620.33	1,004.35	-384.02	-38.2%
5228030 · Depreciation Expense	946.52	946.52	0.00	0.0%
<b>Total Expense</b>	<u>56,882.23</u>	<u>50,308.09</u>	<u>6,574.14</u>	<u>13.1%</u>
<b>Net Ordinary Income</b>	<u>115,887.02</u>	<u>191,298.95</u>	<u>-75,411.93</u>	<u>-39.4%</u>
<b>Net Income</b>	<u><u>115,887.02</u></u>	<u><u>191,298.95</u></u>	<u><u>-75,411.93</u></u>	<u><u>-39.4%</u></u>



## EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

### Renewals for individuals and firms

Paper renewal forms were available on our website on June 15, 2022. Online renewals opened June 15, 2022. As a courtesy a reminder email was sent on July 27, 2022, to individuals and firms that had not renewed their license or firm permit. Here is the status of renewals through September 6, 2022:

Entity	Renewed thru 7/31/2022	Pending renewals thru 7/31/2023	Completed renewals thru 7/31/2023
Firms	292	4	279
Individuals – Active	1280	18	1256
Individuals – Inactive	369	13	358
Individuals – Retired	146	5	170

Those that are pending have been sent expired license letters on August 4, 2022 and then a second letter on August 25, 2022.

### CPE Extensions

There have been 77 administrative extensions granted for the CPE reporting period ending June 30, 2022 through 9-6-22. The extensions are valid through 9-30-22. 42% of those granted extensions have already reported their completed CPE. The remaining 58% will be sent an email reminder to report the CPE with a deadline provided.

### NASBA Issues/Topics

1. CPA Evolution
  - a. Model Rules approved by NASBA/AICPA. The following are conflicts with our rules, but through discussion, these are the items the board is looking to move forward with:
    - i. Principles 1 & 2 undergraduate level not counting towards 24 hours in accounting
      1. Responses received from colleges/universities did not have any negative feedback with making this proposal change.
  - b. Implementation proposed for January 2024

### Board Discussion

- Any New Business/topics?

**National Association of State Boards of Accountancy, Inc.**  
**Meeting of the Board of Directors**  
**May 6, 2022 – Hilton Head, SC**

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 Michael Fritz at 9:00 a.m. ET on Friday, May 6, 2022. Chair Fritz welcomed all.

Chair Fritz asked President and Chief Executive Officer Ken L. Bishop to report on the meeting's attendance.

Report of Attendance

President and CEO Bishop reported the following were in attendance:

Officers

W. Michael Fritz, CPA (OH), Chair  
Richard N. Reisig, CPA (MT), Vice Chair \*  
Stephanie M. Saunders, CPA (VA), Secretary  
Tyrone E. Dickerson, CPA (VA), Treasurer  
A. Carlos Barrera, CPA (TX), Past Chair

Directors-at-Large

J. Coalter Baker, CPA (TX)  
Jimmy E. Burkes, CPA (MS)  
Maria E. Caldwell, CPA (FL)  
John F. Dailey, Jr., CPA (NJ) \*  
Faye D. Miller, CPA (ND)  
Nicola Neilon, CPA (NV)  
Katrina Salazar, CPA (CA)

Regional Directors

Alison L. Andrew, CPA (DE), Middle Atlantic Regional Director  
Nancy J. Corrigan, CPA (CA), Pacific Regional Director  
Larry Elmore, CPA (TN), Southeast Regional Director  
Lynn V. Hutchinson, CPA (LA), Southwest Regional Director  
Stephen F. Langowski, CPA (NY), Northeast Regional Director  
Jason D. Peery, CPA (ID), Mountain Regional Director  
Michael Schmitz, CPA (ND), Central Regional Director \*  
Kenya Y. Watts, CPA (OH), Great Lakes Regional Director

Board Member Absent

None

Executive Directors' Liaison

Kent Absec (ID), Executive Director, Idaho State Board of Accountancy

### 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  
Daniel J. Dustin, CPA, Vice President – State Board Relations  
Troy Walker, CPA, Director of Finance and Contoller  
Alfonzo Alexander, Chief Ethics and Diversity Officer and President, Center for the Public Trust

### Guests

Sharon Jensen, CPA, Chair, International Qualifications Appraisal Board \*

\* Attended virtually

President Bishop announced there was a quorum present.

