

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY
 Conference Call
 Call in Number 1-844-833-2681 Access Code 0155010#
 October 26, 2017
 9:00 a.m. (CDT)

A=Action
 D=Discussion
 I=Information

A. Call to Order.....	Pummel
B. Roll Call.....	Kasin
C. A-Approval of Minutes of Meeting September 27, 2017.....	2
D. A-Approval of Certificates & Firm Permits.....	3-4
E. D-Proposed Statute.....	5
F. A-Report to Board on Grades.....	6-7
G. A-Report to Board on 2 nd Requests for CPE Extensions.....	8-17
H. D-Executive Director's Report.....	18

EXECUTIVE SESSION

I. Equivalent Reviews, Follow-up, Off-Site Request, and FY Ending 2016 Audit for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CT)

- J. December 5, 2017 – 9:00 Conference Call
- K. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Conference Call
September 27, 2017 9:00 a.m. CDT

Chair David Pummel called the meeting to order at 9:00 a.m. Nicole Kasin called the roll. A quorum was present.

Members Present: Jeff Strand, Holly Brunick, Marty Guindon, Jeff Smith, Deidre Budahl, and David Pummel.

Others Present: Nicole Kasin, Executive Director, Julie Iverson, Sr. Secretary, Graham Oey, Staff Attorney, DLR and Bob Mercer, newspaper reporter.

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

Deidre Budahl made a motion to approve the September 19, 2017 meeting minutes. Jeff Smith seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Strand -yea; Brunick -yea; Guindon.-yea; Smith-yea; Budahl-yea; Pummel-yea)


The Board discussed proposed statute language.

Jeff Strand made a motion to move forward to draft legislation. Deidre Budahl seconded the motion. **MOTION PASSED.** (Strand -yea; Brunick -yea; Guindon.-yea; Smith-yea; Budahl-yea; Pummel-yea)


FUTURE MEETING DATES (all times CT)
October 26, 2017 - 9:00 a.m. conference call
December 5, 2017 - 9:00 a.m. conference call

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

All business having come before the board was concluded and Chair David Pummel adjourned the meeting at 9:12 a.m.



David Pummel, CPA, Chair

Attest: 

Nicole Kasin, Executive Director



Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through October 20, 2017

Number	Name	Date Issued	Location
3332	Daniel Owen Campnell	9/20/17	Rapid City, SD
3333	Katie Ann Gibbons	9/26/17	Sioux Falls, SD
3334	Shelly Rae Anderson	9/27/17	Brookings, SD
3335	Martin Scott Eller	9/29/17	Sioux Falls, SD
3336	Carissa Jo Tinklenberg	10/4/17	Sioux Falls, SD
3337	Abigail X. Brandenburger	10/10/17	Sioux Falls, SD
3338	Megan Joanne Grant	10/10/17	Sioux Falls, SD
3339	Christian G. Abera	10/11/17	Sioux Falls, SD
3340	DeShayne Hoag	10/11/17	Rapid City, SD
3341	Jeffrey John O'Brien	10/17/17	Sioux Falls, SD
3342	Andrew Steven Pier	10/18/17	Sioux Falls, SD

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

**Issued Through
October 20, 2017**

Number	Name	Date Issued	Basis/Comments
1700	VRS P.C. Watertown, SD	09/25/17	Name Change
1701	EGE Group, LLC Sioux Falls, SD	10/20/17	New Firm

PROPOSED STATUTE LEGISLATION

Nicole Kasin

FOR AN ACT ENTITLED, An Act to clarify certain terms regarding accounting.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 36-20B be amended by adding a NEW SECTION to read:

Notwithstanding any other provision of law, any person or firm which does not hold a valid certificate, permit, or registration under this chapter and assumes or uses any title or designation that includes the words, accountant, auditor, or accounting must clearly state “unlicensed” adjacent to the title or designation when used on any sign, advertisement, business card, letterhead, or any other document or device. However, the provisions of this section do not apply to any individual granted practice privileges under the provisions of § 36-20B-66 or 36-20B-67 or to any firm that is exempt from the permit requirements pursuant to § 36-20B-32.2 or 36-20B-32.3.

This section does not prohibit any firm or organization from using the words, accountant, auditor, or accounting to designate the position, title, or department that any officer, partner, member, manager, or employee holds therein.

A violation of this section is a class 2 misdemeanor.

