

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

via [Microsoft Teams](#)

Meeting ID: 219 392 547 500 6    Passcode: EP24q4Dn

Or

Call +1-605-679-7263/ID: 829 106 254#

September 30, 2025, 9:00 a.m. CDT

A=Action  
D=Discussion  
I=Information

A. Call to Order (roll call).....	Engelhart
B. A-Approval of Agenda.....	Engelhart
C. Public Comment.....	Oratory
D. A-Approval of Minutes of Meeting August 13, 2025.....	2-4
E. A-Approval of Minutes Contested Case Hearing 117-25.....	5-6
F. A-Approval of Certificate & Firm Permits.....	7-8
G. A-Approval of Financial Statements through August 2025.....	9-18
H. D-Executive Director's Report.....	19-21
I. 9:00 – Contested Case Hearing in Disciplinary Case #122-25.....	22-26
a. Executive Session pursuant to SDCL 1-25-2 during hearing	
J. 9:45 – Contested Case Hearing in Disciplinary Case #125-25.....	27-33
a. Executive Session pursuant to SDCL 1-25-2 during hearing	

**NASBA**

K. D-Board of Directors Meeting Minutes April 25, 2025.....	34-41
L. D-Board of Directors Meeting Minutes May 7, 2025.....	42-44
M. D-Board of Directors Meeting Highlights July 25, 2025.....	45-46
N. D-Exposure Draft – Statement on Standards for CPE Programs.....	47-86

**EXECUTIVE SESSION pursuant to SDCL 1-25-2(6)**

O. Equivalent review follow-up for Board Approval.....	Spt. Pkt.
--	-----------

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

- P. Meeting Dates  
    December 16, 2025 – 9:00 a.m. - Teams meeting
- Q. Adjournment

**Meeting Minutes**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**  
ELO CPA's & Advisors, Sioux Falls and via Microsoft Teams  
August 13, 2025 8:30 a.m. CDT

Chair Deidre Budahl called the meeting to order at 8:33 a.m. A quorum was present.

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

**Others Present:** Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; and Jennifer Doubleddee, DLR Staff Attorney.

Chair Budahl asked if there were any additions to the agenda:  
CPA Request for Reinstatement of Relinquished License  
AUP Proposal for Executive Session

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

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

The regular meeting of the board was suspended at 8:33 a.m. for the contested case hearing for John Kippley, case no. 123-25. See minutes of administrative hearings for action taken.

The regular meeting of the Board was reconvened at 9:20 a.m.

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

DLR Staff Attorney Doubleddee reviewed the open meetings laws guide (revised 2025) from the SD Attorney General's office.

Budahl made a motion affirming all board members completed the annual review of the revised open meetings laws with legal counsel. Romkema seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the June 11, 2025, meeting minutes. Strand seconded the motion. **MOTION PASSED.**

Budahl made a motion to approve the issuance of certificates and firm permits through August 5, 2025. Olson seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the financial statements through July 2025. Budahl seconded the motion. **MOTION PASSED.**

The Board discussed NASBA's annual meeting, which will be held October 26 – 29, 2025, in Chicago, IL.

Budahl made a motion to approve travel for two board members and the executive director to attend NASBA's annual meeting in Chicago, IL October 26-29, 2025. Romkema seconded the motion. **MOTION PASSED.**

Tolsma made a motion to ratify the CPA exam scores for the 85th window through June 2025. Strand

seconded the motion. **MOTION PASSED.**

The Board reviewed and discussed the FY27 proposed budget.

Budahl made a motion to approve the FY27 budget as presented. Strand seconded the motion. **MOTION PASSED.**

Executive Director Kasin discussed her report on annual renewals for individuals and firms, CPE extensions, the July newsletter, the Educator's Conference held August 6, 2025, NASBA/AICPA updates to Section 5 and 23 of UAA, and state's proposals on the pathways for licensure.

The Board took a break from 10:24 a.m. to 10:35 a.m.

The regular meeting of the Board was reconvened at 10:35 a.m.

Tommy Pollema, Matt Mueller, Aaron Clayton, and Erik Gilbertson with the South Dakota CPA Society joined the meeting at 10:35 a.m. Clay Cudmore and Teresa Sveeggen joined via Teams at 10:35.

The Board and representatives from the SD CPA Society discussed Educators Conference, CPA Exam Evolution, 120 vs. 150 semester hours for exam and licensure, 2026 statute changes, Society updates on their initiatives, and open board appointments.

Representatives from the SD CPA Society left the meeting at 11:55 a.m.

The Board took a break from 11:55 a.m. to 12:02 p.m.

The regular meeting of the Board was reconvened at 12:02 p.m.

The Board discussed the request from Paula Rokusek for reinstatement of her relinquished CPA license.

Budahl made a motion to approve the reinstatement of Paul Rokusek's license in an inactive status. Strand seconded the motion. **MOTION PASSED.**

Strand made a motion at 12:11 p.m. to enter executive session in accordance with SDRS 1-25-2 (3) and (6) for the deliberative process for peer reviews, consent agreement and the AUP proposal. Romkema seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 12:33 p.m.

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

Tolsma made a motion to accept the consent agreement as discussed in executive session. Budahl seconded the motion. **MOTION PASSED.** (Olson-abstained and Strand-abstained)

Strand made a motion to accept the AUP Proposal as discussed in executive session. Romkema seconded the motion. **MOTION PASSED.** (Olson-abstained)

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

September 30, 2025 – 9:00 a.m. Teams

December 16, 2025 – 9:00 a.m. Teams

Strand made a motion to adjourn the meeting. Budahl seconded the motion. **MOTION PASSED.**

All business having come before the board was concluded and Chair Engelhart adjourned the meeting at 12:57 p.m.

DRAFT

**ADMINISTRATIVE HEARING MINUTES**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**

Meeting Via Teams  
June 11, 2025 9:30 a.m. CDT

The South Dakota Board of Accountancy convened at 9:30 a.m. on Wednesday, June 11, 2025, via Teams conference call.

The purpose of the contested case hearing was to hear the matter of Terry Torgerson, case no. 117-25.

**Members of the Board in Attendance:** Deidre Budahl (Chair), Jeff Strand, Priscilla Romkema, Holly Engelhart, Jay Tolsma, and Russell Olson.

**Others in Attendance:** Nicole Kasin-Executive Director, Julie Iverson-Licensing Administrator, Jennifer Doubleddee-DLR Staff Attorney, and Terry Torgerson.

Chair Budahl began the hearing in the matter of Terry Torgerson, license no. 1262, case file no. 117-25.

Chair Budahl deemed all board members present are part of the board for purposes of deciding this case.

Chair Budahl swore in witness Nicole Kasin and Terry Torgerson.

Staff Attorney Doubleddee waived making an opening statement on behalf of the Board office.

Terry Torgerson waived making an opening statement to the Board.

Staff Attorney Doubleddee presented the Board office case. Nicole Kasin testified as a witness for the Board office.

Staff Attorney Doubleddee moved to admit exhibit 102 to 104 into evidence. They were admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 101 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 105 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 106 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 107 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 108 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 109 into evidence. It was admitted and entered into evidence.

Terry Torgerson cross-examined Nicole Kasin.

Staff Attorney Doubleddee questioned Terry Torgerson.

Terry Torgerson presented his case to the Board. Staff Attorney Doubleddee cross-examined Terry Torgerson.

Staff Attorney Doubleddee made a closing statement and offered a proposed finding of fact, conclusions of law and decision for the Board to consider during their deliberations, which was received by Chair Budahl.

Terry Torgerson gave his closing statement.

The Board closed the record of the hearing at 9:59 a.m.

Strand made a motion at 10:00 a.m. to enter executive session for the purpose of deliberation. Olson seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 10:22 a.m.

Budahl rendered the decision on Torgerson as follows:

1. Torgerson's CPA license is suspended for 90 days.
2. Torgerson needs to provide proof of continuing education in the amount of 7 CPE hours or provide support for the courses he reported from July 1, 2021 to June 30, 2024 within 30 days.
3. Torgerson's fine is waived.
4. Once reinstated, Torgerson is ineligible for any CPE extensions for three years.
5. Torgerson will pay the costs of the proceeding against him within 30 days of receiving notice.

Strand made a motion to adopt the decision as presented. Tolsma seconded the motion. **MOTION PASSED.**

The hearing concluded at 10:25 a.m.

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES  
BOARD COPY**

**Issued Through September 24, 2025**

Number	Name	Date Issued	Location
3750	Tanner Jacob Broschat	8/19/25	Toms River, NJ
3751	Anthony Wayne Denlinger	8/21/25	Sioux Falls, SD
3752	Jacob Michael Jorgensen	8/21/25	Sioux Falls, SD
3753	Scott Henry Peterson	8/21/25	Canton, SD
3754	Pei-Yu Sun	8/25/25	Brookings, SD
3755	Amber Donna Waseen	8/25/25	Spearfish, SD
3756	Todd C. Winczewski (backdated)	7/31/25	Spearfish, SD
3757	Nathan Jack Schroeder	8/28/25	Sioux Falls, SD
3758	Clark Daniel Haugen	9/09/25	Boyden, IA
3759	Tyler Joseph Zenk	9/09/25	Sioux Falls, SD
3760	Jordan Joseph Belka	9/16/25	Sioux Falls, SD
3761	Brian Arthur Janecke	9/17/25	Rapid City, SD

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

**Issued Through  
September 24, 2025**

<b>Number</b>	<b>Name</b>	<b>Date Issued</b>	<b>Basis/Comments</b>
1825	Brady Martz, LLC Sioux Falls, SD	08/14/25	New Firm
1826	Dave V. John, LLC Tamarac, FL	09/02/25	New Firm
1827	Atchley & Associates, LLP Austin, TX	09/16/25	New Firm



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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	545,037.63	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			545,037.63	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			545,037.63	DR **	
BUDGET UNIT TOTAL 1031			545,037.63	DR ***	

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 08/31/2025

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO		6503								
COMPANY NAME		PROFESSIONAL & LICENSING BOARDS								
6503	103100061802	51010100	CGEX250728	08/01/2025					3,770.30	DR
6503	103100061802	51010100	CGEX250813	08/15/2025					3,760.75	DR
6503	103100061802	51010100	CGEX250827	08/31/2025					4,330.12	DR
OBJSUB: 5101010		F-T EMP SAL & WAGES								
6503	103100061802	51010200	CGEX250728	08/01/2025					11,861.17	DR *
6503	103100061802	51010200	CGEX250813	08/15/2025					2,882.17	DR
6503	103100061802	51010200	CGEX250827	08/31/2025					3,074.46	DR
6503	103100061802	51010200	CGEX250827	08/31/2025					2,530.27	DR
OBJSUB: 5101020		P-T/TEMP EMP SAL & WAGES								
6503	103100061802	51010300	CGEX250827	08/31/2025					8,486.90	DR *
6503	103100061802	51010300	CGEX250827	08/31/2025					1,328.00	DR
OBJSUB: 5101030		BOARD & COMM MBRS FEES								
OBJECT: 5101		EMPLOYEE SALARIES								
6503	103100061802	51020100	CGEX250728	08/01/2025					1,328.00	DR *
6503	103100061802	51020100	CGEX250813	08/15/2025					21,676.07	DR **
6503	103100061802	51020100	CGEX250827	08/31/2025					458.65	DR
6503	103100061802	51020100	CGEX250827	08/31/2025					472.60	DR
6503	103100061802	51020100	CGEX250827	08/31/2025					576.04	DR
OBJSUB: 5102010		OASI-EMPLOYER'S SHARE								
6503	103100061802	51020200	CGEX250728	08/01/2025					1,507.29	DR *
6503	103100061802	51020200	CGEX250813	08/15/2025					346.23	DR
6503	103100061802	51020200	CGEX250827	08/31/2025					356.02	DR
6503	103100061802	51020200	CGEX250827	08/31/2025					366.14	DR
OBJSUB: 5102020		RETIREMENT-ER SHARE								
6503	103100061802	51020600	CGEX250728	08/01/2025					1,068.39	DR *
6503	103100061802	51020600	CGEX250813	08/15/2025					1,091.97	DR
6503	103100061802	51020600	CGEX250827	08/31/2025					1,090.60	DR
6503	103100061802	51020600	CGEX250827	08/31/2025					1,171.25	DR
OBJSUB: 5102060		HEALTH/LIFE INS.-ER SHARE								
6503	103100061802	51020800	CGEX250728	08/01/2025					3,353.82	DR *
6503	103100061802	51020800	CGEX250813	08/15/2025					9.98	DR
6503	103100061802	51020800	CGEX250827	08/31/2025					10.25	DR
6503	103100061802	51020800	CGEX250827	08/31/2025					10.30	DR
OBJSUB: 5102080		WORKER'S COMPENSATION								
6503	103100061802	51020900	CGEX250728	08/01/2025					30.53	DR *
6503	103100061802	51020900	CGEX250813	08/15/2025					3.20	DR
6503	103100061802	51020900	CGEX250827	08/31/2025					3.28	DR
6503	103100061802	51020900	CGEX250827	08/31/2025					3.30	DR
OBJSUB: 5102090		UNEMPLOYMENT COMPENSATION								
OBJECT: 5102		EMPLOYEE BENEFITS								
GROUP: 51		PERSONAL SERVICES								
6503	103100061802	52030100	E106-023	08/22/2025					27,645.88	DR ***
6503	103100061802	52030100	E106-023	08/22/2025					22.57	CR
OBJSUB: 5203010		AUTO-STATE OWNED-IN STATE								
6503	103100061802	52031000	W3326-034	08/13/2025	W3326-034MG				22.57	CR *
6503	103100061802	52031000	81893EE021837	08/06/2025	00952793	BAYMONTINN	12349691		243.14	DR
6503	103100061802	52031000	81893EE021837	08/06/2025	00952793	BAYMONTINN	12349691		243.14	CR

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 08/31/2025

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
		OBJSUB: 5203100	LODGING/IN-STATE						.00	*
		OBJECT: 5203	TRAVEL						22.57	CR **
6503	103100061802	52040500	24-1000-02510629	08/27/2025	00984584	GLSOLUTION	12290765		6,711.16	DR
		OBJSUB: 5204050	COMPUTER CONSULTANT						6,711.16	DR *
6503	103100061802	52041800	DP607099	08/31/2025					961.05	DR
		OBJSUB: 5204180	COMPUTER SERVICES-STATE						961.05	DR *
6503	103100061802	52042000	PL607055	08/31/2025					342.32	DR
		OBJSUB: 5204200	CENTRAL SERVICES						342.32	DR *
6503	103100061802	52042200	IN1289139	08/27/2025	02621562	ABBUSINESS	12036980		75.36	DR
		OBJSUB: 5204220	EQUIPMENT SERV & MAINT						75.36	DR *
6503	103100061802	52042300	25I003 AUG&SEP25	08/08/2025	127014	SUNSETOFFI	12627537		200.00	DR
6503	103100061802	52042300	25I003 JULY 2025	08/08/2025	02619324	SUNSETOFFI	12627537		200.00	DR
		OBJSUB: 5204230	JANITORIAL & MAINT SERV						400.00	DR *
6503	103100061802	52045210	ACCOUNT AUG&SEP	08/21/2025	117713	MCGINNISRO	12074040		1,470.00	DR
		OBJSUB: 5204521	REVENUE BOND LEASE PYMTS						1,470.00	DR *
6503	103100061802	52045300	TL607050	08/31/2025					123.00	DR
6503	103100061802	52045300	8381416X07242025	08/06/2025	00083271	ATTMOBILIT	12279233		105.22	DR
		OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS						228.22	DR *
6503	103100061802	52045400	5159417006 0725	08/06/2025	02618425	XCELENERGY	12023853		42.35	DR
		OBJSUB: 5204540	ELECTRICITY						42.35	DR *
6503	103100061802	52047400	CI106A-006	08/08/2025	407568				6,629.41	DR
		OBJSUB: 5204740	BANK FEES AND CHARGES						6,629.41	DR *
6503	103100061802	52049600	1285	08/06/2025	00980783	NATIONALAS	12005047		7,242.16	DR
		OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE						7,242.16	DR *
		OBJECT: 5204	CONTRACTUAL SERVICES						24,102.03	DR **
6503	103100061802	52050200	IN4909570	08/27/2025	02622069	INNOVATIVE	12550348		98.21	DR
6503	103100061802	52050200	IN4909849	08/27/2025	02622069	INNOVATIVE	12550348		3.56	DR
6503	103100061802	52050200	0004467	08/13/2025	00982579	ECOWATERSY	12627232		26.85	DR
		OBJSUB: 5205020	OFFICE SUPPLIES						128.62	DR *
6503	103100061802	52053200	38793	08/27/2025	00984590	PREFERRED P	12308425		53.90	DR
		OBJSUB: 5205320	PRINTING-COMMERCIAL						53.90	DR *
		OBJECT: 5205	SUPPLIES & MATERIALS						182.52	DR **
		GROUP: 52	OPERATING EXPENSES						24,261.98	DR ***
		COMP: 6503							51,907.86	DR ****
		CNTR: 103100061802							51,907.86	DR *****
		B. UNIT: 1031							51,907.86	DR *****