### Approval of Minutes

Secretary Stephanie Saunders presented the minutes of the January 18, 2022, Board of Directors meeting and asked if there were any revisions. Being none, Ms. Saunders moved that the January 18, 2022, minutes be accepted. Mr. Peery seconded, and the motion passed.

### Report of the Chair

Chair Fritz reported that he updated the Executive Committee about his activities for the last quarter during the committee's meeting on May 6. He reported that the AICPA-NASBA Summit was held in February in Miami, FL. The meeting resulted in great discussions on several topics and provided an opportunity to vet issues in a face-to-face format. He noted that NASBA meetings and conferences will be held in a live format for the remainder of the year with a virtual option.

Chair Fritz reported that he had attended numerous NASBA committee Zoom calls and appreciated the hard work and progress on issues being worked on by the committees. He noted that he attended the CPT golf outing which served as an opportunity for attendees to learn about what NASBA does while showing support for the work of the CPT. He discussed attending a NASBA Audit committee meeting in Nashville and the Executive Directors Conference in Clearwater Beach, FL, noting that it was a great meeting that was well attended by many executive directors and state society chief executive officers. He reported on appointment to several outside boards and committees including two appointments to the AICPA's Auditing Standards Board and the AICPA's Professional Ethics Executive Committee. He also reported that the PCAOB will be appointing a former NASBA volunteer to a standard advisory group.

Chair Fritz also reported that the Executive Committee met with the Committee on Relations with Member Boards on May 5.

## Report of the President & CEO

President and Chief Executive Office Ken Bishop began his report by stating it was great to be back together in a face-to-face environment. He noted that new technology in the room using meeting Owls will aid those attending NASBA meetings virtually. He thanked Communications staff who attend the meeting and reported that Alfonso Alexander will regularly attend future Board of Directors meetings.

Executive Vice President and Chief Operating Officer Colleen Conrad provided an organizational update. She reported on the recent death of a 23-year employee of NASBA who worked in CPAES. Ms. Conrad reported that Juneteenth, a new federal holiday, will be recognized by NASBA and that the information was shared with NASBA staff during a recent sunshine day. The sunshine day was the first face-to-face event for NASBA employees since the beginning of COVID. More than 100 employees were in attendance.

President Bishop reported on COVID unwinding at NASBA based on common sense and feedback from constituents. There are a variety of opinions on how to proceed with face-to-face meetings and he anticipates a gradual adjustment to balance people's concerns and safety. NASBA will encourage attendance at its meetings and will measure how best to do that. He noted that the move to face-to-face meeting is supported by Executive Committee. Staff travel has re-started with NASBA staff engaging state boards through visits and conferences. In addition, NASBA committees will be allowed to begin meeting in a face-to-face format.

Ms. Conrad reported on AICPA-NASBA Summit topics including federal legislation and possible Uniform Accountancy Act (UAA) projects. She reported that the Public Company Accounting Oversight Board (PCAOB) had entirely new members. NASBA has reached out to the new leadership to schedule a meeting. In addition, the PCAOB had established two new advisory groups. She reported on additional planned outreach to the US Department of Labor, the Internal Revenue Service and the US Securities and Exchange Commission. Ms. Conrad reported that she had attended the ATP Global conference for testing professionals. Conference topics included remote testing, fairness, and accommodations. She also informed the board that Mr. Dustin had recently presented on CPA Evolution at a webinar held by the Council on Licensure Enforcement and Regulation (CLEAR).