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 54th window. These grades are through September 2017. I have included the average scores per school since CBT started along with the number of students that have sat for their school respectively. The last chart shows the averages for the past 8 windows.

Overall Average Window 1-54

Window	(All)
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Average of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	Grand Total
Augie	75	73	73	74	74
BHSU	70	71	71	72	71
COTech	65	69	69	73	69
DSU	70	70	63	69	68
DWU	70	66	65	75	69
Mt. Marty	65	67	72	69	68
NAU	69	66	67	69	68
NSU	72	69	72	71	71
OS	74	73	71	72	73
SDSU	74	75	76	77	75
USD	77	75	74	74	75
USF	73	75	73	77	74
Grand Total	74	73	72	73	73

Students per section per school since CBT Began (3 or more parts)

Window	(All)
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Count of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	Grand Total
Augie	101	104	95	112	412
BHSU	123	126	107	106	462
COTech	23	21	14	14	72
DSU	17	18	17	14	66
DWU	20	17	19	15	71
Mt. Marty	26	29	17	20	92
NAU	16	20	27	23	86
NSU	100	118	82	97	397
OS	263	267	252	246	1028
SDSU	42	40	31	36	149
USD	280	298	282	287	1147
USF	87	84	81	67	319
Grand Total	1098	1142	1024	1037	4301

Average for past 8 windows (3 or more parts)

Window	(Multiple Items)
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Average of Score	Section				
School	AUD	BEC	FAR	REG	Grand Total
Augie	75	78	73	75	75
BHSU	69	73	75	74	72
DSU		68			68
DWU	81	64	74	79	74
Mt. Marty	62	55			58
NAU	71	74	70	70	71
NSU	71	63	66	70	67
OS	75	77	75	69	74
SDSU	74	78	72	79	76
USD	75	74	73	73	74
USF	71	80	72	76	75
Grand Total	73	74	73	73	73

The Board needs to Approve the 2017-3 (54th Window) grades.

CPE EXTENSION REQUESTS

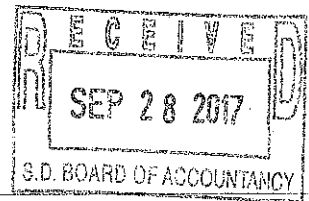
Nicole Kasin

The following letters are from individuals who are requesting a second CPE extension for the July 1, 2016 to June 30, 2017 CPE reporting period. They had already been given a 90 day extension from staff which was through September 30, 2017.

In accordance with ARSD 20:75:04:10 the board shall review subsequent requests for extensions 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.

Please make a determination individually for each of the following requests.

9/26/17



Dear Board:

Please grant me a CPE extension until 12/31/17 for the 22.5 hours needed at 6/30/17.

A previous extension was granted until 9/30/17.

I only work from late January through April 15 for the last 13 years.

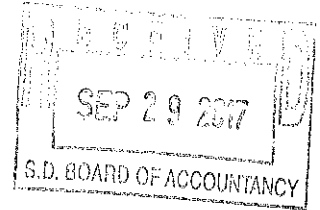
If I return to work it will not be before late January 2018.

Thank you for consideration.

Jack Dugan

September 29, 2017

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



RE: CPE EXTENSION

Dear Board Members:

This letter is to explain the reasons why I failed to complete my required CPE hours within the granted 90 day extension period and to request an additional one month to complete my CPE requirements.

I was unable to complete my required CPE hours within the 90 day extension period because of conflicting audit work obligations with local CPE training opportunities. One such conflict was the scheduling of an audit work engagement near the same time of the 2017 IPA Governmental Audit Workshop held in Pierre, SD. My departmental management decided that because of the necessity to complete preliminary audit procedures for an out of town facility audit, that my attendance at this year's workshop would not be possible. Additionally, current auditing deadlines and other out of town facility audit obligations have prevented me from obtaining my required CPE hours within the granted 90 extension period.

Based on my current obligations, I feel that a one month CPE extension would be adequate to complete my CPE requirements and I appreciate your consideration of my request.

Sincerely,

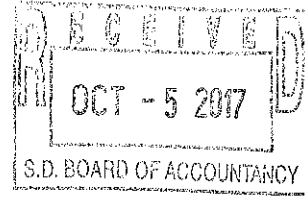
09/29/2017

X Jason Malsam

Jason Malsam

Signed by: Malsam, Jason

October 3, 2017



SD Board of Accountancy
Attn: Board
301 East 14th Street, Suite 200
Sioux Falls, SD 57104

Dear Board Members,

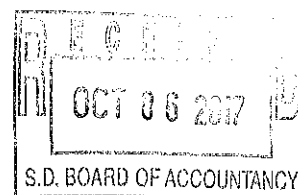
I mistakenly included some .5 credit hour courses in my CPE total. I am requesting a 30-day extension to complete the remaining 3.5 credit hours of CPE.