**South Dakota Board of Accountancy**  
**Balance Sheet**  
As of August 31, 2025

	<u>Aug 31, 25</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	396.00
1140000 · Pool Cash State of SD	545,037.63
Total Checking/Savings	545,433.63
Other Current Assets	
1131000 · Interest Income Receivable	15,114.43
1213000 · Investment Income Receivable	2,587.12
Total Other Current Assets	17,701.55
Total Current Assets	563,135.18
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
<b>TOTAL ASSETS</b>	<b><u>563,135.18</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	11,149.21
Total Accounts Payable	11,149.21
Other Current Liabilities	
2430000 · Accrued Wages Payable	12,478.58
2810000 · Amounts Held for Others	42,277.84
Total Other Current Liabilities	54,756.42
Total Current Liabilities	65,905.63
Long Term Liabilities	
2960000 · Compensated Absences Payable	39,438.96
Total Long Term Liabilities	39,438.96
Total Liabilities	105,344.59
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-158,970.83
Net Income	298,936.40
Total Equity	457,790.59
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>563,135.18</u></b>

09/10/25  
Accrual Basis

# South Dakota Board of Accountancy

## Profit & Loss Budget vs. Actual

July through August 2025

	Jul - Aug 25	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	1,600.00	3,400.00	-1,800.00	47.1%
4293551 · Certificate Renewals-Active	121,900.00	111,350.00	10,550.00	109.5%
4293552 · Certificate Renewals-Inactive	32,800.00	30,770.00	2,030.00	106.6%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	400.00	1,275.00	-875.00	31.4%
4293555 · Firm Permit Renewals	27,300.00	25,500.00	1,800.00	107.1%
4293557 · Initial Audit	80.00	700.00	-620.00	11.4%
4293558 · Re-Exam Audit	470.00	1,800.00	-1,330.00	26.1%
4293560 · Late Fees-Initial Certificate	400.00	0.00	400.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,500.00	3,000.00	-500.00	83.3%
4293563 · Late Fees-Firm Permit Renewals	600.00	500.00	100.00	120.0%
4293564 · Late Fees-Peer Review	850.00	1,300.00	-450.00	65.4%
4293566 · Firm Permit Owners	167,250.00	203,500.00	-36,250.00	82.2%
4293567 · Peer Review Admin Fee	1,075.00	5,500.00	-4,425.00	19.5%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	300.00	960.00	-660.00	31.3%
4293570 · Initial REG	40.00	540.00	-500.00	7.4%
4293571 · Initial BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	480.00	1,260.00	-780.00	38.1%
4293573 · Re-Exam REG	520.00	1,650.00	-1,130.00	31.5%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	0.00	150.00	-150.00	0.0%
4293576 · Initial ISC	0.00	150.00	-150.00	0.0%
4293577 · Initial TCP	0.00	150.00	-150.00	0.0%
4293578 · Re-Exam BAR	40.00	210.00	-170.00	19.0%
4293579 · Re-Exam ISC	0.00	210.00	-210.00	0.0%
4293580 · Re-Exam TCP	160.00	210.00	-50.00	76.2%
4491000 · Interest and Dividend Revenue	16,632.76	0.00	16,632.76	100.0%
4896021 · Legal Recovery Cost	1,327.33	1,000.00	327.33	132.7%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
<b>Total Income</b>	<b>380,805.09</b>	<b>405,385.00</b>	<b>-24,579.91</b>	<b>93.9%</b>
<b>Gross Profit</b>	<b>380,805.09</b>	<b>405,385.00</b>	<b>-24,579.91</b>	<b>93.9%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	19,530.44	103,778.00	-84,247.56	18.8%
5101020 · P-T/Temp Emp Sal & Wages	14,165.03	58,621.00	-44,455.97	24.2%
5101030 · Board & Comm Mbrs Fees	5,312.00	11,910.00	-6,598.00	44.6%
5102010 · OASI-Employer's Share	2,732.44	12,423.00	-9,690.56	22.0%
5102020 · Retirement-ER Share	1,769.92	9,744.00	-7,974.08	18.2%
5102060 · Health /Life Ins.-ER Share	5,556.06	33,447.00	-27,890.94	16.6%
5102080 · Worker's Compensation	50.58	227.00	-176.42	22.3%
5102090 · Unemployment Insurance	14.09	162.00	-147.91	8.7%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	400.00	-207.33	48.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	-221.80	600.00	-821.80	-37.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals-Not Overnight	94.00	100.00	-6.00	94.0%

09/10/25  
Accrual Basis

# South Dakota Board of Accountancy

## Profit & Loss Budget vs. Actual

July through August 2025

	Jul - Aug 25	Budget	\$ Over Budget	% of Budget
5203150 · InState-Non Tax Meals-Overnight	80.00	400.00	-320.00	20.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	156.78	200.00	-43.22	78.4%
5203260 · OS-Air Commercial Carrier	3,428.20	9,000.00	-5,571.80	38.1%
5203280 · OS-Other Public Carrier	348.36	700.00	-351.64	49.8%
5203300 · OS-Lodging	4,851.94	12,500.00	-7,648.06	38.8%
5203320 · OS-Incidentals to Travel	176.00	750.00	-574.00	23.5%
5203350 · OS-Non Taxable Meals-Overnight	588.00	1,350.00	-762.00	43.6%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	0.00	3,900.00	-3,900.00	0.0%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	4,800.00	-4,800.00	0.0%
5204050 · Consultant Fees - Computer	6,711.16	32,000.00	-25,288.84	21.0%
5204160 · Workshop Registration Fees	0.00	9,500.00	-9,500.00	0.0%
5204180 · Computer Services-State	1,922.10	11,000.00	-9,077.90	17.5%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	2,016.00	13,000.00	-10,984.00	15.5%
5204220 · Equipment Service & Maintenance	11.36	0.00	11.36	100.0%
5204230 · Janitorial/Maintenance Services	400.00	600.00	-200.00	66.7%
5204330 · Computer Software Lease	0.00	1,000.00	-1,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	138.00	6,000.00	-5,862.00	2.3%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	2,940.00	43,650.00	-40,710.00	6.7%
5204530 · Telecommunications Services	468.50	5,500.00	-5,031.50	8.5%
5204540 · Electricity	109.44	400.00	-290.56	27.4%
5204560 · Water	26.85	240.00	-213.15	11.2%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,500.00	-2,500.00	0.0%
5204740 · Bank Fees and Charges	6,784.80	8,650.00	-1,865.20	78.4%
5204960 · Other Contractual Services	0.00	0.00	0.00	0.0%
5205020 · Office Supplies	101.77	3,000.00	-2,898.23	3.4%
5205040 · Education & Instr. Supplies	0.00	500.00	-500.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	53.90	1,000.00	-946.10	5.4%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5205540 · Finished Signs & Decals	0.00	500.00	-500.00	0.0%
5205700 · Retail Gasoline	0.00	100.00	-100.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207451 · Office Furniture & Fixtures	0.00	3,500.00	-3,500.00	0.0%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	0.00	11,000.00	-11,000.00	0.0%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	<b>81,868.69</b>	<b>436,902.00</b>	<b>-355,033.31</b>	<b>18.7%</b>
<b>Net Ordinary Income</b>	<b>298,936.40</b>	<b>-31,517.00</b>	<b>330,453.40</b>	<b>-948.5%</b>
<b>Net Income</b>	<b>298,936.40</b>	<b>-31,517.00</b>	<b>330,453.40</b>	<b>-948.5%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**August 2025**

	Aug 25	Aug 24	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	600.00	250.00	350.00	140.0%
4293551 · Certificate Renewals-Active	28,400.00	21,450.00	6,950.00	32.4%
4293552 · Certificate Renewals-Inactive	5,300.00	6,000.00	-700.00	-11.7%
4293553 · Certificate Renewals-Retired	840.00	650.00	190.00	29.2%
4293554 · Initial Firm Permits	400.00	50.00	350.00	700.0%
4293555 · Firm Permit Renewals	5,700.00	4,150.00	1,550.00	37.4%
4293557 · Initial Audit	0.00	30.00	-30.00	-100.0%
4293558 · Re-Exam Audit	160.00	90.00	70.00	77.8%
4293560 · Late Fees-Initial Certificate	100.00	50.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,500.00	1,450.00	1,050.00	72.4%
4293563 · Late Fees-Firm Permit Renewals	600.00	50.00	550.00	1,100.0%
4293564 · Late Fees-Peer Review	0.00	50.00	-50.00	-100.0%
4293566 · Firm Permit Owners	40,850.00	32,235.00	8,615.00	26.7%
4293568 · Firm Permit Name Change	0.00	25.00	-25.00	-100.0%
4293569 · Initial FAR	160.00	90.00	70.00	77.8%
4293572 · Re-Exam FAR	160.00	270.00	-110.00	-40.7%
4293573 · Re-Exam REG	240.00	270.00	-30.00	-11.1%
4293578 · Re-Exam BAR	40.00	60.00	-20.00	-33.3%
4293579 · Re-Exam ISC	0.00	30.00	-30.00	-100.0%
4293580 · Re-Exam TCP	80.00	120.00	-40.00	-33.3%
4491000 · Interest and Dividend Revenue	16,630.86	18,133.83	-1,502.97	-8.3%
4896021 · Legal Recovery Cost	1,327.33	0.00	1,327.33	100.0%
<b>Total Income</b>	<b>104,088.19</b>	<b>85,503.83</b>	<b>18,584.36</b>	<b>21.7%</b>
<b>Gross Profit</b>	<b>104,088.19</b>	<b>85,503.83</b>	<b>18,584.36</b>	<b>21.7%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	11,861.17	10,373.01	1,488.16	14.4%
5101020 · P-T/Temp Emp Sal & Wages	8,486.90	8,158.56	328.34	4.0%
5101030 · Board & Comm Mbrs Fees	1,328.00	1,660.00	-332.00	-20.0%
5102010 · OASI-Employer's Share	1,507.29	1,409.15	98.14	7.0%
5102020 · Retirement-ER Share	1,068.39	983.09	85.30	8.7%
5102060 · Health /Life Ins.-ER Share	3,353.82	3,027.88	325.94	10.8%
5102080 · Worker's Compensation	30.53	31.49	-0.96	-3.1%
5102090 · Unemployment Insurance	9.78	2.94	6.84	232.7%
5203010 · In State-Auto-State Owned	-22.57	0.00	-22.57	-100.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	132.16	60.51	45.8%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,540.56	-180.46	-11.7%
5203100 · In State-Lodging	-221.80	358.14	-579.94	-161.9%
5203140 · InState-Tax Meals-Not Overnight	94.00	28.00	66.00	235.7%
5203150 · InState-Non Tax Meals-Overnight	80.00	174.00	-94.00	-54.0%
5204020 · Dues and Membership Fees	0.00	3,200.00	-3,200.00	-100.0%
5204180 · Computer Services-State	0.00	1,947.60	-1,947.60	-100.0%
5204200 · Central Services	342.32	450.86	-108.54	-24.1%
5204220 · Equipment Service & Maintenance	6.36	6.10	0.26	4.3%
5204230 · Janitorial/Maintenance Services	200.00	200.00	0.00	0.0%
5204460 · Equipment Rental	69.00	741.36	-672.36	-90.7%
5204521 · Revenue Bond Lease Payment	1,470.00	1,380.75	89.25	6.5%
5204530 · Telecommunications Services	228.22	242.96	-14.74	-6.1%
5204540 · Electricity	32.09	80.26	-48.17	-60.0%
5204740 · Bank Fees and Charges	6,629.41	3,439.65	3,189.76	92.7%
5205020 · Office Supplies	101.77	124.99	-23.22	-18.6%

09/09/25

Accrual Basis

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**August 2025**

	Aug 25	Aug 24	\$ Change	% Change
5205320 · Printing/Duplicating/Binding Co	53.90	15.40	38.50	250.0%
5228000 · Operating Transfers Out-NonBudg	0.00	921.19	-921.19	-100.0%
<b>Total Expense</b>	<b>38,261.35</b>	<b>40,630.10</b>	<b>-2,368.75</b>	<b>-5.8%</b>
<b>Net Ordinary Income</b>	<b>65,826.84</b>	<b>44,873.73</b>	<b>20,953.11</b>	<b>46.7%</b>
<b>Net Income</b>	<b>65,826.84</b>	<b>44,873.73</b>	<b>20,953.11</b>	<b>46.7%</b>



**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July through August 2025**

	Jul - Aug 25	Jul - Aug 24	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	1,600.00	300.00	1,300.00	433.3%
4293551 · Certificate Renewals-Active	121,900.00	67,200.00	54,700.00	81.4%
4293552 · Certificate Renewals-Inactive	32,800.00	18,400.00	14,400.00	78.3%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	400.00	100.00	300.00	300.0%
4293555 · Firm Permit Renewals	27,300.00	15,100.00	12,200.00	80.8%
4293557 · Initial Audit	80.00	60.00	20.00	33.3%
4293558 · Re-Exam Audit	470.00	180.00	290.00	161.1%
4293560 · Late Fees-Initial Certificate	400.00	50.00	350.00	700.0%
4293561 · Late Fees-Certificate Renewals	2,500.00	1,450.00	1,050.00	72.4%
4293563 · Late Fees-Firm Permit Renewals	600.00	50.00	550.00	1,100.0%
4293564 · Late Fees-Peer Review	850.00	250.00	600.00	240.0%
4293566 · Firm Permit Owners	167,250.00	131,975.00	35,275.00	26.7%
4293567 · Peer Review Admin Fee	1,075.00	300.00	775.00	258.3%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	-100.0%
4293569 · Initial FAR	300.00	150.00	150.00	100.0%
4293570 · Initial REG	40.00	0.00	40.00	100.0%
4293572 · Re-Exam FAR	480.00	360.00	120.00	33.3%
4293573 · Re-Exam REG	520.00	450.00	70.00	15.6%
4293578 · Re-Exam BAR	40.00	90.00	-50.00	-55.6%
4293579 · Re-Exam ISC	0.00	30.00	-30.00	-100.0%
4293580 · Re-Exam TCP	160.00	120.00	40.00	33.3%
4491000 · Interest and Dividend Revenue	16,632.76	18,135.15	-1,502.39	-8.3%
4896021 · Legal Recovery Cost	1,327.33	0.00	1,327.33	100.0%
<b>Total Income</b>	<b>380,805.09</b>	<b>256,800.15</b>	<b>124,004.94</b>	<b>48.3%</b>
<b>Gross Profit</b>	<b>380,805.09</b>	<b>256,800.15</b>	<b>124,004.94</b>	<b>48.3%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	19,530.44	17,021.64	2,508.80	14.7%
5101020 · P-T/Temp Emp Sal & Wages	14,165.03	13,296.81	868.22	6.5%
5101030 · Board & Comm Mbrs Fees	5,312.00	4,980.00	332.00	6.7%
5102010 · OASI-Employer's Share	2,732.44	2,475.24	257.20	10.4%
5102020 · Retirement-ER Share	1,769.92	1,608.45	161.47	10.0%
5102060 · Health /Life Ins.-ER Share	5,556.06	5,007.43	548.63	11.0%
5102080 · Worker's Compensation	50.58	51.55	-0.97	-1.9%
5102090 · Unemployment Insurance	14.09	4.83	9.26	191.7%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	132.16	60.51	45.8%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,540.56	-180.46	-11.7%
5203100 · In State-Lodging	-221.80	467.14	-688.94	-147.5%
5203140 · InState-Tax Meals-Not Overnight	94.00	28.00	66.00	235.7%
5203150 · InState-Non Tax Meals-Overnight	80.00	174.00	-94.00	-54.0%
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	156.78	1,399.24	-1,242.46	-88.8%
5203260 · OS-Air Commercial Carrier	3,428.20	0.00	3,428.20	100.0%
5203280 · OS-Other Public Carrier	348.36	0.00	348.36	100.0%
5203300 · OS-Lodging	4,851.94	3,940.38	911.56	23.1%
5203320 · OS-Incidentals to Travel	176.00	300.00	-124.00	-41.3%
5203350 · OS-Non Taxable Meals-Overnight	588.00	408.00	180.00	44.1%