President Bishop spoke about international relevance. He noted that there is new leadership at CPA Canada and plans will now commence to hold an upcoming meeting with representatives from Canada, Mexico, and the United States. A Mutual Recognition Agreement (MRA) with CPA Ireland is in process and he reported that there is renewed hope to move forward with an MRA with the Institute of Chartered Accountants in England and Wales (ICAEW).

Ms. Conrad provided an update on CPA Evolution. The current focus of the initiative is on the Uniform CPA Examination. Emails were sent to the boards of

accountancy regarding the upcoming structural changes to the exam and the transition policy for those who have conditional credit for exam sections passed as of December 31, 2023. Following discussions with the CBT Administration committee and the Executive Directors committee, a webcast for all state board members was held. An AICPA webinar provided an opportunity to speak with more than 500 educators about the transition policy. The new Uniform CPA Examination Blueprint will be issued for exposure by the AICPA on July 1 for a 90-day exposure period. NASBA committees will prepare a comment letter early and share it with the boards of accountancy. Outreach to the boards of accountancy continues to make sure boards' back-office systems are updated for new exam.

Ms. Conrad discussed the CPA pipeline and the roles of the AICPA and NASBA with respect to pipeline stating the AICPA's role is to attract individuals to the profession and it's the boards of accountancy's role to get them licensed. The goal is to maximize resources while reducing redundancy. NASBA is sending emails, with assistance from Prometric, to nurture candidates by reminding them of both expiring Notices to Schedule (NTS) and conditional credit for sections of the exam.

Regarding the Uniform CPA Examination, Ms. Conrad noted that masks will not be required at Prometric test centers as of May 1, 2022, for candidates or Prometric employees. Other COVID procedures remain in effect. Upcoming changes to exam administration include moving to a more flexible international model where if approved to take the exam, a candidate could take the exam domestically or at any international test center where the CPA Exam is given. Block scheduling is also being considered for candidates. As an example, Ms. Conrad suggested that a firm with a relationship with a university could have all their candidates study and test one section at a time.

Ms. Conrad reported that Gateway 3.0 will be ready for the launch of CPA Evolution in January 2024. The business requirements for Gateway have been collected. She reported that of the seven projects falling under the heading of technical debt, one has been completed and six are on track.

Ms. Conrad reported on the rules engine service provided to the international accounting firms to track their employees' compliance with CPE. She also reported that the updated CPE Audit Services software has been very positively received by firms and individuals and she anticipates bringing new states online with the software. Some boards of accountancy are still pushing back on it based on feedback at the ED conference. Ms. Conrad finished her report by discussing a new employee management tool that can be fine-tuned for each employee to allow management and employees to monitor productivity. If variances occur, management can meet with the employee to understand variances from the norm. In the future, general merit increases will continue, however, the system may provide information to reward highly productive employees.

President Bishop acknowledged Mr. Absec for a great Executive Directors Conference and recognized the Communications team for producing the event. Mr. Absec noted that there were many first-time attendees at the conference. He also noted that the mentorship program has been highly successful and its value showed during the

conference. He also noted that state society executives were also engaged and involved in the conference and credited the chair of the State Society Relations committee for her involvement in the event.

President Bishop introduced Vice President, State Board Relations Daniel Dustin who reported on ongoing outreach to the boards of accountancy. Activities included the semi-annual regional conference calls held by the regional directors in January and February, FOCUS Questions soliciting information from the boards, and meetings and visits with several boards of accountancy over the last three months.

Mr. Dustin also provided an update on legislative affairs, noting that twenty states had 76 de-regulation bills rollover into the current legislative cycle and in addition, 32 states had legislation filed during the current year. The bills fall into the broad categories of criminal conviction, least restrictive means, sunset & sunrise, universal licensure, and study commissions.