Thank you,

Chris N. Economo
3137 South Groveland Drive
Sioux Falls, SD 57110

October 5, 2017

South Dakota Board of Accountancy
301 E. 14th St. Ste 200
Sioux Falls, SD 57104



Jill R. LaCroix
6664 Green Oak Lane
Rapid City, SD 57703

RE: Request for additional time to complete my CPE for License No. 1879

Dear Board Members:

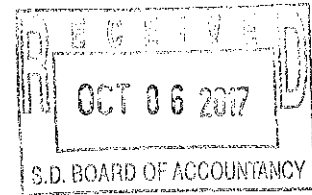
My mother passed away on February 18, 2016. At the time of her death, I became responsible for executing her estate, as well as the operations of our family businesses, LaCroix Investments, Inc., LaCroix Properties, LLC, and Interstate Boat, Inc. Prior to her death, I was responsible for the accounting and tax preparation for the above, and she managed LaCroix Investments, Inc.

LaCroix Investments, Inc. includes three businesses, Time Out Lounge & Grill, Time Inn Motel, and Bus's Bottle Shop. Since her death, I have been solely responsible for the operations of all three businesses. Due to her declining health prior to her death, I found all three businesses in need of serious reorganization. So my time since her death, has been spent getting these businesses back on the right track, including hiring of employees whom I could rely on. During this time, I have also worked for Ketel Thorstenson during the 2016 and 2017 tax seasons.

To put it simply, I just have not had the time to complete my required CPE. I have seriously considered relinquishing my CPA license due to all my other responsibilities, but after much thought and consideration, I feel that after working so hard to get my CPA, it would be foolish of me to give up so easily.

Now that the businesses are running smoothly, and I have nearly completed the filing of the 2016 tax returns for the family businesses, as well as coming close to closing her estate, I humbly request the SD Board of Accountancy to allow me to have until December, 31st, 2017 to complete the additional hours I need to renew my license.

Sincerely,
Jill R. LaCroix



October 6, 2017

South Dakota Board of Accountancy
301 East 14th Street, Suite 200
Sioux Falls, SD 57104

RE: 2nd Extension of Time to Complete CPE Requirements

Dear Sir or Madam of the Board:

I am writing to the board requesting an additional 3-month extension of my deadline to complete my required CPE. I initially did not have enough CPE completed by the first deadline so I filed my initial extension. In the beginning of August, my boss and the acting CFO at my current employer tendered his resignation and left effective immediately. I have spent the last two months trying to figure out what he left untied, what processes he used to perform that needed to be picked up, and have been working extra hours to try and keep the company above water. I have not had any additional time to successfully fulfill my CPE requirements under the time conditions of my initial extension. As a result, I humbly ask your consideration of my request for additional extension.

I am still relatively new at being a CPA in a private accounting environment and realize that I need to be more responsible and proactive at keeping up with my CPE during the course of the year rather than waiting until the end of the year to try and fit it all in. I pledge to get better at this going forward and aim to fulfill my CPE requirement for next year by the established June 30th deadline without any request for extension. I appreciate your time and your consideration.

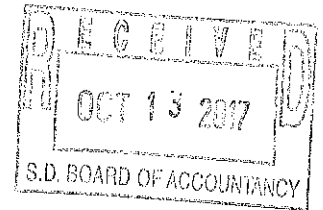
Gratefully yours,

A handwritten signature in cursive script that reads "Joseph Godshall".

Joseph Godshall
CPA Certificate #3059

October 12, 2017

South Dakota Board of Accountancy
301 E. 14th St. Suite 200
Sioux Falls, SD 57104



Dear Board:

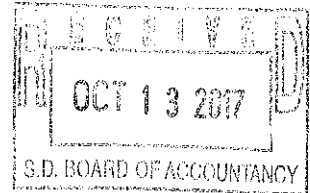
I am writing to request an extension for my continuing education hours. I had previously received an extension through September 30. However, in completing my hours, I inadvertently performed 4 hours of education utilizing half hour courses, not realizing those are not allowed. I anticipate having these final 4 hours completed by October 31st.