09/09/25

Accrual Basis

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July through August 2025**

	<u>Jul - Aug 25</u>	<u>Jul - Aug 24</u>	<u>\$ Change</u>	<u>% Change</u>
5204020 · Dues and Membership Fees	0.00	3,200.00	-3,200.00	-100.0%
5204050 · Consultant Fees - Computer	6,711.16	6,522.02	189.14	2.9%
5204180 · Computer Services-State	1,922.10	2,921.40	-999.30	-34.2%
5204200 · Central Services	2,016.00	1,924.88	91.12	4.7%
5204220 · Equipment Service & Maintenance	11.36	10.65	0.71	6.7%
5204230 · Janitorial/Maintenance Services	400.00	400.00	0.00	0.0%
5204460 · Equipment Rental	138.00	810.36	-672.36	-83.0%
5204521 · Revenue Bond Lease Payment	2,940.00	2,761.50	178.50	6.5%
5204530 · Telecommunications Services	468.50	484.18	-15.68	-3.2%
5204540 · Electricity	109.44	123.39	-13.95	-11.3%
5204560 · Water	26.85	25.35	1.50	5.9%
5204740 · Bank Fees and Charges	6,784.80	4,708.02	2,076.78	44.1%
5205020 · Office Supplies	101.77	124.99	-23.22	-18.6%
5205320 · Printing/Duplicating/Binding Co	53.90	42.35	11.55	27.3%
5228000 · Operating Transfers Out-NonBudg	0.00	921.19	-921.19	-100.0%
<b>Total Expense</b>	<u>81,868.69</u>	<u>77,923.79</u>	<u>3,944.90</u>	<u>5.1%</u>
<b>Net Ordinary Income</b>	<u>298,936.40</u>	<u>178,876.36</u>	<u>120,060.04</u>	<u>67.1%</u>
<b>Net Income</b>	<u><b>298,936.40</b></u>	<u><b>178,876.36</b></u>	<u><b>120,060.04</b></u>	<u><b>67.1%</b></u>

## **EXECUTIVE DIRECTOR'S REPORT**

Nicole Kasin

### **Renewals for individuals and firms**

Paper renewal forms were available on our website on July 1, 2025. Online renewals opened July 1, 2025. As a courtesy, a reminder email was sent on July 29, 2025, to individuals and firms that had not renewed their license or firm permit. Here is the status of renewals through September 23, 2025:

Entity	Renewed thru 7/31/2025	Expired renewals through 7/31/2025	Completed renewals thru 7/31/2026
Firms	290	4	281
Individuals – Active	1270	18	1242
Individuals – Inactive	348	14	330
Individuals – Retired	180	17	200

### **CPE Extensions**

There were 51 administrative extensions granted for the CPE reporting period ending June 30, 2025. The extensions are valid through September 30, 2025. On September 17, 2025, 47% of those granted extensions had reported their completed CPE. The remaining 53% were sent an email reminder to report the CPE with a deadline provided. As of September 24, 61% have reported their completed CPE.

### **CPE Audits**

The list of licensees has been selected for CPE audits. Emails and letters were sent out to those selected on September 16, 2025. The documentation is due in our office no later than October 31, 2025. The following is the current status of the audits.

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	130	70	0	0	0	0
CPA – Out of State Affidavit	106	0	0	0	0	0

### **Office Move**

Effective September 18, 2025, the Board office relocated to 1501 S Highline Ave. Suite 4A, Sioux Falls, SD 57110.

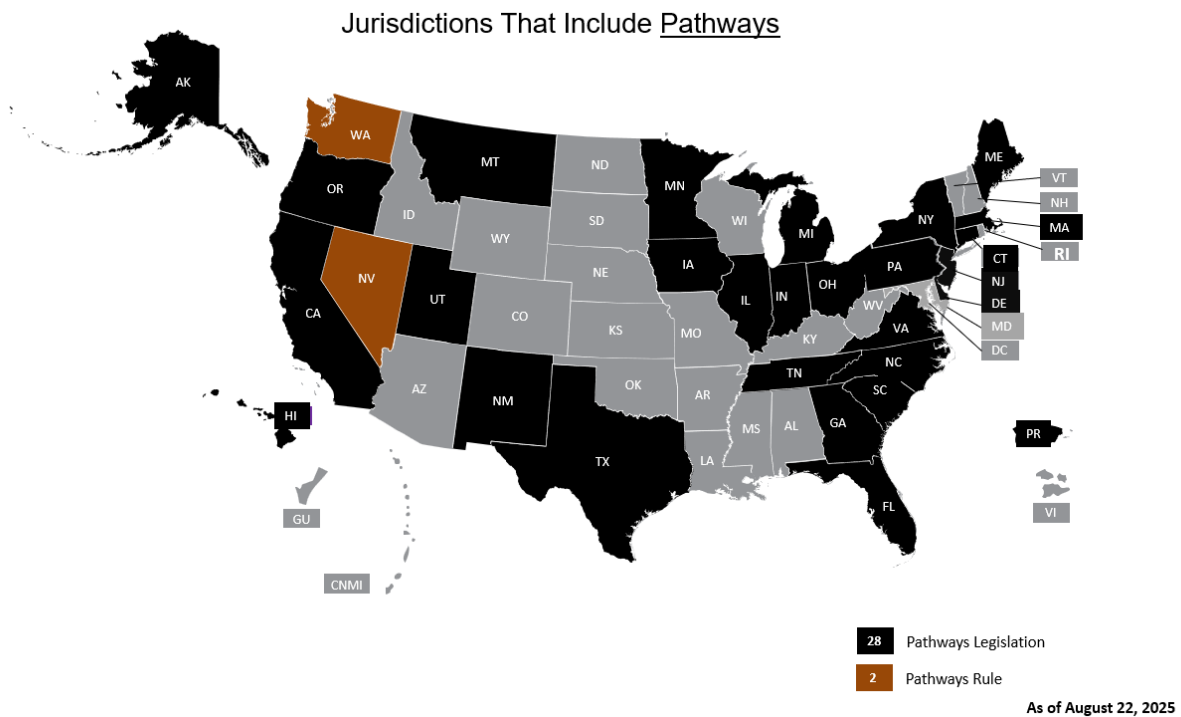
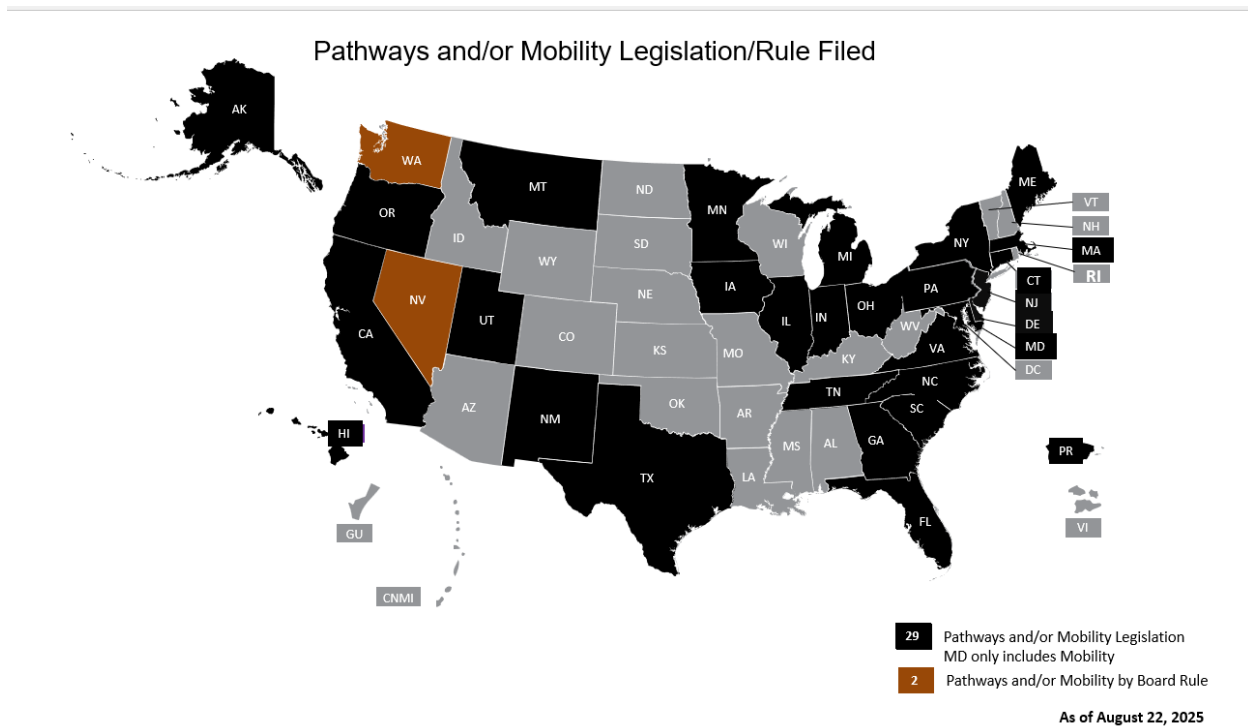
### **NASBA Issues/Topics**

1. NASBA/AICPA approved updates to section 5 and 23 for UAA. The 9<sup>th</sup> edition of the UAA was published with the changes. <https://nasba.org/blog/2025/07/22/nasba-and-aicpa-publish-ninth-edition-of-the-uniform-accountancy-act-uaa/>
  - The changes add a pathway to CPA licensure requiring a baccalaureate degree, including an accounting concentration, plus two (2) years of experience, and passage of the Uniform CPA Examination. Other revisions include:
  - A shift from state-based mobility to an individual-based practice privilege that maintains a CPA's ability to practice across state lines with just one license.

- The addition of safe harbor language that allows CPAs who were licensed under differing education, experience, and Exam requirements as of Dec. 31, 2024, to continue to have practice privileges under mobility.

## State Proposals for Pathway/Substantial Equivalence/Practice Privilege

From NASBA as of 8-22-25



As of August 22, 2025

**Signed into Law**

Pathways and/or Mobility Legislation/Rule

AK 3/1/26

WA 6/1/25 M

OR 3/1/26

MT 3/1/26

ND

SD

NE

KS

OK

LA

MS

AL

GA 3/1/26

FL

SC 6/30/25

NC 3/1/26 P

VA 10/25/24  
3/1/26 P

DE 3/1/26

MD 3/1/26

DC

PR

VI

VT

NH

MA

RI

CT 10/1/25

NJ 3/1/26

NY 3/1/26

PA 7/1/26

OH 4/16/25 M  
3/1/26 P

IN 3/1/27

IL 1/1/26 M  
3/1/26 P

IA 7/1/26

WI

MI 3/1/26 M

ME

HI 6/10/25 P

AZ

NM 3/1/26

CO

UT 7/1/26

WY

ID

CA

NV

GU

CNMI

Signed into law – **Effective After 2025**  
 \* As Determined by Board Rule  
 Signed into law – **Effective Before 2026**

As of August 22, 2025

- Any New Business/topics?

**STATE OF SOUTH DAKOTA  
DEPARTMENT OF LABOR AND REGULATION  
BOARD OF ACCOUNTANCY**

---

**In the Matter of:**

Laura Arth,  
Licensee.

**License No. 2627**

**NOTICE OF HEARING**

**Board Case No. 122-25  
OHE No. DLR 25-005**

---

**TO: Rory King, Attorney for Laura Arth**

PLEASE TAKE NOTICE that an administrative hearing in the above-captioned matter will be held before the South Dakota Department of Labor and Regulation, Board of Accountancy (Board) on **Tuesday, September 30, 2025 at 9:00 a.m. C.D.T.**, or as soon thereafter as the matter can be heard. The hearing will be held via **Microsoft Teams Conference Call**, which may be accessed by using the link below (for both video and audio):

URL (for web browser): <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

- Meeting ID: 219 392 547 500 6
- Passcode: EP24q4Dn

Alternatively, the hearing may be joined via conference call (audio only), by using the following login information:

- Call: +1 605-679-7263,,829106254#
- Phone conference ID: 829 106 254#

**All parties and witnesses must be personally present on the Microsoft Teams Conference Call for the hearing unless otherwise authorized by the Board.**

This hearing is being held pursuant to the legal authority and jurisdiction granted to the Board under South Dakota Codified Laws (SDCL) Chapters 1-26, 36-1C, and 36-20B. The Office of Hearing Examiners will preside over this hearing pursuant to SDCL Ch. 1-26D; however, the Board, under its authority, will issue findings of fact, conclusions of law, and a decision. The Board may take actions authorized by SDCL Chapters 1-26, 36-1C, and 36-20B, including an administrative fine, and/or license suspension or revocation. Pursuant to SDCL 1-26-29.1, the Board may assess Licensee all or part of its actual expenses of the administrative hearing should the hearing result in Licensee discipline.

The purpose of this hearing will be to determine whether Licensee violated SDCL §§ 36-20B-27, 36-20B-40(3), 36-20B-40(6), ARSD 20:75:04:11, and 20:75:04:15 by failing to

provide documentation to verify attendance or completion of all CPE credits reported to the Board for the audit period of July 1, 2021 to June 30, 2024. Following the hearing, the Board will issue findings of fact, conclusions of law, and its decision.

This hearing is a contested case as defined in SDCL 1-26-1(2). As such, this hearing is an adversarial proceeding. You have the right to be present at the hearing and to be represented by an attorney. These and other due process rights will be forfeited if they are not exercised at the hearing. If you intend to be represented by an attorney, please have your attorney contact the undersigned attorney with their name, address, and contact information.

If you do not appear at the scheduled time of the hearing, the matter may be dismissed, or it may be decided based on the evidence presented at the hearing.

Pursuant to SDCL 1-26-18.3, if the amount in controversy exceeds \$2,500 or if a property right may be terminated, any party to the contested case may require the Board to use the Office of Hearing Examiners by giving notice of the request to the Board no later than ten days after service of this notice of hearing.

Notice of the Board's decision will be sent to you within 30 days after this matter is fully submitted to the Board unless extended by the Board pursuant to SDCL 1-26-30.1. The Board's decision may be appealed to the Circuit Court and the South Dakota Supreme Court, as provided by law.

If you or anyone participating in the hearing on your behalf requires accommodations due to a disability, please contact Nicole Kasin at 605-367-5770 and suitable arrangements will be made.

**Statutes and Rules involved in this hearing:**

SDCL 36-20B-27 Renewal of certificate--Continuing education requirement--Exception.

SDCL 36-20B-40(3) and (6) Disciplinary action--Remedies available to board--Grounds.

ARSD 20:75:03:03 Application for renewal of certificates – Fees.

ARSD 20:75:04:11 Review of continuing professional education credits.

ARSD 20:75:04:15 Documentation for continuing professional education credit.

**Facts that support the alleged violations of South Dakota law or rule:**

1. Laura Arth (Arth) is licensed by the Board as a certified public accountant (CPA) with license number 2726. She has been licensed by the Board since September 10, 2004.