President Bishop asked Mr. Alexander to provide an update on the Center for Public Trust (CPT). Mr. Alexander discussed a recent golf tournament fundraising event held on March 28 in Nashville with plans to grow the event in future years. He noted that it is the only CPT fundraising event held in Nashville. Mr. Alexander informed the board that the CPT video competition had started. Students create videos focused on ethics dilemmas as part of the competition. More than 5,000 students participated in the Ethical Leadership certification program this year. He noted that every business student at Auburn University will participate in the program and Mississippi State University will implement the program in the fall of 2023. The program has been updated by adding a simulation and using a different hosting platform to increase security. The student leadership conference will be held at the Western Regional meeting in Colorado Springs, CO. He discussed the initiative to establish more CPT chapters on the campuses of Historically Black Colleges and Universities, noting that four new chapters will be created in the next school year. Mr. Alexander noted that NASBA benchmarks its demographics to Nashville's population. He reported that NASBA is within 1%-2% of the benchmark.

President Bishop completed his update by highlighting the trending topics to be discussed later in the meeting.

#### Report from Vice Chair

Mr. Reisig reported having attended several NASBA committee meetings. He noted it was interesting to see the different meeting styles and the overall commitment of committee members. He also reported that he met with his counterpart from the AICPA during the NASBA-AICPA Summit so that they are in sync during the upcoming year. A pre-planning meeting was held in Nashville at the end of March and the planning meeting is scheduled in the coming weeks. He reported that the number of committee participation applications received so far are on track with previous years and that the planning process will continue through the regional meetings. The Financial Accounting Foundation (FAF) will be holding its 50<sup>th</sup> anniversary celebration and he will be

participating virtually. He closed his report by providing the 2023 board meeting location: St. Thomas, VI; Napa Valley; Santa Fe, NM with the annual meeting in NYC.

#### Report from the Nominating Committee

Mr. Barrera reported that a preliminary meeting of the committee was held, and the committee will meet on May 10 to interview three candidates for vice chair position. The resignation of the Southwest representative resulted in the alternate filling the role on the committee. As a result, the Southwest region will elect an alternate at the Western Regional meeting. Mr. Barrera also reported on the deadlines to submit interest in serving as a Director-At-Large or a Regional Director together with the dates of committee's meetings to determine the slate of officers for 2022-2023.

#### Report of the Administration and Finance Committee

Treasurer Dickerson recognized Michael Bryant and Troy Walker for their efforts on behalf of NASBA and noted that there will be action items for board approval.

Mr. Dickerson referred the board to the dashboard in the meeting binder and discussed actual results to budget as well as to the prior year. Senior Vice President and Chief Financial Officer Michael Bryant referred the board to the "top five things to know" slide in the meeting binder. Operations outperformed budget for the first eight months of fiscal 2022. Comparative results to the prior year are not meaningful due to several anomalies created by the pandemic. Examination revenue continues to experience a downward trend over the past four years. Investments have been volatile due to inflationary economic pressures and geopolitical events. NASBA received forgiveness of its \$1.9 million Paycheck Protection Program loan. Forgiveness of accrued interest brought the gain to \$2.0 million. Projected increase in net assets for the year is \$5.9 million. This figure includes \$2.1 million of investment income which may not be achievable considering the current economic environment. The projected increase in net assets, excluding investment gains or losses is projected to be \$3.8 million.

Mr. Langowski made a motion that the February 2022, financial statements as recommended by the Administration and Finance committee be accepted. Ms. Salazar seconded, and the motion passed.

Mr. Bryant concluded his report by discussing investment performance which continues to exceed the benchmarks for the various investment classes. He noted, however, that performance had not exceeded the CPI plus 2% performance target in the investment policy statement for the last quarter, due to the high level of inflation experienced in the economy. He noted that monthly investment performance has been volatile during the current fiscal year and that the focus is on long-term performance.

Mr. Bryant reviewed proposed changes to the investment policy statement that would remove defined asset class market capitalization limits and adopt generally accepted, nationally recognized index for each asset class. In addition, a change in the alternative investments class was discussed together with minor language changes. Mr.