If you need anything else at this time, please let me know. Thank you for your consideration.

Best regards,

A handwritten signature in black ink, appearing to read "Dale Norton".

Dale Norton
605-310-6038



October 13, 2017

South Dakota Board of Accountancy
301 East 14th Street, Suite 200
Sioux Falls, SD 577104

Re: Extension of time to complete additional 5 hours of CPE

Dear Sirs/Madams:

As part of the continuing education requirement, I was to complete 30.5 hours of CPE in the third year of the 120 accumulated credit hour period (7-1-2014 to 6-30-2017). I was 6 hours short. The summer and fall of 2016 was a medically difficult time for me as I underwent 35 radiation treatments in May of 2016 and 3 separate subsequent hospital visits for infections. Needless to say, I wasn't 100% at work and although I didn't miss any time in performing my job responsibilities, I was physically unable to stay up with the extra activities, including my CPE requirements.

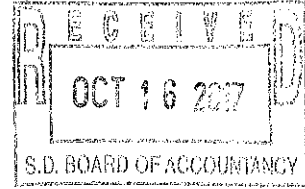
I have completed (1) hour in August and need an additional 5 to complete during any extension the board may consider to grant to me. Please consider an extension until the end of November.

Thanking you in advance for your consideration in this matter.

Very truly yours,

David M. Guy, CPA

Black Hills Service Company
625 Ninth Street
Rapid City, SD 57702



Andrea Vugteveen

8909 Sugar Maple Circle
Sioux Falls, SD 57110
Phone: 605-929-1966


► **South Dakota Board of Accountancy**

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

Dear Board of Accountancy,

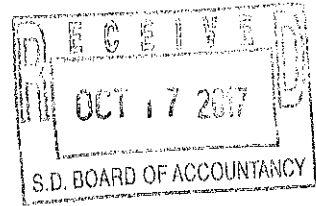
I would like to request a 30 day extension to complete 2 hours of CPE for the 2016 – 2017 fiscal period. Hours that I had completed by the original extension were disqualified due to being award 0.5 CPE hours. I understand that the extension request will expire on October 31st, 2017.

Thank you for your consideration,



Andrea Vugteveen

10/13/2017



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

Dear Board Members:

I am writing this letter to request an additional 60 days to complete the continuing professional education for FYE June 30, 2017. The reason more time is needed is as follows:

In March of 2015, my husband of 51 years developed pneumonia. That progressed to the very serious condition of pneumonic fibrosis, better described as scar tissue which will eventually completely take over his lungs. He spent until the end of May in the hospital in Sioux Falls and then in rehabilitation for 3 weeks in an Aberdeen nursing home.

We were told that there is no cure for this condition and he is past the age to qualify for a lung transplant. Therefore, we have limited time left together.

The specialists also told us we needed to remove all carpeting and reduce dust as much as possible in our home as these factors will aggravate and hasten the progression of his disease.

So, we hired contractors to replace all of the carpeting in our home of 38 years and add central air conditioning. They began the work in fall 2015 but then stopped for the winter since we were not able to spend the winter in our camper in the back yard.

They started up again this spring but there were constant interruptions and they finally finished so that we could have our home back just last week.

I had fully expected to finish my cpe requirements during the first extension time which ended September 30, this year. The reason I could not do that is because we had to move all of our furniture out of the house and I did not have access to my computer and office records. Also, much of this time has been spent going to doctors, caring for him, and trying to get our life reorganized.

My husband is doing much better now. Even the specialists are amazed that he has actually gotten somewhat better. We were told they have never seen this before but it is mostly because he works hard at it.

I thank you for your consideration and hopefully will be able to complete the required continuing education.

Sincerely,

Susan K. Meidinger
Susan K. Meidinger

- 10/17/17

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Database update

The board staff is working with GL Solutions to create the database. We are wrapping up the design process and moving into the mapping of data with various processes. After looking at calendars and seeing the work yet to complete we are setting a goal of testing the database starting late fall and then adjusting schedules with results of the testing. We are working with an end goal of going live in February.

CPE Audits

The list of licensees has been selected for CPE audits and letters were sent out to those selected on September 16, 2017. The documentation is due in our office no later than October 31, 2017.

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	52	31	21	0	0	0
CPA (Active in Firm)	57	44	13	0	0	0

Board Discussion

- Any New Business/topics?