2. Arth is required to report all claimed continuing professional education (CPE) credits to the Board in accordance with SDCL 36-20B-27, which states that “[a] licensee shall complete one hundred twenty hours of continuing education in each three-year renewal period.”
3. ARSD 20:75:04:11 further outlines the random audit process and states in part that “[a]n individual selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for continuing professional education credit.”
4. ARSD 20:75:04:15 details acceptable evidence of CPE completion.
5. Arth’s claimed CPE hours for the three-year audit period totaled 125.5 hours, detailed as follows:
  - a. For the period commencing July 1, 2021 through June 30, 2022, Arth reported 55 CPE hours.
  - b. For the period commencing July 1, 2022 through June 30, 2023, Arth reported 42.5 CPE hours.
  - c. For the period commencing July 1, 2023 through June 30, 2024, Arth reported 28 CPE hours.
6. On September 16, 2024, the Board office mailed Arth a letter stating she was selected for a CPE audit for the three-year period commencing July 1, 2021 through June 30, 2024. The letter further stated that the deadline to submit documentation was October 31, 2024.
7. Arth provided partial CPE documentation to the Board office on October 31, 2024.
8. On December 12, 2024, Board office staff emailed Arth requesting documentation to verify 16 hours for the period ending June 30, 2023. Board staff requested Arth submit the documentation by December 17, 2024.
9. Arth responded on December 30, 2024, stating that she just saw the e-mail and would get the information as soon as she could. Board office staff requested Arth submit the documentation by January 3, 2025.
10. Arth responded to the Board by email on January 7, stating “there was no way I could have it done by then” and she “put in a request to another employee for documentation but haven’t heard back yet.”
11. After review of the documentation Arth provided, the Board office determined that Arth had provided satisfactory documentation of 109 hours, 11 hours short for the audit period, as follows:



- a. 55 CPE hours for the reporting year ending June 30, 2022;
  - b. 26 CPE hours for the reporting year ending June 30, 2023; and
  - c. 28 CPE hours for the reporting year ending June 30, 2024.
12. On February 19, 2025, the Board's Executive Director sent Arth a letter outlining the Board office's audit findings and a Complaint. The Board's Executive Director requested Arth respond to the Complaint by March 19, 2025.
13. Arth responded on March 19, 2025 and submitted additional CPE documentation for the audit period.
14. The Board's Executive Director formed an investigative committee that reviewed the Complaint and Arth's response. The committee determined that Arth had provided satisfactory documentation of 113 CPE hours, seven hours short for the audit period, as follows:
- a. 55 CPE hours for the reporting year ending June 30, 2022;
  - b. 28 CPE hours for the reporting year ending June 30, 2023;
  - c. 30 CPE hours for the reporting year ending June 30, 2024.
15. On April 14, 2025, the Board's Executive Director emailed an amended letter to Arth outlining the investigative committee's audit findings and an Amended Complaint. The Board's Executive Director requested Arth respond to the Amended Complaint by May 14, 2025.
16. On May 14, 2025, Arth responded to the Amended Complaint and submitted additional CPE documentation for the audit period.
17. The Board's Executive Director again formed an investigative committee, which determined that:
- a. The documentation Arth sent for the courses IRC 469 dated August 29, 2023 (5 CPE hours) and IRC 121 dated August 31, 2023 (4.5 CPE hours) did not meet the requirements of ARSD 20:75:04:15.
  - b. The documentation Arth sent for the court "An Overview of Abusive Tax Trusts" dated July 12, 2021 (1 CPE hour), which Arth had not previously provided to the Board staff, met the requirements of ARSD 20:75:04:15 and was added to her record for the audit period ending June 30, 2022.
18. On June 24, 2025, the Board's Attorney emailed and mailed a Formal Complaint to Arth and requested a response by July 14, 2025.

19. Arth's attorney, Rory King, provided a response to the Formal Complaint on July 14, denying she is short hours for the audit period and alleging she completed all required hours for the audit period but was unable to provide documentation due to defects in the processes of the CPE service provider.

20. Arth is still six hours short of required 120 CPE hours for three-year audit period commencing July 1, 2021 through June 30, 2024 and is subject to discipline pursuant to SDCL 36-20B-40(3) and (6).

Dated this 28th day of August 2025.

*/s/ Jennifer Doubleddee*

---

Jennifer Doubleddee  
Special Assistant Attorney General  
Department of Labor and Regulation  
1501 S. Highline Ave. Suite 1D  
Sioux Falls, SD 57110  
605.408.1727

### **CERTIFICATE OF SERVICE**

I certify that on the 28th of August 2025, I sent a true and correct copy of the Notice of Hearing via U.S. Mail and e-mail to:

Rory King  
Bantz, Gosch & Cremer, L.L.C.  
305 Sixth Ave. SE  
PO Box 970  
Aberdeen, SD 57402-0970  
RKing@bantzlzaw.com  
*Attorney for Licensee Laura Arth*

*/s/ Jennifer Doubleddee*

---

Jennifer Doubleddee

**STATE OF SOUTH DAKOTA  
DEPARTMENT OF LABOR AND REGULATION  
BOARD OF ACCOUNTANCY**

---

**In the Matter of:**

Michael Nieman,  
Licensee.

**License No. SD CPA 1695**

**NOTICE OF HEARING**

**Board Case No. 125-25  
OHE No. DLR 25-006**

---

**TO: Michael Nieman**

PLEASE TAKE NOTICE that an administrative hearing in the above-captioned matter will be held before the South Dakota Department of Labor and Regulation, Board of Accountancy (Board) on **Tuesday, September 30, 2025 at 9:45 a.m. C.D.T.**, or as soon thereafter as the matter can be heard. The hearing will be held via **Microsoft Teams Conference Call**, which may be accessed by using the link below (for both video and audio):

URL (for web browser): <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

- Meeting ID: 219 392 547 500 6
- Passcode: EP24q4Dn

Alternatively, the hearing may be joined via conference call (audio only), by using the following login information:

- Call: +1 605-679-7263,,829106254#
- Phone conference ID: 829 106 254#

**All parties and witnesses must be personally present on the Microsoft Teams Conference Call for the hearing unless otherwise authorized by the Board.**

This hearing is being held pursuant to the legal authority and jurisdiction granted to the Board under South Dakota Codified Laws (SDCL) Chapters 1-26, 36-1C, and 36-20B. The Office of Hearing Examiners will preside over this hearing pursuant to SDCL Ch. 1-26D; however, the Board, under its authority, will issue findings of fact, conclusions of law, and a decision. The Board may take actions authorized by SDCL Chapters 1-26, 36-1C, and 36-20B, including an administrative fine, and/or license suspension or revocation. Pursuant to SDCL 1-26-29.1, the Board may assess Licensee all or part of its actual expenses of the administrative hearing should the hearing result in Licensee discipline.

The purpose of this hearing will be to determine whether Licensee violated SDCL §§ 36-20B-27, 36-20B-40(3), 36-20B-40(6), ARSD 20:75:04:11 and ARSD 20:75:04:15 by failing to provide documentation to verify attendance or completion of all CPE credits reported to the Board for the audit period of July 1, 2021 to June 30, 2024. Following the hearing, the Board will issue findings of fact, conclusions of law, and its decision.

This hearing is a contested case as defined in SDCL 1-26-1(2). As such, this hearing is an adversarial proceeding. You have the right to be present at the hearing and to be represented by an attorney. These and other due process rights will be forfeited if they are not exercised at the hearing. If you intend to be represented by an attorney, please have your attorney contact the undersigned attorney with their name, address, and contact information.

If you do not appear at the scheduled time of the hearing, the matter may be dismissed, or it may be decided based on the evidence presented at the hearing.

Pursuant to SDCL 1-26-18.3, if the amount in controversy exceeds \$2,500 or if a property right may be terminated, any party to the contested case may require the Board to use the Office of Hearing Examiners by giving notice of the request to the Board no later than ten days after service of this notice of hearing.

Notice of the Board's decision will be sent to you within 30 days after this matter is fully submitted to the Board unless extended by the Board pursuant to SDCL 1-26-30.1. The Board's decision may be appealed to the Circuit Court and the South Dakota Supreme Court, as provided by law.

If you or anyone participating in the hearing on your behalf requires accommodations due to a disability, please contact Nicole Kasin at 605-367-5770 and suitable arrangements will be made.

**Statutes and Rules involved in this hearing:**

SDCL 36-20B-27. Renewal of certificate--Continuing education requirement--Exception.

SDCL 36-20B-40(3) and (6). Disciplinary action--Remedies available to board--Grounds.

ARSD 20:75:03:03. Application for renewal of certificates – Fees.

ARSD 20:75:04:11. Review of continuing professional education credits.

ARSD 20:75:04:15. Documentation for continuing professional education credit.

ARSD 20:75:04:20. Standards for continuing professional education program reporting.

**Facts that support the alleged violations of South Dakota law or rule:**

1. Michael Nieman (Nieman) is licensed by the Board as a certified public accountant (CPA) with license number 1695. He has been licensed by the Board since August 30, 1993.
2. Nieman is required to report all claimed continuing professional education (CPE) credits to the Board in accordance with SDCL 36-20B-27, which states that “[a] licensee shall complete one hundred twenty hours of continuing education in each three-year renewal period.”
3. ARSD 20:75:04:11 outlines the random audit process and states in part that “[a]n individual selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for continuing professional education credit.”
4. ARSD 20:75:04:15 details acceptable evidence of CPE completion.
5. Nieman’s claimed CPE hours for the three-year audit period totaled 125.5 hours, detailed as follows:
  - a. For the period commencing July 1, 2021 through June 30, 2022, Nieman reported 30 CPE hours.
  - b. For the period commencing July 1, 2022 through June 30, 2023, Nieman reported 50 CPE hours.
  - c. For the period commencing July 1, 2023 through June 30, 2024, Nieman reported 45.5 CPE hours.
6. On September 16, 2024, the Board office mailed Nieman a letter stating he was selected for a CPE audit for the three-year period commencing July 1, 2021, through June 30, 2024. The letter further stated that the deadline to submit documentation was October 31, 2024.
7. Nieman provided partial CPE documentation to the Board office on October 31, 2024.
8. On December 12, 2024, Board office staff emailed Nieman requesting additional detail of courses Nieman had claimed as “various courses” for the reporting period ending June 30, 2023. Board office staff further requested the information be submitted by December 16, 2024. Nieman emailed the detailed list and additional documentation to Board staff on December 13.
9. On December 20, 2024, Board office staff emailed Nieman detailing adjustments for claimed CPE hours, adding courses not previously claimed, and requesting additional documentation to verify claimed CPE credits by January 3, 2025.

10. On December 31, 2024, Nieman emailed a response with one additional certificate of completion.
11. On January 7, 2024, Board office staff emailed Nieman again requesting missing documentation be submitted by January 21, 2025. Neiman responded on January 15, 2025, but did not provide additional documentation.
12. After review of the additional documentation Nieman provided, the Board office determined that Nieman had provided satisfactory documentation of 88 CPE hours detailed as follows:
  - a. 15 CPE hours for the reporting year ending June 30, 2022;
  - b. 39 CPE hours for the reporting year ending June 30, 2023; and
  - c. 34 CPE hours for the reporting year ending June 30, 2024.

Based on the audit results, Nieman was short 32 hours for the audit period.

13. On March 12, 2025, the Board's Executive Director sent Nieman a letter outlining the Board office's audit findings and a Complaint. The Board's Executive Director requested Nieman respond to the Complaint by April 9, 2025.
14. Nieman responded to the Complaint on April 8, 2025 and submitted additional CPE documentation.
15. The Board's Executive Director formed an investigative committee that reviewed the Complaint and Nieman's response. The committee determined that Nieman had provided satisfactory documentation of 101.4 CPE hours, detailed as follow:
  - a. 20.4 CPE hours for the reporting year ending June 30, 2022;
  - b. 47 CPE hours for the reporting year ending June 30, 2023;
  - c. 34 CPE hours for the reporting year ending June 30, 2024.

Based on the audit results, Neiman was still 18.6 CPE hours short for the audit period.

16. On April 25, 2025, the Board's Executive Director emailed an amended letter outlining the investigative committee's audit findings and an Amended Complaint. The Board's Executive Director requested Nieman respond to the Amended Complaint by May 23, 2025.
17. On May 21, 2025, Nieman responded to the Amended Complaint and submitted additional CPE documentation for the audit period.

18. The Board's Executive Director again formed an investigative committee, which determined that:

- a. Documentation sent for course DE&I – Unconscious Bias dated July 21, 2021, supported 5.4 hours of CPE.
- b. Documentation sent for Fall seminar – Ethics dated September 15, 2021, for 4 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the length of the course could not be confirmed by the program sponsor.
- c. Documentation sent for course Data Analytic for Internal Audit dated November 23, 2021 for 2 CPE hours met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022;
- d. Documentation sent for course Fraud dated January 11, 2022 for 2 CPE hours met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022.
- e. Documentation sent for course ERM and Internal Audit Assessing Risks dated March 22, 2022 for 1 CPE hour met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022.
- f. Documentation sent for course Navigating Finance Workforce of the Future dated April 20, 2022 for 1 CPE hour met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022.
- g. Documentation sent for course Help for Small Audit Shops dated January 26, 2023 for 1 CPE hour met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2023.
- h. Documentation sent for Fraud dated November 30, 2023, for 2 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the non-sponsor form was not provided and the length of the course was not provided by the program sponsor.
- i. Documentation sent for Ethics dated December 7, 2023, for 2 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the non-sponsor form was not provided.
- j. Documentation sent for Enriched Living dated March 20, 2024, for 4 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the non-sponsor form was not provided.

- k. Documentation sent for Virtual Sharpened Focus: AI lets your data speak for itself dated May 10, 2023, was not previously reported and did not meet the required documentation per ARSD 20:75:04:15 because the agenda and non-sponsor form was not provided.
19. The committee determined that Nieman had provided satisfactory documentation of 108.4 CPE hours, detailed as follows:
- a. 26.4 CPE hours for the reporting year ending June 30, 2022;
  - b. 48 CPE hours for the reporting year ending June 30, 2023; and
  - c. 34 CPE hours for the reporting year ending June 30, 2024.
  - d. Based on the audit results, Neiman is still 11.6 CPE hours short for the audit period.
20. On June 30, 2025, the Board's Attorney emailed and mailed a Formal Complaint to Nieman requesting a response by July 21, 2025. Nieman and the Board's Attorney discussed the matter further via phone and email exchanges but were unable to resolve the matter.
21. Nieman is still 11.6 hours short of required 120 CPE hours for three-year audit period commencing July 1, 2021 through June 30, 2024 and is subject to discipline pursuant to SDCL 36-20B-40(3) and (6).

Dated this 28th day of August 2025.

*/s/ Jennifer Doubleddee*

---

Jennifer Doubleddee  
Special Assistant Attorney General  
Department of Labor and Regulation  
1501 S. Highline Ave. Suite 1D  
Sioux Falls, SD 57110  
605.408.1727

### **CERTIFICATE OF SERVICE**

I certify that on the 28th of August 2025, I sent a true and correct copy of the Notice of Hearing to Michael Nieman by email at mike.nieman@northwestern.com and by U.S. Mail to 47305 256th St. Renner, SD 57055.

*/s/ Jennifer Doubleddee*



---

Jennifer Doubledee

**National Association of State Boards of Accountancy, Inc.**  
**Meeting of the Board of Directors**  
**April 25, 2025 – Hot Springs, VA**

**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 Maria Caldwell at 9:00 a.m. EST on Friday, April 25, 2025.

Chair Caldwell asked President and Chief Executive Officer Dan Dustin to report on the meeting's attendance.

**Report of Attendance**

President and CEO Dan Dustin reported the following were in attendance:

**Officers**

Maria E. Caldwell, CPA (FL), Chair  
Nicola Neilon, CPA (NV), Vice Chair  
Stephanie M. Saunders, CPA (VA), Past Chair  
J. Andy Bonner, Jr., CPA (TN), Treasurer  
Katrina Salazar, CPA (CA), Secretary

**Directors-at-Large**

Barry M. Berkowitz, CPA (PA)  
Alison L. Houck Andrew, CPA (DE)  
Stephen F. Langowski, CPA (NY)  
Jason D. Peery, CPA (ID), Virtual attendance  
Michael Schmitz, CPA (ND)  
Kenya Y. Watts, CPA (OH)  
Gerald Weinstein, CPA (OH)

**Regional Directors**

Thuy Barron, CPA (WI), Great Lakes Regional Director  
Timothy F. Egan, CPA (CT), Northeast Regional Director  
Haley Lyons, CPA (OR), Pacific Regional Director  
Melissa Ruff, CPA (NE), Central Regional Director  
Wilhelmus Schaffers, CPA (AL), Southeast Regional Director  
Jeannette P. Smith, CPA (TX), Southwest Regional Director  
Dan Vuckovich, CPA (MT), Mountain Regional Director  
Laurie A. Warwick, CPA (VA), Middle Atlantic Regional Director

**Executive Directors' Liaison**

Nancy Glynn, Executive Director Committee, Virginia Board of Accountancy

**Staff**

Daniel J. Dustin, CPA, President, and Chief Executive Officer  
Wendy S. Garvin, Executive Vice President  
William A. Emmer, Chief Operating Officer  
Troy A. Walker, CPA, Vice President, and Chief Financial Officer

Kent A. Absec, Vice President – State Board Relations  
John W. Johnson, Vice President – Legislative and Governmental Affairs  
Thomas Kenny, Chief Communications Officer  
Philip Groves, CPA, Director of Finance and Controller

President Dustin announced there was a quorum present.