Bryant also discussed proposed changes to the target asset mix limits.

Mr. Dickerson motioned that the changes to the investment policy statement, as recommended by the Administration and Finance committee, be accepted. Ms. Salazar seconded, and the motion passed.

#### Report of the International Qualifications Appraisal Board

Sharon Jensen, Chair, NASBA's International Qualifications Appraisal Board (IQAB) provided an overview of a proposed mutual recognition agreement (MRA) with CPA-Ireland. Ms. Jensen noted that the AICPA's board had approved the MRA during its meeting in April. Ms. Jensen discussed the qualifications necessary for US licensed CPAs to become licensed as an Irish CPA and the qualifications required of an Irish CPA to become licensed in the United States. Ms. Neilon made a motion to approve the MRA with CPA Ireland. Ms. Watts seconded, and the motion passed.

#### Report of the Audit Committee

Mr. Schmitz referred the board to a written report in the meeting binder discussing the committee's activities during its January orientation meeting and its April planning meeting, which included an update from NASBA's audit firm on new auditing standards and key audit matters.

#### Report of the Education Committee

Mr. Peery noted that the committee usually seeks approval of research grant proposals during the spring meeting of the board of directors. He informed the board that four grant proposals were received in the current year and that two of the proposals had to be excluded because the researchers asked for detailed candidate or licensee data that NASBA could not provide. He noted that the committee was seeking additional information from the other two research teams, and he was hoped to bring one or both proposals to the July board of directors meeting for discussion and possible approval. Mr. Peery also noted that he and committee member Richard Silverman would be providing a committee update at the NASBA Regional meetings.

#### Report of the Executive Directors Committee

Mr. Absec reported that the Executive Directors Conference was a huge success and a great learning opportunity with 178 attendees, including 40 executive directors. He noted that the turnover of executive directors continues. Future committee activities will include reinforcing the mentoring program, continuing to engage newly appointed executive directors, and sending a conference summary letter to Chair Fritz and President Bishop. He also suggested that the committee structure needs to be examined due to the turnover of seasoned executive directors. It is anticipated that seven executive directors could retire in the next two to three years. The make-up of Executive Directors committee could be especially challenging with many executive directors having multiple board responsibilities. Mr. Absec noted that he will share his thoughts with vice chair



Rick Reisig.

### Report of the Bylaws Committee

Mr. Burkes reported that the committee had reviewed the bylaws for operational uniformity among various NASBA committees. He noted that the Examination Review Board (ERB) differed from other NASBA committees, and that the bylaws committee was working on possible amendments to the bylaws. Mr. Burkes reviewed the proposed changes being discussed by the bylaws committee and indicated that a final set of proposed amendments would be brought to the board for its approval during the July meeting.

Mr. Burkes also noted that the work will be an evergreen process and that the ERB will report on its work during the NASBA annual meeting. He noted that an ERB member's term would end on July 31, 2022, and that Chair Fritz would nominate a vice chair and a new committee member at that time.

### Report of the Relations With Member Boards Committee

Ms. Watts reported that the committee met on the previous day to discuss standard agenda items, including developing questions for the executive committee, the outcomes of the semi-annual regional conference calls, the future use and administration of Focus Questions. The committee also discussed the regional meeting agenda, including realigning sessions to facilitate discussions during the regional breakout sessions and reviewing the process followed to elect nominating committee members.

### Policy Discussions

The Board members exchanged views on the following topics:

#### Principal place of business

Ms. Saunders introduced the topic by highlighting her discussion at the Executive Directors Conference and the confusion that has occurred when a CPA's principal place of business is in one state and the CPA's residence is in another state. She noted that some boards are requiring licensure based on residence even though the CPA's principal place of business is in another state. Mr. Bishop noted that the Uniform Accountancy Act (UAA) does not focus on state of residence, nor does it provide a lot of language around how a CPA determines his or her principal place of business.

#### SEC Non-CPA Audits

Mr. Langowski provided an overview of the history of ESG reporting and recent US SEC proposed regulations related to climate related matters and financial statement reporting. The proposed regulations may require corporate boards of directors to have an individual with expertise in ESG matters and may require discussion of risk mitigation strategies. Mr. Langowski anticipates that the regulatory response committee may

comment on the SEC exposure draft to specific areas that are of focus to boards of accountancy. From a regulatory perspective, he anticipates that boards of accountancy will continue to evaluate and possibly act on referrals from federal regulators.

#### Internships and apprenticeships as education

President Bishop discussed the range of internship hours currently allowed by boards of accountancy and the potential impact on mobility and uniformity should a jurisdiction adopt a model that is significantly different from the norm. He asked, are there alternatives that make sense and positively impact the pipeline? The board discussed the impact of alternative models without lowering the bar of licensure.

Adjournment: On a motion by Mr. Dickerson, second by Mr. Burkes, the meeting adjourned at 3:37 pm.

# **National Association of State Boards of Accountancy, Inc.**

## **Virtual Meeting of the Board of Directors July 8, 2022 – 11:00 a.m. Eastern Daylight Time**

### **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 W. Michael Fritz at 11:01 a.m. EDT on Friday, July 8, 2022, via Zoom. As called for in Bylaws Section 4.8, Chair Fritz called a special meeting of the Board of Directors to fill a vacancy on the Board of Directors in accordance with Section 4.6 of the Bylaws created by the passing of Director-at-Large John F. Dailey, Jr., CPA (NJ).

Chair Fritz asked President Ken L. Bishop to report on the Zoom meeting's attendance.

### **2. Report of Attendance**

President and CEO Bishop reported a quorum was present and the following were on the Zoom call:

#### **Officers**

W. Michael Fritz, CPA (OH), Chair  
Richard N. Reisig, CPA (MT), Vice Chair  
A. Carlos Barrera, CPA, (TX), Past Chair

#### **Directors-at-Large**

J. Coalter Baker, CPA (TX)  
Jimmy E. Burkes, CPA (MS)  
Maria E. Caldwell, CPA (FL)  
Tyrone E. Dickerson, CPA (VA)  
Nicola Neilon, CPA (NV)  
Stephanie M. Saunders, CPA (VA)

#### **Regional Directors**

Nancy Corrigan, CPA (CA), Pacific Regional Director  
Lynn V. Hutchinson, CPA (LA), Southwest Regional Director  
Alison L. Houck, CPA (DE), Middle Atlantic Regional Director  
Stephen F. Langowski, CPA (NY), Northeast Regional Director  
Jason D. Peery, CPA (ID), Mountain Regional Director  
Michael Schmitz, CPA (ND), Central Regional Director  
Kenya Y. Watts, CPA (OH), Great Lakes Regional Director

#### **Staff**

Ken L. Bishop, President and Chief Executive Officer  
Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer

Daniel J. Dustin, CPA, Vice President, State Board Relations  
Anita Holt, Executive Assistant to the President and CEO  
Melissa Brennan, Executive Office Support Assistant

Absent: Larry Elmore, CPA (TN), Southeast Regional Director

### 3. Elections to Fill Vacancy on the Board of Directors

Chair Fritz referred the board members to the document shared with the board outlining the policies to be followed to fill the vacancy in the position of Director-At-Large. According to the bylaws, a nominee would need a majority of board member votes (10) to be elected to fill the vacancy. Chair Fritz's vote would be held in escrow to break a tie. If no nominee received a majority of the votes, the nominee receiving the fewest votes would be eliminated and the board would vote again. This procedure would be followed until a nominee received a majority of the votes. The board would begin with nominations to fill the vacant Director-At-Large position that is required by the bylaws to be a delegate.

Chair Fritz opened the floor for nominations to fill the position of Director-At-Large.