### Approval of Minutes

Secretary Katrina Salazar presented the minutes for the January 24, 2025, February 10, 2025, and February 27, 2025, meetings. Ms. Salazar asked if there were any revisions for January 24, 2025, February 10, 2025, and/or February 27, 2025, minutes. No revisions were needed for either January 24, 2025, or February 10, 2025, minutes. There was a correction cited for February 27, 2025, minutes. Ms. Salazar moved that January 24, 2025, and February 10, 2025, minutes be accepted as presented and February 27, 2025, minutes be approved as corrected. Ms. Barron seconded, and the motion passed unanimously.

### Report of the Chair

Chair Caldwell welcomed all. She reported that the Executive Committee met the day before and several topics which were discussed would be presented to the Board later in the afternoon. She reported that the Relations with Member Boards Committee also met with the Executive Committee the prior day. Ms. Caldwell shared with the Board that topics of importance include artificial intelligence, NASBA information technology projects, generational differences in the workplace and NASBA's continued focus on the workforce. Externally, Ms. Caldwell provided an update on the current deregulation legislation in Florida noting that it exempted physicians and attorneys, but not CPAs. Ms. Caldwell reported that she continues to be pleased with the level of engagement when she observes NASBA committee meetings. Ms. Caldwell noted there were external appointments to report, Carole McNees (MI), G. Alan Skinner (AL) and Daniel Trujillo (NM) were appointed to the AICPA Auditing Standards Board; Steve Platau (FL) to the AICPA Professional Ethics Executive Committee (PEEC); Donna Oklok (OH) and Haley Lyons (OR) to the AICPA Board of Examiners State Board Committee; and that while NASBA does not have designated seats on AICPA Board of Examiners Subcommittees, NASBA did recommend and receive appointments for Renee Villano (DE) to REG/TCP, Sarah Borchers (NE) to AUD, and Keenan Cooper (OH) to ISP.

### Report of the Vice Chair

Vice Chair Neilon reported that she has continued to observe several committee meetings which is beneficial as planning for the 2025-2026 committee year moves forward. She reported there would be a committee planning meeting scheduled for May 29, 2025, and asked each committee chair and staff liaison to review the charge of the committee to help ensure it is accomplishing the mission of the committee and NASBA while also increasing engagement.

### Report of the President & CEO

President Dustin provided an organizational update that included several internal

NASBA activities. Mr. Dustin reported to the board that 41 staff managers/supervisors were taking part in a Leadership Development and Professional Excellence training program; the flexible work policy has been finalized which is transitioning employees back into the office in early May, various community reinvestment activities and other employee engagement initiatives taking place. Mr. Dustin also noted that an internal compensation committee was created to review and address the Nashville compensation market and how to address its possible impact on employees. Mr. Dustin reported that 73% of the member boards had either met with or had appointments scheduled with the third-party entity conducting the diagnostic interviews. Staff have been active in reaching out to those jurisdictions who had not scheduled a time to provide feedback to the initiative.

Chief Operating Officer Bill Emmer provided an update on the continued progress of the processing time for CPAES jurisdictions and how that learning can be applied to NASBAs International Evaluation Services (NIES) and within the National Registry of CPE Sponsors. Mr. Emmer reported on the status of the licensing system project; and along with Andy Bonner, chair of the Accountancy Licensee Database (ALD) Task Force, reviewed the work concerning the rewrite of the ALD. Mr. Emmer also provided information on NASBAs activities concerning information technology, including the CPA Mobile App set for launch in early September; a licensing system workgroup established to guide a rewrite of NASBA's licensing system; and reviewed items regarding the CPA Examination such as candidate volumes, the status of the Credit Relief Initiative (CRI), data reporting and price considerations.

Executive Vice-President Wendy Garvin highlighted some of her activities with both domestic and international accounting related organizations. This included her virtually attending the American Professional Accounting Certification Providers Association (APACPA) which consists of leading exam review course providers along with NASBA Risk and Compliance Associate Director, Erica Smith. Ms. Garvin reported that Mr. Emmer attended in-person and gave a presentation on behalf of NASBA. Ms. Garvin provided information on her activity with the Future Accountant Sponsoring Organizations (FASO) group that is affiliated with the American Accounting Association (AAA) and other key stakeholders focused on the accounting pipeline. Ms. Garvin also announced that she will lead a contingent of NASBA staff to meet with some of the federal regulators that were part of the recent Executive Directors conference to talk about issues that are important to the organization. Internationally, Ms. Garvin participated in a roundtable discussion held in March by the International Ethics Standards Board for Accountants (IESBA). IESBA is focusing on creating a new standard around firm culture and governance. The roundtables consisted of five groups discussing seven elements IESBA identified in their research as being a key to creating a new standard. NASBA officials also met in Nashville with Abitus, the leading CPA review course provider in Japan. President Dustin also reported on his interactions with the Chartered Accountants of Ireland.

Ms. Garvin updated the Board around risk and compliance and the areas in which Ms. Smith will be concentrating her time, which will be with the Examination Review Board (ERB) and NASBAs Enterprise Risk Management Committee. Ms. Garvin indicated that the organization is in the final phase of its SOC-2 audit, which should be completed in the next few months. Ms. Garvin also reported that she, along with Ms. Smith, will be attending the

May AICPA Board of Examiners meetings as observers.

Mr. Absec provided an overview of recent state board outreach. Mr. Absec reported that he participated in eight regional calls hosted by the regional directors during the past quarter and that he gave presentations to a couple of state boards of accountancy. The presentations, which were primarily focused on the current UAA exposure draft, went well with great questions and discussions with the boards. Mr. Absec reported that Middle Atlantic Regional Director, Laurie Warwick, joined him on his presentation to the District of Columbia Board of Accountancy. He also mentioned that he had been involved in several discussions with executive directors and board chairs involving legislative activity in their jurisdiction and future board visits both in-person and virtually.

Vice-President John Johnson provided an update on his state society relations activity as well as legislative activity in jurisdictions across the country. Mr. Johnson reported that while all 55 jurisdictions had convened during the year some have already adjourned. There have been 183 bills filed that have a direct impact on the profession with 41 of those tied to pathways/mobility in 25 states. Mr. Johnson also reported there was a breakout session between the state society executives who attended the Executive Directors conference and NASBA leadership that was very well received.

President Dustin presented the activities of the Center for Public Trust. Mr. Dustin informed the Board that 4,321 students are currently enrolled in the leadership certification program for the year, to date, and that the winners from the 2025 Ethics in Action video competition were recently announced. Mr. Dustin also reminded the Board that the Student Leadership conference will be held in Philadelphia in conjunction with the Eastern Regional meeting.

Chief Communications Officer Thomas Kenny reported on the activity of the outreach campaigns the communications team has been working on both internally and externally as well as video projects and webinars they have been involved in putting together including 34 campaigns specifically on behalf of a board of accountancy since the first of the year. Mr. Kenny reported that the number of followers on social media has risen to approximately 217,300. Mr. Kenny also reminded the board of the upcoming conferences and board of directors' meetings.

President Dustin previewed the trending topics that will be discussed during the afternoon session which include the current and future areas of focus with the joint UAA committee, alternative practice structures/private equity and collaboration efforts with state boards and external stakeholders.

#### Report of the Administration and Finance Committee

Treasurer J. Andy Bonner, Jr. began by reporting on the prior day's Administration and Finance Committee meeting. He provided some general perspective on public policy, tariffs and market volatility. It was also reported to the Board that the Investment Committee performed their annual review of the Investment Policy Statement ("IPS") with the investment advisors. There were no suggested changes to the IPS.

Vice President and Chief Financial Officer Troy A. Walker then discussed the year-to-date consolidated financial statements through February 28, 2025. Mr. Walker stated the consolidated operating excess was better than budget by \$1.0M through the first seven months of the fiscal year. Total revenue was less than budget by \$1.7M primarily related to the lower expired notice-to-schedule (“NTS”) and no-show revenue. However, this was more than offset by lower total expenses than budget. Mr. Walker led the Board through additional discussion on the factors for both the total revenue and total expense variance to budget. Mr. Walker stated that due to the changes which drove higher candidate volumes during the first part of Fiscal 2024, it was difficult to compare the current fiscal year to the prior fiscal year. Mr. Walker reported that capital expenditures are tracking budget with the primary capital expenditure continuing to involve the CPA Mobile Application. Investment income was \$2.6M through February 28, 2025. Mr. Walker also reviewed the current balance for the long-term investment securities and performance return through March 31, 2025.

Mr. Bonner made a motion to approve the NASBA consolidated financial statements as presented and recommended by the Administration and Finance Committee for February 28, 2025. Mr. Langowski seconded, and the motion passed unanimously.

#### Report of the Uniform Accountancy Act (UAA) Committee

Mr. Vuckovich provided an update on the activities of the committee, including meetings of the joint NASBA/AICPA committee which primarily centered around the proposed language for Sections 5 and 23 which are currently out for public comment. Mr. Vuckovich informed the board on the next steps once the exposure draft period ends in May. He also discussed future items of focus for the committee and the current work being completed by a joint task force on UAA processes moving forward.

#### Report of the Nominating Committee

Ms. Saunders informed the board that interviews for Vice Chair candidates will take place on May 6<sup>th</sup> and 7<sup>th</sup>. Ms. Saunders also gave an update on the need for Nominating Committee members from regions in both the west and east. She also reminded the board that there is only one application for regional and director-at-large positions this year and that terms for regional directors are annual, so those interested and eligible will need to reapply. Interviews for the regional directors will take place in July.

#### Report of the Education Committee

Ms. Houck Andrew reported on the activities of the committee including its review of the recently submitted grant proposals. Ms. Houck Andrew reported that the number of submissions was down from the previous year. The committee recommended grants for three proposals, two within the area of artificial intelligence and one behavioral study. The three grants totaled \$25,000, which was the budget for the committee. Ms. Houck Andrew made a motion to approve the grants as proposed. Mr. Schaffers seconded, and the motion passed unanimously.

## Report of the Executive Director Committee

Ms. Glynn expressed that executive directors are concerned about a future breach in mobility with the current pieces of legislation being proposed. She also expressed thoughts on the unintended consequences that current legislation/language could have on reciprocal licensing and mutual recognition agreements in the future. Ms. Glynn stated that further guidance around alternative practice structures, particularly private equity ownership, would be beneficial. Ms. Glynn also discussed the CPA exam including the latest published lower pass rates and the potential impact on the CPA pipeline.

## Report of the Committee on Relations with Member Boards

Ms. Smith reported that each region successfully completed calls in the first quarter of the year and that a recap of those calls was discussed by the committee who met the prior day. She also reported on the committee meeting with the Executive Committee and had discussions around the NASBA diagnostic initiative, advice on how to make the semi-annual regional calls more effective and the upcoming regional meetings. Ms. Smith reported the committee spent considerable time discussing and working on the upcoming regional meetings in June.

## Alerts from Other Committees

### Peer Review Compliance Committee

Mr. Schmitz reported that the committee has already met three times during the new year. He also reported that the committee released a whitepaper on Deficient Reports and Monitoring Guidance, and that the committee was very diligent in its usage of language when making recommendations so that it would be perceived as guidance. Mr. Schmitz also indicated that the committee was looking into having a joint meeting with the AICPA Oversight Task Force in the fall.

### Audit Committee

Mr. Schaffers reported that the committee is scheduled to meet in-person on May 8<sup>th</sup>.

### CPE Committee

Ms. Warwick reported that the committee has met twice, primarily to review the work of the standards working group. The committee had a joint meeting with AICPA in March, and it was determined that additional time is needed to sufficiently review the standards to make the best decisions moving forward. The definition of artificial intelligence, definition of the technological instructors, and combining group live and group internet training are topics being discussed.

### Examination Administration Committee

Mr. Berkowitz reported that the committee will be meeting during the week of April 28<sup>th</sup> to May 2<sup>nd</sup>.

## Inclusion Committee

Ms. Barron highlighted the activity of the committee which includes enhancing new member outreach and how to increase the connection with new members when there are in-person events and/or meetings. She also reported that the committee has established a task force to collaborate with state societies on visiting schools at both the high school and post-secondary education level to educate students on the profession.

## Other/New Business

Ms. Caldwell asked to introduce a new business item in between the committee reports to welcome Shelly Weir, CEO of the Florida Institute of CPAs. Ms. Weir joined the board virtually between 1:36 p.m. - 2:05 p.m. to share information on a deregulation bill that would impact the Florida Board of Accountancy and eliminate continuing professional education requirements, if passed. There was further discussion on the proposed legislation in Florida, which included how board members could assist and the role NASBA could have in the future.

## Ethics Committee

Ms. Watts reported that the committee will hold a joint meeting with the Regulatory Response Committee concerning the recent discussion memorandum on the potential revisions to the AICPA *Code of Professional Conduct* and guidance related to independence involving alternative practice structures. She also reported that the committee would like to get a meeting scheduled to discuss a consultation paper which is from IESBA and concerns auditor independence as it relates to collective investment and pension funds.

Ms. Neilon reminded the board members to submit their committee interest forms if they hadn't previously done so and that the number of interest forms submitted as of today were the same as on this date a year ago.

## Policy Discussions

President Dustin, with the help of Mr. Johnson led a discussion on the complexities of the various statutes that have been adopted in the various jurisdictions and the impact that will have on the cpamobility.org website. Mr. Dustin advised the board that staff are currently reviewing the cost to update the website as mobility moves from state-based to individual-based. He also reported that due to the complexity, which is a result of the varied ways in which legislation is being written across the jurisdictions, it will be very important that there is an accurate and clear understanding of the interpretation of the language in each jurisdiction. The board discussed the importance on having state boards confirm what is in the system to ensure accuracy and a need for disclosures and potential risk management agreements with the member boards. Mr. Dustin recommended that the complexities of cpamobility.org be considered for discussion at the upcoming regional meetings. Mr. Dustin also mentioned that the NASBA webpage on Substantial Equivalency would need to be rewritten. Mr. Dustin indicated that staff would continue to work and focus on the matters and to get thoughts and collaboration with state boards to identify potential paths forward.



President Dustin and Ms. Garvin led the board through a discussion on alternative practice structures, and in particular, private equity ownership. Ms. Garvin informed the board on the activities NASBA staff have had around the gathering of information and meetings held with executive directors on these matters, including a subsequent presentation that was conducted by NASBA staff at the recent Executive Director Conference and a potential future release of a whitepaper to help with further understanding of the issues.

Ms. Caldwell continued the discussion by talking to the Board about forming a task force that would begin to analyze and address some of the important, top-of-mind, topics that state boards are having around the subject and provide guidance. Ms. Caldwell asked the board members to reach out if they were interested in participating on a task force.

President Dustin discussed relationships with stakeholders with the Board. Mr. Dustin reiterated some of the actions NASBA is taking to help strengthen those relationships, which include meetings with a select group of executive directors each month; the inclusion of executive directors and board members on NASBA task forces, working and focus groups on matters involving information technology; non-disclosure agreements pertaining to the CPA examination; and alternative practice structures. He also stressed the importance of supporting the boards of accountancy through board visits and outreach.

#### Future Meetings

Chair Caldwell notified the board members there would be a virtual meeting of the board on May 7<sup>th</sup> to discuss the UAA exposure draft. She also provided the dates and location of the next two upcoming board meetings which will take place in Sun Valley, ID, in July and Chicago, IL, prior to the annual meeting in October. Ms. Caldwell also reminded the board of the regional meetings which will take place in New Orleans, LA, and Philadelphia, PA, in June.