Mr. Burkes nominated J. Andy Bonner, CPA (TN), seconded by Ms. Neilon

On a motion by Mr. Schmitz, seconded by Mr. Dickerson, a motion to close nominations was approved.

A vote of affirmation passed electing J. Andy Bonner, CPA (TN) to fill the unexpired term of Director-At-Large vacated by the passing of John F. Dailey, Jr.

### 4. Adjournment

Chair Fritz thanked the entire Board for their teamwork. There being no additional business, on a motion by Mr. Langowski, seconded by Ms. Caldwell, the meeting was adjourned at 11:06 a.m.

**NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.**

**Highlights of the Board of Directors Meeting**

**July 22, 2022 – Rancho Palos Verdes, CA**

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, July 22, 2022, in Rancho Palos Verdes, CA, the Board took the following actions:

- Unanimously approved the minutes of the May 6, 2022, and July 8, 2022, Board of Directors meetings.
- Unanimously approved the May 2022 NASBA financial statements as recommended by the Administration and Finance Committee and presented by Treasurer Tyrone Dickerson (VA) and Senior Vice President and Chief Financial Officer Michael R. Bryant.
- Unanimously approved the consolidated Fiscal 2023 operating and capital budgets as recommended by the Administration and Finance Committee.
- Unanimously approved the recommended recipients of NASBA accounting education research grants as presented by the Education Committee Chair Jason Peery (ID).
- Reviewed and approved proposed Bylaws changes to section 7.1.2 Nominating Committee Composition and Election, section 8.6.1 CPA Examination Review Board, and the deletion of section 8.6.2 CPA Examination Review Board as presented by Bylaws Committee Chair Jimmy E. Burkes (MS). The changes will be sent to the member Boards and voted on at the Annual Business Meeting.
- Approved the Awards Committee's recommendations: Donny Burkett (SC) will be the recipient of the 2022 William H. Van Rensselaer Public Service Award; John F. "Jack" Dailey (NJ) will be the posthumous recipient of the 2022 NASBA Distinguished Service Award; and Patty Bowers (CA) will be the recipient of the 2022 Lorraine P. Sachs Award for Executive Directors. The awards will be presented at the 2022 Annual Business Meeting in November.
- Accepted the slate of NASBA 2022-2023 officers and directors selected by the Nominating Committee as presented by Nominating Committee Chair Carlos Barrera (TX). The election of officers and directors will be held at the Annual Business Meeting in November.
- Heard a report from Chair W. Michael Fritz (OH) on the activities of Executive Committee and its meeting with the Relations with Member Boards Committee.
- Heard a report from Vice Chair Richard Reisig (MT) on his activities during the past quarter.

- Received a report from President and CEO Ken L. Bishop on transitioning back to face-to-face meetings and vaccination policies for the remainder of 2022.
- Executive Vice President and Chief Operating Officer Colleen K. Conrad provided an organizational update.
- Ms. Conrad provide an update on the CPA Evolution initiative.
- President Bishop and Ms. Conrad provided an update on outreach activities.
- Ms. Conrad reported the status of internal technology-related projects.
- Vice President, State Board Relations, Daniel J. Dustin reported on recent board of accountancy outreach activities and legislative affairs activities.
- President Bishop provided an update on recent Center for Public Trust activities.
- Ms. Stephanie-Saunders (VA) reported on the activities of the Uniform Accountancy Act Committee.
- Ms. Kenya Watts (OH) reported on the activities of the Relations with Member Boards Committee, including plans for the upcoming semi-annual regional conference calls to be held in September.
- Executive Director Committee Chair Kent Absec (ID) provided a report on the activities of the Executive Directors Committee.
- Ms. Alison Andrew (DE) provides an update on the activities of the Diversity Committee, including continued outreach to newly appointed board of accountancy members.

The next meeting of the NASBA Board of Directors will be held on October 28, 2022, in San Diego, CA.