Chair Caldwell thanked everyone for their effort and commitment to the board.

#### Adjournment

Chair Caldwell adjourned the meeting at 3:36 p.m. EST.

**National Association of State Boards of Accountancy, Inc.**  
**Meeting of the Board of Directors**  
**May 7, 2025 – Virtual**

**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 Maria Caldwell at 4:01 p.m. EST on Wednesday, May 7, 2025.

Chair Caldwell asked President and Chief Executive Officer Daniel J. Dustin, CPA, to report on the meeting's attendance.

**Report of Attendance**

President Dustin announced there was a quorum present.

**Officers**

Maria Caldwell, CPA (FL), Chair  
Nicola Neilon, CPA (NV), Vice Chair  
Stephanie Saunders, CPA (VA) Past Chair  
Katrina Salazar, CPA (CA), Secretary

**Directors-at-Large**

Barry M. Berkowitz, CPA (PA)  
Alison L. Houck Andrew, CPA (DE)  
Stephen F. Langowski, CPA (NY)  
Jason D. Peery, CPA (ID),  
Michael Schmitz, CPA (ND),  
Kenya Y. Watts, CPA (OH)  
Gerald Weinstein, CPA (OH)

**Regional Directors**

Thuy Barron, CPA (WI), Great Lakes Regional Director  
Timothy F. Egan, CPA (CT), Northeast Regional Director  
Haley Lyons, CPA (OR), Pacific Regional Director  
Melissa Ruff, CPA (NE), Central Regional Director  
Jeannette P. Smith, CPA (TX), Southwest Regional Director  
Dan Vuckovich, CPA (MT), Mountain Regional Director  
Laurie A. Warwick, CPA (VA), Middle Atlantic Regional Director

**Board Members Absent**

J. Andy Bonner, Jr., CPA (TN), Treasurer  
Wilhelmus Schaffers, CPA (AL), Southeast Regional Director

**Executive Directors' Liaison**

Nancy Glynn, Executive Director Committee Chair, Virginia Board of Accountancy

## **Staff**

Daniel J. Dustin, CPA, President and Chief Executive Officer  
Kent A. Absec, Vice President – State Board Relations

## **Report of the Chair**

Chair Caldwell welcomed all. She reported the purpose of the meeting was to vote whether to approve the proposed changes, as recommended by the Joint NASBA-AICPA Uniform Accountancy Act (UAA) Committee, to Sections 5 and 23 of the UAA.

Chair Caldwell asked NASBA's UAA Committee Chair, Dan Vuckovich, to update the board on the latest activity of the committee.

Mr. Vuckovich provided an overview on the total of comments and the various categories of respondents who commented. Mr. Vuckovich reported that there were 209 comments received. He then broke down those comments into categories of respondents such as state boards of accountancy, state CPA societies, firms, educators and students or licensure candidates. He also covered the common themes which surfaced in support and objection to the language in the exposure draft for each category.

Mr. Vuckovich walked the board through two areas within the exposure draft that were identified during the comment period by stakeholders and was discussed by the joint committee at their most recent meeting. Those two areas were Section 23(a)(1) and Section 23(a)(2). In the case of Section 23(a)(1), Mr. Vuckovich reported that the committee recommended leaving the language as presented but adding language in the commentary to provide clarity. The board discussed the commentary and walked through the citation to the sections of the CPA examination.

In Section 23(a)(2), Mr. Vuckovich reported the committee had an in-depth discussion of the use of the term 'active' within the language. He provided a summary of the committee's discussion around the matter and that they recommended that a non-substantive change be made to the language by removing the term 'active' and be brought to the respective boards for consideration.

A motion was made by Mr. Vuckovich, seconded by Ms. Neilon, to approve the 9<sup>th</sup> edition of the UAA as presented with a recommendation of a change to the commentary for the AICPA's consideration in their vote of the language. The motion passed unanimously.

Chair Caldwell thanked Mr. Vuckovich and the NASBA UAA Committee members for all their work.

## **New Business**

Ms. Saunders announced, on behalf of the Nominating Committee, that Coalter Baker has been selected to be NASBA's 2025-26 Vice Chair Nominee. A press release is expected later in the day, Wednesday, May 7<sup>th</sup>.

### Adjournment

Ms. Caldwell adjourned the meeting at 4:28 p.m. EST.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

July 25, 2025 – Sun Valley, ID

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, July 25, 2025, in Sun Valley, ID, the Board took the following actions:

- Unanimously approved the minutes of April 25, 2025, and May 7, 2025, Board of Directors meetings.
- Chair Maria Caldwell (FL) reported her activities for the quarter which included observing NASBA committee meetings and attending the regional meetings.
- Approved the Awards Committee's recommendations: Janice Gray (OK) will be the recipient of the 2025 William H. Van Rensselaer Public Service Award; Faye Miller (ND) will be the recipient of the 2025 NASBA Distinguished Service Award; and Viki Windfeldt (NV) will be the recipient of the 2025 Lorraine P. Sachs Award for Executive Directors. The awards will be presented at the 2025 Annual Business Meeting in October.
- Vice Chair Nicola Neilon (NV) updated the Board on her activities during the past quarter, which includes her attending numerous committee meetings as well as the progress she is making regarding planning for the 2025-26 committee year in which 180 volunteers have submitted a committee interest form.
- President and CEO Daniel J. Dustin and Executive Vice President Wendy Garvin provided an organizational update and discussed activities they participated in with external stakeholders. Mr. Dustin provided an update on NASBA's Leadership Development and Professional Excellence training, the NASBA Culture Champion Team, the continued Diagnostic project, and various community reinvestment activities. Ms. Garvin discussed a recent trip to Washington, D.C. in which she, along with other NASBA representatives, met with various federal regulators.
- Coalter Baker (TX) was recognized for his selection as 2025-2026 Vice Chair Nominee and Andy Bonner was recognized for being named the recipient of the Tennessee Society of CPAs, Lifetime Achievement Award.
- President and CEO Daniel J. Dustin and Chief Operations Officer, William Emmer provided an operational update which included an overview of NASBA's Client and Compliance Services through the introduction of an Operations dashboard which covers key performance indicators. There was also an update on projects within the IT area of the organization.
- Audit Committee Chair, Wilhelmus Schaffers (AL), reported on the activities of the committee which included an in-person meeting in May.

- The Board heard a report from the Administration and Finance Committee:

Consolidated operating excess was better than budget by \$2.8M through the first ten months of the fiscal year ended May 31, 2025, and projected for Fiscal Year 2025. Year-to-date total revenue continued to be lower than budget. However, this is more than offset by lower total expenses.

The operating excess is projected to be \$4.1M and investment income is projected to be \$4.7M for Fiscal Year 2025.

Net assets are projected to increase by \$8.8M for the fiscal year ending July 31, 2025.

The Board unanimously approved the May 31, 2025, NASBA consolidated financial statements as presented and recommended by the Administration and Finance Committee. The Board also unanimously approved the Fiscal Year 2026 consolidated operating and capital budgets as presented and recommended by the Administration and Financial Committee.

- Relations with Member Boards Chair, Jeannette Smith (TX), reported on the activities of the committee's recent meetings which included a discussion on the recently completed regional meetings.
- Reviewed and approved for consideration proposed Bylaws changes to section 4.3.1, Chair, section 4.5, Qualification?Terms.and.Limitations.of.Office, section 6.1, Annual.Meeting, and section 6.8, Rules.of.Order?as presented by Committee Chair Jason Peery (ID). The proposed changes will be sent to the member Boards and voted on at the Annual Business Meeting.
- CPE Committee Chair, Laurie Warwick (VA), reported on the proposed changes to The Standards for Continuing Professional Education which is published jointly by NASBA and AICPA. The Board voted to publish the changes pending approval by the AICPA Board of Directors for comment during an upcoming 90-day exposure draft period.
- Education Committee Chair, Alison Houck Andrew (DE) reported on the activities of the committee and reviewed potential topics for research studies in the upcoming year.
- Executive Directors' Committee Chair, Nancy Glynn (VA), provided an update on the activities of the committee and discussed various areas of interest relating to the Executive Director community.
- The Board heard updates from various committees including the Nominating Committee, Enforcement Resources Committee, Standard Setting and Professional Trends Advisory Committee and Regulatory Response Committee.

The next meeting of the NASBA Board of Directors will be held on October 24, 2025, in Chicago, IL.

Distribution; State Board Chairs–Presidents?Members.and.Executive.Directors?NASBA.Board.of.Directors.and.Committee.Chairs?and.NASBA.Staff.Directors;

---

# EXPOSURE DRAFT

---

## PROPOSED STATEMENTS ON STANDARDS FOR CONTINUING PROFESSIONAL EDUCATION (CPE) PROGRAMS

**September 17, 2025**

**Comments are requested by December 16, 2025**

**Comments should be submitted to [Comment Submission Form](#).**

## CONTENTS

	Page
<b>Explanatory Memorandum</b>	
Introduction .....	3
Background .....	3
Summary of Significant Changes in the Proposed Standards.....	3
Effective Date .....	6
Guide for Respondents .....	6
Comment Period.....	7
<b>Exposure Draft</b>	
Proposed Statement on Standards for Continuing Professional Education Programs .....	8



# **Explanatory Memorandum**

## **Introduction**

The Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) is published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) to provide a framework for the development, presentation, measurement, and reporting of CPE programs.

The *Standards* are periodically reviewed in their entirety by the CPE Standards Working Group (Working Group). The Working Group is comprised of 13 members representing various stakeholders in CPE including state boards of accountancy, state societies, educators, CPE providers and the AICPA. If the Working Group determines that revisions or modifications are required, then the Working Group will make its recommendation to NASBA's CPE Committee (CPE Committee), which in turn, makes recommendations to the Joint AICPA/NASBA CPE Standards Committee (Joint Committee). The Joint Committee will then make its recommendation to the respective AICPA and NASBA Boards of Directors.

The *Standards* are intended to be an "evergreen" document. The *Standards* are reviewed and evaluated every two years from the effective date of the last revision to the document. The *Standards* were last revised with an effective date of January 1, 2024.

## **Background**

### **Why the Proposed *Standards* Have Been Developed**

During the most recent revision cycle, the Working Group, a sub-committee of NASBA's CPE Committee, considered the advancements in technology and learning platforms, the transformative impact of Artificial Intelligence (AI), and other innovations in learning and learning modalities that seem to be blurring the lines of how the instructional delivery methods for CPE programs are currently defined in the *Standards*.

The Working Group believed that it was time to holistically reconsider the instructional delivery methods and challenge what those might be in the future. In addition to considering the items noted above, the Working Group addressed challenges inherent in the current delivery methods of the *Standards*. The Working Group also created strategies for building flexibility to accommodate future innovations in learning and the design of professional education.

## **Overarching Principles**

The overall direction of the project was influenced by the purview of the state boards of accountancy, which is focused on formal CPE learning programs that are measurable and verifiable. Seven principles of formal CPE learning programs were defined as the framework for the development, presentation, measurement and reporting of CPE programs. The seven principles are:

1. Learning Objectives
2. Quality of CPE Program
3. Participant Engagement
4. CPE Program Completion Verification
5. CPE Program Measurement
6. Participant Communication
7. Required Documentation of CPE Programs

The proposed *Standards* (Proposal) have been reorganized in sections (instead of the current standards/paragraphs format) by the seven principles to simplify the presentation of the *Standards* and improve readability. The Proposal has expanded the “principles” based approach to help create flexibility to accommodate future changes and innovations in learning. (CPE programs that qualify for CPE credit under the extant 2024 version of the *Standards* will continue to qualify for CPE credit under the Proposal.)

### **Summary of Significant Changes in the Proposed *Standards***

- Introduction – The Introduction and Preamble from the extant 2024 version of the *Standards* have been revised and combined into the Introduction in the Proposal. Most concepts have been retained.
- Definitions – Renamed from Article I in the extant 2024 version to Section 1 in the Proposal. Updates to definitions to reflect proposed changes and modification throughout the document.
- Article II – General Guidelines for CPAs from the extant 2024 version of the *Standards* has been removed. Article II was historically included in the *Standards* to explain overall guidelines and requirements of CPE for CPAs to CPE program providers. It was not intended to be a resource to CPAs regarding specific jurisdiction CPE requirements. Certain information from paragraph 2.1, Professional Competence, was incorporated into the Introduction of the Proposal. In the spirit of simplifying and improving the readability of the *Standards*, the rest of extant Article II has been removed from the Proposal.
- Article III – Standards for CPE Programs has been reformatted to Section 2 – General Standards in the Proposal. This section now sets out the formal learning programs and learning activities which qualify for CPE under the *Standards*: formal learning programs; instructor/speaker activities; author/developer activities; and content reviewer activities. [Note: References to independent study and college and university credit from the extant 2024 version of the *Standards* have been removed from the Proposal and participants directed to refer to their State board of accountancy for guidance on this type of credit. State boards of accountancy rules and regulations typically include specific requirements regarding the acceptance of college and university credit. Only approximately 14 out of the 55 state boards of accountancy accept CPE credit for independent study programs and all 14 boards require that any independent study program be approved by the board in advance. Therefore, those areas do not seem meaningful to include in the Proposal.]
- Paragraph 2.02.1 of Section 2 – General Standards further explains that formal learning programs are defined within the Proposal as group programs, self study programs or

blended learning programs. The Proposal provides the types of programs that could qualify as a group program, which represent the types of programs defined as Group Live and Group Internet Based programs from the extant 2024 version of the *Standards*. Self study programs are described as, but not limited to, traditional on-demand learning programs, adaptive learning programs and nano learning programs. The description of blended learning programs is unchanged from the extant 2024 version of the *Standards*.

- Section 3 – Standards for Learning Objectives has been carried forward from the extant 2024 version of the *Standards* (Standard No. 2 and No. 3).
- Section 4 – Standards for Quality of CPE Program has been carried forward from the extant 2024 version of the *Standards* with some minor edits (Standard No. 4, No.5, No. 13, No. 14, No. 15, and No. 9 paragraph S9-07).
- Section 5 – Standards for Participant Engagement carries forward the concept of an element of engagement for Group Live programs for the extant 2024 version of the *Standards* (Standard No.7). However, it expands the requirement for learning engagement to all types of formal CPE programs and includes examples for group programs, self study programs and blended learning programs.
- Paragraph 5.01.2.2 of Section 5 – Standards for Participant Engagement provides guidance for the use of review questions as participant engagement in self study programs. The Proposal includes a change in the requirements for feedback on review questions to move away from requiring evaluative feedback for each incorrect answer and reinforcement feedback for the correct answer. Input from CPE Program sponsors indicates that these feedback requirements are the most time-consuming and difficult requirements to comply for self study programs in the extant 2024 version of the *Standards*. Additionally, many platforms currently available for the design and development of self study programs have limitations providing feedback for review questions.

The Proposal still requires feedback to be provided for review questions and other content reinforcement tools but allows for more principles-based feedback. The Proposal provides guidance that the objective of the feedback is to reinforce understanding, highlight knowledge gaps and provide additional resources for learning comprehension. The Proposal also states that, when the multiple choice method is used for review questions, explaining why each incorrect response is wrong and reinforcing the understanding for the correct response is a best practice.

- Section 6 – Standards for CPE Program Completion Verification carries forward Standard 16 paragraph S16-02 from the extant 2024 version of the *Standards*. Paragraph 6.01.1 of the Proposal emphasizes that for group programs, program completion verification methods should account for both individual presence and the time duration of such presence to address significant compliance issues that currently exist with Registry sponsors. The Proposal allows the sponsor to choose a completion verification method for group programs and provides examples. Completion verification for self study programs is mostly carried forward from the extant 2024 versions of the *Standards* (Standard No. 9 paragraphs S9-04 and S9-05 and Standard 10 paragraphs S10-01 and S10-02). Completion verification for blended learning programs is carried forward from the extant 2024 version of the *Standards* (Standard No. 11 paragraphs S11-02 through S11-03).

- Section 7 – Standards for CPE Program Measurement proposes changes to the amount of CPE credit that can be earned initially for group programs and self study programs. The Proposal allows for group program credit to be earned initially as one-half credit or one full credit. The Proposal also allows for self study program credit to be earned in one-fifth or one-half credit initially. If one-fifth credit is earned initially, it permits additional credit to be earned in one-fifth increments.

There are state boards of accountancy that currently permit CPE credits to be earned in these initial increments for group and self study programs. Emphasis has been included in the Proposal that rules and regulations of state boards of accountancy may differ on the acceptable increments of CPE credit and CPE program sponsors should comply with those rules in awarding CPE credit.

The proposed change in self study CPE increment would lay the foundation for future simplification within the *Standards* such that a separate category for nano learning would no longer be necessary (i.e., the requirements would be the same as a traditional on-demand self study program).

The guidance for the minimum required number of review questions and qualified assessment questions for self study programs have been expanded and revised based on the proposed changes. See paragraphs 5.01.2.1 and 6.01.2.

- Section 7 – Standards for CPE Program Measurement - In the spirit of simplifying and improving the readability of the *Standards*, the measurement methodology paragraphs for traditional on-demand self study programs and adaptive learning programs from the extant 2024 version of the *Standards* have been combined with specific call-out for differences in the sample sizes for pilot testing and the use of an average of all potential learning paths for the word count formula. Section 7 also permits the use of participant actual completion time for adaptive learning if the learning platform or technology can track individual participant completion time.
- Section 7 – Standards for CPE Program Measurement carries forward the CPE credit determination methodologies for nano learning and blended learning programs for the extant 2024 version of the *Standards* (Standard No. 18 and No. 19). Section 7 also carries forward the CPE credit measurement guidance for instructor/speakers; author/developers; and content reviewers from the extant 2024 version of the *Standards* (Standard No. 20, No. 21, and No. 22).
- Section 8 – Standards for Participant Communication carries forward the participant communication requirements and guidance from the extant 2024 version of the *Standards* (Standard No. 12 and language from Standard 16 paragraph S16-03).
- Section 9 – Standards for Required Documentation of CPE Programs carries forward the guidance from the extant 2024 version of the *Standards* for the certificate of completion (Standard No. 23). The Proposal reorganizes the guidance from the extant 2024 version of the *Standards* and includes specific requirements with examples of documentation for each type of formal CPE learning program: group programs, self study programs and blended learning programs.

## **Effective Date**

Currently, no specific date has been recommended. The effective date is dependent on the timing of review and approval through NASBA's CPE Committee, the Joint AICPA/NASBA CPE Standards Committee, and ultimately, the respective AICPA and NASBA Boards of Directors. The Working Group recognizes that adequate time will be needed for CPE program sponsors to update learning management systems/platforms as well as for state boards of accountancy to consider and make any rules changes to implement the Proposal.

## **Guide for Respondents**

Comments are sought on the Exposure Draft of the Statement on Standards for Continuing Professional Education (CPE) Programs. Specifically, feedback is sought on the topic of the effective date of the Proposal and the time needed to transition and implement the Proposal.

Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording.

Written comments on the exposure draft will become part of the public record of NASBA and will be available for review on NASBA's National Registry of CPE Sponsors website until the final standard is issued. Responses should be sent via the [Comment Submission Form](#) and received by December 17, 2025.

## **Comment Period**

The comment period for this exposure draft ends December 17, 2025.

# The Statement on Standards for Continuing Professional Education (CPE) Programs

Jointly issued by the American Institute of Certified Public Accountants (AICPA) and the  
National Association of State Boards of Accountancy (NASBA)

NEW



# Contents

<b><u>Introduction</u></b> .....	<b>10</b>
<b><u>Section 1 – Definitions</u></b> .....	<b>1</b>
<b><u>Section 2 - General Standards</u></b> .....	<b>4</b>
<u>2.01. CPE Program Sponsor Responsibility</u> .....	4
<u>2.01.1. CPE requirements of licensing bodies and others.</u> .....	4
<u>2.02.1. Formal learning programs.</u> .....	4
<b><u>Section 3 - Standards for Learning Objectives</u></b> .....	<b>5</b>
<u>3.01. Learning Activities Based on Learning Objectives</u> .....	5
<u>3.01.1. Program knowledge level.</u> .....	5
<u>3.02. Learning Activities Consistent with Experience of Participant</u> .....	5
<u>3.02.1. Prerequisite education and experience.</u> .....	5
<b><u>Section 4 – Standards for Quality of CPE Program</u></b> .....	<b>5</b>
<u>4.01. Current and Accurate Learning Activities and Materials</u> .....	5
<u>4.01.1. Developed by subject matter expert(s).</u> .....	6
<u>4.02. Learning Activities Reviewed by Content Reviewers</u> .....	6
<u>4.02.1. Qualifications of content reviewers.</u> .....	6
<u>4.03. Instructors Qualified in Program Content and Instructional Method</u> .....	6
<u>4.03.1. Qualifications of instructors.</u> .....	6
<u>4.03.2. Evaluation of instructor’s performance.</u> .....	7
<u>4.04. Evaluation of Learning Activities.</u> .....	7
<u>4.04.1. Required elements of evaluation</u> .....	7
<u>4.04.2. Evaluation results</u> .....	7
<u>4.05. Instructional Strategies Appropriate for Learning Activities.</u> .....	7
<u>4.05.1. Assess instructional strategy in context of program objectives.</u> .....	7
<u>4.05.2. Facilities and technology appropriateness.</u> .....	7
<u>4.05.3. Based on materials developed for instructional use.</u> .....	7
<u>4.06. Review responsibilities if content is purchased from another entity</u> .....	8
<b><u>Section 5 – Standards for Participant Engagement</u></b> .....	<b>8</b>
<u>5.01. Design Learning Programs to Drive Participant Engagement</u> .....	8
<u>5.01.1. Participant engagement for group programs.</u> .....	8
<u>5.01.2. Participant engagement for self study programs.</u> .....	9
<u>5.01.2.1. Use of review questions or other content reinforcement tools in self study</u> <u>programs.</u> .....	9
<u>5.01.2.2. Feedback on review questions or other content reinforcement tools.</u> .....	10
<u>5.01.3. Participant engagement for blended learning programs.</u> .....	10
<b><u>Section 6 – Standards for CPE Program Completion Verification</u></b> .....	<b>10</b>
<u>6.01. Responsibility to Monitor Attendance of Verify Program Completion.</u> .....	10



6.01.1. CPE program completion verification for group programs .....	11
6.01.2. CPE program completion verification for self study programs.....	12
6.01.3. CPE program completion verification for blended learning programs. ....	15
<b>Section 7 - Standards for CPE Program Measurement .....</b>	<b>15</b>
7.01. Program Length Measured in CPE Credits.....	15
7.01.1. Learning activities with individual segments. ....	17
7.02. Self Study CPE Credits Based on Pilot Testing or Word Count Formula.....	18
7.02.1. Method 1 – Sample group of pilot testers. ....	18
7.02.2. Method 1 – CPE credit based on representative completion time. ....	18
7.02.3. Method 1 – Requirement for re-pilot testing. ....	19
7.02.4. Method 1 – Pilot testing when course is purchased from vendor or other developer. ....	19
7.02.5. Method 2 – Basis for prescribed word count formula.....	19
7.02.6. Method 2 – Calculation of CPE credit using the prescribed word count formula. ..	19
7.02.7. Method 2 – Consideration of audio and video segments in word count formula. .	20
7.02.8. Method 2 – Word count formula when course is purchased from vendor or other developer. ....	20
7.02.9. CPE credit for an adaptive learning self study program that tracks individual participant’s completion time. ....	20
7.02.10 CPE credit for Nano Learning Programs .....	20
7.03. CPE Credit for Blended Learning Programs .....	20
7.04. Instructor CPE Credit for Preparation and Presentation Time.....	21
7.04.1. Instructor CPE credit parameters.....	21
7.04.2. Presenting a program.....	21
7.05. Author or Content Reviewer CPE Credit.....	21
7.05.1. Authoring a program.....	21
7.05.2. Requirement for content review. ....	21
7.05.3. Content reviewer CPE credit parameters. ....	21
<b>Section 8 - Standards for Participant Communication .....</b>	<b>22</b>
8.01. Descriptive Materials for Participant to Access Learning Activities.....	22
8.01.1. Disclose significant features of program in advance. ....	22
8.01.2. Disclose advance preparation and prerequisites.....	23
8.01.3. Disclose requirements for earning full credit for a group program.....	23
<b>Section 9 - Standards for Required Documentation of CPE Programs .....</b>	<b>23</b>
9.01. Documentation of Participation in CPE Program .....	23
9.01.1. Entity to award CPE credits and acceptable documentation. ....	23
9.02. CPE Program and Participation Documentation Maintenance.....	24
9.02.1. Required documentation elements for group programs. ....	24
9.02.2. Required documentation elements for self study programs.....	25



<a href="#">9.02.3. Required documentation elements for blended learning programs.....</a>	26
<a href="#">Effective date: .....</a>	27

DRAFT

## Introduction

The right to use the title “Certified Public Accountant” (CPA) is regulated by each state’s board of accountancy in the public interest and imposes a duty to maintain public confidence by maintaining or enhancing current professional competence, as defined in the Statement on Standards for Continuing Professional Education (CPE) Programs (Standards), in all areas in which they provide services. CPAs must accept and fulfill their ethical responsibilities to the public and the profession regardless of their fields of employment.<sup>1,2</sup>

The profession of accountancy is characterized by an explosion of relevant knowledge, ongoing changes and expansion, and increasing complexity. Advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions have created a dynamic environment that requires CPAs performing professional services to have a broad range of professional competence. Accordingly, acceptable continuing education encompasses programs contributing to the development and maintenance of professional skills.

The continuing development of professional competence involves a program of lifelong learning activities. Continuing professional education (CPE) is the term used in these Standards to describe the learning activities that assist CPAs in achieving and maintaining quality in professional services.

The following Standards, published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs including standards for learning objectives, quality of CPE program, participant engagement, CPE program completion verification, CPE measurement, participant communication and required documentation of formal CPE programs and thereby help to ensure that CPAs receive the quality CPE necessary to satisfy their obligations in serving the public. The spirit of the Standards is to encourage high-quality learning with measurable objectives by providing baseline requirements.

The [fields of study](#), as published on NASBA’s website, [www.nasbaregistry.org](http://www.nasbaregistry.org), represent the primary knowledge and skill areas that CPAs need to perform professional services in all fields of employment.

These Standards may also apply to other professionals by virtue of employment or membership. CPAs are responsible for complying with all applicable CPE requirements, rules, and regulations of boards of accountancy, as well as those of membership associations and other professional organizations, as applicable. Boards of accountancy, membership associations and other professional organizations have final authority on the acceptance of individual courses for CPE credit.

Advances in technology, delivery, and workplace arrangements may lead to innovative learning techniques. Learning theory is evolving to include more emphasis on outcome-based learning. These Standards anticipate innovation in CPE in response to these advances. Sponsors must

ensure innovative learning techniques are in compliance with the Standards. CPE program sponsors are encouraged to consult with NASBA regarding questions related to compliance with the Standards when using innovative techniques.

These Standards create a basic foundation for sound educational programs. Sponsors may wish to provide enhanced educational and evaluative techniques to all programs.

The Standards were last revised in 2024.

The Standards and the fields of study are periodically reviewed in their entirety by the CPE Standards Working Group (Working Group). The Working Group comprises 13 members representing the various stakeholders in the CPE arena, including boards of accountancy, state societies, educators, CPE providers, and the AICPA. If the Working Group determines that revisions or modifications are required, then the Working Group will make its recommendations to NASBA's CPE Committee (CPE Committee), which, in turn, makes recommendations to the Joint AICPA/NASBA CPE Standards Committee (Joint Committee). The Joint Committee will then make its recommendation to the respective AICPA and NASBA Boards of Directors. Any revisions or modifications to the Standards will be posted to the AICPA and NASBA websites for comment.

The Standards are intended to be an "evergreen" document. As questions arise related to implementation and application of the Standards, the questions will be presented to the Working Group. NASBA will communicate the findings of the Working Group to the specific CPE program sponsor. Authoritative interpretations will only be issued by the CPE Committee in limited cases in which the matter is not addressed in the Standards, cannot be addressed specifically with the CPE program sponsor, or cannot be addressed in the "Best Practices" web pages. All interpretations issued by the CPE Committee will be reviewed and considered by the Joint Committee upon the next revision of the Standards.

<sup>1</sup> The term "CPA" is used in these Standards to identify any person who is licensed or regulated, or both, by boards of accountancy.

<sup>2</sup> The terms "should" and "must" are intended to convey specific meanings within the context of this joint AICPA/NASBA Statement on Standards for Continuing Professional Education Programs (Standards). The term "must" is used in the Standards and applies to CPAs and CPE program sponsors to convey that CPAs and CPE program sponsors are not permitted any departure from those specific Standards. The term "should" is used in the Standards and applies to both CPAs and CPE program sponsors and is intended to convey that CPAs and CPE program sponsors are encouraged to follow such Standards as written. The term "may" is used in the Standards and applies to both CPAs and CPE program sponsors and is intended to convey that CPAs and CPE program sponsors are permitted to follow such Standards as written.

## Section 1 – Definitions

**Adaptive learning self study program.** A self study program that uses a computer algorithm, other predictive analytics tools, or participant-driven selections to orchestrate interaction with the participant and deliver customized learning activities to assist the participant in meeting the course's stated learning objectives. CPE credit for an adaptive learning self study program must be determined based on the methodologies detailed in Section 7 Paragraphs 7.02.1 through 7.02.9.

**Advanced.** Program knowledge level most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for seasoned professionals within organizations; however, they may also be beneficial for other professionals with specialized knowledge in a subject area.

**Asynchronous.** A learning activity in which the participant has control over time, place, or pace of learning.

**Basic.** Program knowledge level most beneficial to professionals new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

**Blended learning program.** One formal learning program with defined learning objectives that includes both asynchronous and synchronous learning activities, and incorporates different instructional strategies, or levels of guidance. Pre-program, post-program and homework assignments should enhance the learning program experience and must relate to the defined learning objectives of the program.

**Content reinforcement tools.** Tools used within the overall learning activity to reinforce learning and influence behavior change throughout the learning or at the end of the learning. Examples include but are not limited to simulations, drag-and-drop, rank order, or matching activities.

**Content reviewer.** Individuals or teams qualified in the subject matter involved in a review capacity during the development of a learning program other than those who developed the content.

**Continuing professional education (CPE).** An integral part of the lifelong learning required to provide competent service to the public. The set of activities that enables CPAs and other professionals to maintain or improve their professional competence.

**CPE credit.** Fifty minutes of participation in a formal learning program equals one CPE credit.

**CPE program sponsor (sponsor).** The individual or organization responsible for ensuring the learning program meets all the requirements of the Standards, issuing the certificate of completion, and maintaining the documentation required by the Statement on Standards for Continuing Professional Education (CPE) Programs.

**Feedback.** Specific response to answers of review questions or other content reinforcement tools

in self study programs that helps participants evaluate their understanding of course material and gauge the effectiveness of learning efforts.

**Formal learning program.** A collection of learning activities that are designed and intended as continuing education that comply as defined within these Standards as a group program, self study program or blended learning program.

**Group program.** A facilitated learning program with one or more individuals in real time in which the Instructor (as defined below) has control of timing, place and pace of learning.

**Instructional strategies.** Strategies such as but not limited to case studies, computer-assisted learning, lectures, group interaction, programmed instruction, and use of audiovisual aids employed within the group, self study, or blended learning programs or other innovative programs.

**Instructor.** A human or technology-assisted mechanism which guides, facilitates, instructs, coaches, models and/or evaluates learning activities.

**Intermediate.** Program knowledge level that builds on a basic program and is most appropriate for professionals with detailed knowledge in a particular topic. Such persons are often at a mid-level within the organization, with operational or supervisory responsibilities, or both.

**Learning activity.** An educational endeavor that maintains or improves professional competence.

**Learning program completion verification.** A process to monitor the successful completion of the learning program to assign the correct number of CPE credits to the participant.

**Learning objectives.** Measurable outcomes that participants should accomplish upon completion of a learning program. Learning objectives are useful to program developers in deciding appropriate instructional strategies and allocating time to various subjects.