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

Proposed Bylaws Changes  
**Revisions to the Bylaws for NASBA Membership to consider at the  
115<sup>th</sup> Annual Meeting**

**October 30-November 2, 2022**

**Proposed Change #1: Current 7.1.2 Nominating Committee  
Composition and Election Language**

7.1.2 With the exception of the Past Chair, no member of the Nominating Committee may serve concurrently as a member of the Board of Directors and the Nominating Committee, and no member may be eligible for election to the Board of Directors through the entirety of his or her elected term on the Nominating Committee and through the adjournment of the next following Annual Meeting. For purposes of this subsection, an alternate of the Nominating Committee is considered a member of the Committee.

**Proposed Bylaws Changes as approved by the NASBA Board of  
Directors on July 22, 2022:**

7.1.2 With the exception of the Past Chair, no member of the Nominating Committee may serve concurrently as a member of the Board of Directors and the Nominating Committee, and no member may be eligible for election to the Board of Directors through the entirety of his or her elected term on the Nominating Committee and through the adjournment of the next following Annual Meeting ***(the one-year cooling off period)***. For purposes of this subsection, an alternate of the Nominating Committee is considered a member of the Committee.

**Clean version of the Proposed Bylaws Changes as approved by the NASBA Board of Directors on July 22, 2022:**

7.1.2 With the exception of the Past Chair, no member of the Nominating Committee may serve concurrently as a member of the Board of Directors and the Nominating Committee, and no member may be eligible for election to the Board of Directors through the entirety of his or her elected term on the Nominating Committee and through the adjournment of the next following Annual Meeting (the one-year cooling off period). For purposes of this subsection, an alternate of the Nominating Committee is considered a member of the Committee.

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**Proposed Change #2: Current ERB Bylaws Language**

**8.6 CPA Examination Review Board**

8.6.1 The CPA Examination Review Board ("ERB") shall: review, evaluate and report on the appropriateness of the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and other examinations in general use by boards of accountancy for the licensing of certified public accountants; examine such records, and make such observations, inspections, and inquiries as it deems necessary; and report annually to the boards of accountancy.



**Proposed ERB Bylaws Revision as approved by the NASBA Board of Directors on July 22, 2022:**

8.6.1 The CPA Examination Review Board (“ERB”) shall: ~~review,~~ evaluate and report on significant adherence with the appropriateness ~~of~~ the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and ~~other examinations in general~~ the International Qualifications Examination used by boards of accountancy for the licensing of certified public accountants; to include observation, inquiry and inspection of examine such pertinent records; and report annually on the ongoing reliability of such examinations for the licensing of certified public accountants, ~~and make such observations, inspections, and inquiries as it deems necessary; and report annually to the boards of accountancy.~~

**Clean version of the Proposed ERB Bylaws Revision as approved by the NASBA Board of Directors on July 22, 2022:**

8.6.1 The CPA Examination Review Board (“ERB”) shall: evaluate and report on significant adherence with the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and the International Qualifications Examination used by boards of accountancy for the licensing of certified public accountants; to include observation, inquiry and inspection of pertinent records; and report annually on the ongoing reliability of such examinations for the licensing of certified public accountants.

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**Proposed Change #3: 8.6.2 Delete this subsection from the Bylaws**

~~8.6.2 The Chair of the ERB may serve a two year term. During the first year of that term, the immediate past chair of the ERB will serve as Past Chair of the ERB. By the end of the first year of the ERB Chair's term, the Chair of the Board of Directors, subject to the approval of the Board of Directors, shall appoint a Vice Chair of ERB who will serve in the second year to the ERB Chair's term. A vacancy in the office of the Chair of the ERB shall be filled by the Vice Chair of the ERB. The Chair of the Board of Directors shall, subject to the approval of the Board of Directors, also appoint other members of the ERB. The Board by Resolution may establish the minimum number of ERB members, terms of service and a method to stagger the terms.~~