**Nano learning program.** A self study program completed individually without the assistance or interaction of a real time instructor that is designed to permit a participant to achieve a single learning objective in a minimum of 10 minutes and less than 20 minutes through the use of electronic media (including technology applications and processes and computer-based or web-based technology). A nano learning program differs from a traditional on-demand learning program in that it is focused on a single learning objective and is not paper-based. A nano learning program is not a group program. Nano learning is not a substitute for comprehensive programs addressing complex issues.

**Overview.** Program knowledge level that provides a general review of a subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels.

**Participant engagement.** The level of attention, involvement, interest and active participation demonstrated during the learning process. It involves the use of various strategies like interactive content, group discussions, hands-on activities, simulations, case studies, and personalized learning paths to make the learning experience more engaging and effective.

**Pilot test.** A method to determine the recommended CPE credit for self study programs that involves sampling of individuals who are independent of the development team and are representative of the intended participants to measure the representative completion time.

**Pre-program assessment.** A method of measuring prior knowledge that is given before the participant has access to the course content of the program.

**Professional competence.** Having requisite technical competence, professional skills, values, ethics, and attitudes to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest.

**Qualified assessment.** A method of measuring the achievement of a representative number of learning objectives for the learning activity.

**Review questions.** A learning activity to reinforce learning and influence behavior change throughout the learning program.

**Self study program.** A traditional on-demand learning, an adaptive learning or nano learning program in which the individual participant has control over the timing, place and pace of learning.

**Subject matter expert.** A person who has expertise in a particular area or topic. Expertise may be demonstrated through practical experience or education, or both.

**Synchronous.** A learning activity in which participants engage simultaneously with a real time instructor.

**Traditional on-demand learning program.** A learning program in which the individual participant controls access to educational content and resources as well as timing, place, and pace of learning.

**Update.** Program knowledge level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to keep current.

**Word count formula.** A method, detailed under Section 7 Paragraphs 7.02.5 through 7.02.8 method 2, to determine the recommended CPE credit for self study programs that uses a formula, including word count of learning material, number of questions and exercises, and duration of audio and videosegments.

## Section 2 - General Standards

**2.01. CPE program sponsors are responsible for compliance with all applicable Standards and other CPE sponsor requirements.**

**2.01.1. CPE requirements of licensing bodies and others.** CPE program sponsors may have to meet specific CPE sponsor requirements of state licensing bodies, other governmental entities, membership associations, and other professional organizations or bodies. Professional guidance for CPE program sponsors is available from NASBA and state-specific guidance is available from the boards of accountancy. CPE program sponsors should contact the appropriate entity to determine requirements.

**2.02. Learning activities which qualify for CPE credit under these Standards.** The following learning activities qualify for CPE credit under these Standards:

- Formal learning programs;
- Instructor/speaker activities (See Section 7 Paragraph 7.05);
- Author/developer activities (See Section 7 Paragraph 7.06); and
- Content reviewer activities (See Section 7 Paragraph 7.06).

Other learning activities not listed above, such as independent study and college/university credit, may also be acceptable by state licensing bodies, governmental entities, membership associations and other professional organizations or bodies. Participants should refer to their state board or approving organization for guidance on acceptance of CPE credit not covered by the Standards.

**2.02.1. Formal learning programs.** To qualify for CPE credit, CPE program sponsors must comply with the requirements of learning objectives, quality of CPE program, participant engagement, CPE program completion verification, CPE program measurement, participant communication and required documentation of CPE programs as contained within these Standards. Formal learning programs must employ a real-time instructor and instructional strategies that guide a participant through a program of learning and are defined, within these Standards, as a group program, a self study program or a blended learning program.

Formal learning programs and learning activities that could qualify as a group program, as defined in Section 1, include but are not limited to:

- Physical classroom setting;
- Physical conference setting;
- Internet enabled two-way video participation in a program;
- Participation in a conference call;
- Participation in watching a live broadcast or rebroadcast of a program; or
- Webcast/webinar.

Formal learning programs and learning activities that could qualify as a self study program, as defined in Section 1, include but are not limited to:

- Traditional on-demand learning program;
- Adaptive learning program; or
- Nano learning program.

Formal learning programs and learning activities that could qualify as a blended learning program, as defined in Section 1, include but are not limited to:

- Blended learning program in which the primary components of the program are synchronous learning activities; or
- Blended learning program in which the primary components of the program are asynchronous learning activities.

### **Section 3 - Standards for Learning Objectives**

**3.01. Sponsored learning activities must be based on relevant learning objectives and outcomes assigned to the learning activities that clearly articulate the professional competence that should be achieved by participants in the learning activities. The learning objectives must be stated alongside the program knowledge level and prerequisite education/experience for the learning activity.**

**3.01.1. Program knowledge level.** Learning activities provided by CPE program sponsors must specify the knowledge level, content, and learning objectives so that potential participants can determine whether the learning outcomes are appropriate to their professional competence development needs, except as provided in Section 8 Paragraph 8.01 for mandatory internal courses. Knowledge levels consist of Basic, Intermediate, Advanced, Update, and Overview.

**3.02. CPE program sponsors must develop and execute learning activities in a manner consistent with the learning objectives, prerequisite education, experience, and advance preparation of participants.**

**3.02.1. Prerequisite education and experience.** To the extent it is possible to do so, CPE program sponsors should make every attempt to equate program content and knowledge level with the backgrounds of intended participants. All programs identified as Intermediate, Advanced or Update must clearly identify prerequisite education, experience, and advance preparation in precise language so that potential participants can readily ascertain whether they qualify for the program. For courses with a program knowledge level of Basic and Overview, prerequisite education or experience and advance preparation, should be noted if applicable, otherwise, state “none” in the course announcement or descriptive materials.

### **Section 4 – Standards for Quality of CPE Program**

**4.01. CPE program sponsors must employ activities, materials, and delivery systems that are current, accurate, and effectively designed. Course documentation must contain the most recent**



publication, revision, or review date. Courses in subjects that undergo frequent changes such as updates to codes, laws, rulings, decisions, interpretations, etc. must be reviewed and revised, as necessary, by a subject matter expert as soon as possible but at least once a year to verify the currency of the content. Other courses must be reviewed and revised, as necessary, at least every two years.

**4.01.1. Developed by subject matter expert(s).** Learning activities must be developed by subject matter expert(s). The content developer must be competent and current in the subject matter, skilled in the use of the appropriate instructional strategies and technology. If technology is used in the development of the program, the content developer is responsible for reviewing the content for accuracy.

**4.02. CPE program sponsors must ensure that learning activities are reviewed by content reviewers other than those who developed the programs to ensure that the program is accurate and current and addresses the stated learning objectives. These reviews must occur before the first presentation of these materials and again after each significant revision of the CPE programs.**

The participation of at least one licensed CPA (in good standing and holding an active license or the equivalent of an “active” CPA license in a U.S. jurisdiction) is required in the development of every program in accounting and auditing. The participation of at least one licensed CPA, tax attorney, or IRS enrolled agent (in good standing and holding an active CPA license or the equivalent of an “active” license in a U.S. jurisdiction) is required in the development of each program in the field of study of taxes. In the case of the subject matter of international taxes, the participation of the equivalent of an “active” licensed CPA for the international jurisdiction involved is permitted. As long as this requirement is met at some point during the development process, a program would be in compliance. Whether to have this individual involved during the development or the review process is at the CPE program sponsor’s discretion.

**4.02.1. Qualifications of content reviewers.** Individuals or teams qualified in the subject matter must review programs. The intent of the review is to serve as a quality control procedure to ensure the course content is accurate and current as well as appropriate for CPE. In *rare circumstances*, it may be impractical to review certain programs in advance. In those rare circumstances, greater reliance should be placed on the recognized professional competence of the instructor or presenter, and the basis for the lack of content review must be documented.

**4.03. CPE program sponsors must ensure that instructors are qualified with respect to both program content and instructional strategies used.**

**4.03.1. Qualifications of instructors.** Instructors are key ingredients in the learning process for any group or blended learning program. Therefore, it is imperative that CPE program sponsors exercise great care in selecting qualified instructors for all group or blended learning programs. Qualified instructors include individuals and technology-assisted mechanisms capable of delivering intended program content and fostering a learning environment. While technology may assist in instruction,

it must not override the judgment of the human instructor. Instructors must be competent and current in the subject matter, skilled in appropriate instructional strategies and technology, prepared in advance, and committed to engaging participants effectively.

**4.03.2. Evaluation of instructor's performance.** CPE program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

**4.04. CPE program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation, as well as provide a mechanism for participants to assess whether learning objectives were met.**

**4.04.1. Required elements of evaluation.** The objectives of evaluation are to assess participant and instructor satisfaction with specific programs and to increase subsequent program effectiveness. Evaluations, whether written or electronic, must be solicited from participants and instructors for the overall program. Sponsors may elect to solicit evaluations for each session within an overall program. Evaluations determine, among other things, whether

- stated learning objectives were met.
- stated prerequisite requirements were appropriate and sufficient.
- program materials, including the qualified assessment, if any, were relevant and contributed to the achievement of the learning objectives.
- time allotted to the learning activity was appropriate.
- instructors were effective, where applicable.

**4.04.2. Evaluation results.** CPE program sponsors must periodically review evaluation results to assess program effectiveness and should inform developers and instructors of evaluation results.

**4.05. CPE program sponsors must ensure that instructional strategies employed are appropriate for the learning activities.**

**4.05.1. Assess instructional strategy in context of program objectives.** CPE program sponsors must assess the instructional strategies employed for the learning activities to determine whether the design is appropriate and effective.

**4.05.2. Facilities and technology appropriateness.** Learning activities must be presented in a manner consistent with the program materials provided. Integral aspects of the learning environment that should be carefully monitored include the number of participants and the facilities and technologies employed in the delivery of the learning activity.

**4.05.3. Based on materials developed for instructional use.** Programs must be based on materials specifically developed for instructional use and not on third-party materials. Self study programs requiring only the reading of general professional literature, IRS publications, or reference manuals followed by a test will not be acceptable. However, the use of the publications and reference materials in self study programs as supplements to the instructional materials could qualify if the self study program complies with each of the relevant CPE standards.

Instructional materials for a self study program include teaching materials that are developed for instructional educational purposes. These materials must demonstrate the expertise of the author(s). At a minimum, instructional materials must include the following items:

- An overview of topics
- The ability to find information quickly (for example, an index or key word search function)
- The definition of key terms (for example, a glossary or a search function that takes a participant to the definition of a key word)
- Instructions to participants regarding navigation through the course, course components, and course completion
- Review questions with feedback
- Qualified assessment

**4.06. Review responsibilities if content is purchased from another entity. CPE program sponsors may purchase course content from other entities and developers. The organization that issues the certificate of completion under its name to the participants of the program is responsible for compliance with all Standards and other CPE requirements.**

If a CPE program sponsor plans to issue certificates of completion under its name, then the CPE program sponsor must first consider whether the content was purchased from an entity registered with NASBA on the National Registry of CPE Sponsors.

- If the content is purchased from a sponsor registered with NASBA on the National Registry of CPE Sponsors, then the CPE program sponsor that issues the certificate of completion under its name must maintain the author/developer and content reviewer documentation from that sponsor to satisfy the content development requirements of the Standards. The documentation should be maintained as prescribed in Section 9 Paragraphs 9.02.1 through 9.02.3.
- If the content is purchased from an entity not registered with NASBA on the National Registry of CPE Sponsors, then the CPE program sponsor must independently review the purchased content to ensure compliance with the Standards. If the CPE program sponsor does not have the subject matter expertise on staff, then the CPE program sponsor must contract with a content reviewer to conduct the review. The CPE program sponsor must maintain the appropriate documentation regarding the credentials and experience of both the course author/developer(s) and content reviewer(s) as prescribed in Section 9 Paragraphs 9.02.1 through 9.02.3.

## **Section 5 – Standards for Participant Engagement**

**5.01. CPE program sponsors must design programs of learning and learning activities to drive participant engagement.**

**5.01.1. Participant engagement for group programs.** A group program must include participant

engagement related to course content during each full credit of CPE as outlined in Section 6. In certain limited circumstances, for example, a high-profile keynote session, an element of engagement may not be appropriate. In such cases, the sponsor should document the justification.

Examples of participant engagement in group programs include but are not limited to:

- Group discussion;
- Polling questions;
- Instructor-posed question with time for participant reflection;
- Case studies;
- Simulations/role play;
- Hands-on activities/application of skills or tools;
- Shared white boards/discussion boards;
- Virtual breakout rooms; and
- Collaboration with other participants.

**5.01.2. Participant engagement for self study programs.** Examples of participant engagement in self study programs include but are not limited to:

- Review questions with feedback;
- Simulations/role play; and
- Hands-on activities/application of skills or tools.

**5.01.2.1. Use of review questions or other content reinforcement tools in self study programs.**

Review questions or other content reinforcement tools must be placed throughout the program in sufficient intervals to allow the participant the opportunity to evaluate the material that needs to be re-studied. At least three review questions or other content reinforcement tools with scored responses per CPE credit must be included. If the program is marketed for one-half CPE credits, then two review questions or other content reinforcement tools with scored responses must be included. Other content reinforcement tools with scored responses, such as simulations, that guide participants through structured decisions can be used in lieu of review questions. “True or false” questions do not count toward the number of required review questions per CPE credit. There is no minimum passing rate required for review questions or other content reinforcement tools.

If the program is marketed for one-fifth CPE credit or 0.2 CPE credit, then a review question or other content reinforcement tool with scored response is not required. After the first one-fifth credit is earned, review questions or other content reinforcement tools with scored responses are required based on the one-fifth credit measurement amount of the program as follows:

Initial Credit	Review Questions or Other Content Reinforcement Tools
0.2	0
0.4	1
0.6	2
0.8	3
Next full credit	3

After the first full credit and the minimum of three review questions or other content reinforcement tools with scored responses, additional review questions or other content reinforcement tools with scored responses are required based on the additional credit measurement amount of the program as follows:

<b>Additional Credit</b>	<b>Additional Review Questions or Other Content Reinforcement Tools</b>
0.2	0
0.4	1
0.5	2
0.6	2
0.8	3
Next full credit	3

**5.01.2.2. Feedback on review questions or other content reinforcement tools.** **Feedback** must be provided on review questions or other content reinforcement tools. At a minimum, feedback must indicate that a response was “correct” or “incorrect”. In effective instructional design, the goal of providing feedback is to reinforce understanding, highlight knowledge gaps, and provide additional resources for learning comprehension. Providing feedback when review questions, such as the multiple choice method, are used, to explain why each incorrect response is wrong is one way to reinforce the understanding for the correct response.

**5.01.3. Participant engagement for blended learning programs.** Blended learning programs and learning activities must be designed to drive participant engagement. For blended learning programs in which the components are synchronous learning activities, CPE program sponsors may consider Paragraph 5.01.1 for guidance on participant engagement. For blended learning programs in which the components are asynchronous activities, CPE program sponsors may consider Paragraphs 5.01.2 through 5.01.2.2 for guidance on participant engagement.

## **Section 6 – Standards for CPE Program Completion Verification**

**6.01. Although it is the CPA’s and other professional’s responsibility to report the appropriate number of credits earned, CPE program sponsors must maintain a process to monitor individual attendance at group and blended learning programs or verify individual successful program completion for self study and blended learning programs to assign the correct number of CPE credits. Self-certification of attendance/completion alone is not sufficient.**

6.01.1. CPE program completion verification for group programs. Verification methods should account for both individual presence in the CPE program and the time duration of such presence. Examples of program completion verification for group programs include but are not limited to:

- For physical classroom and conference settings:
  - Use of an attendance log with indications of individual participant duration time in the program, including sign in, sign out and any elongated break times.
  - Use of a registration list plus a statement from the program instructor or attendance monitor attesting to full individual participation in the program or noting any late arrivals, early departures or elongated breaks.
  - Use of a technology tool (e.g., QR codes, use of key word or codes, electronic badging) to check in and out of learning programs with sufficient frequency and lack of predictability to verify and document that individual participants are in attendance during the program.
- Internet enabled two-way video participation in a program:
  - In situations where individual participants log into a group program and are required to enable two-way video to participate in a virtual face-to-face setting (with cameras on), participation in the two-way video conference must be monitored and documented by the instructor or attendance monitor in order to verify attendance for program duration. The participant-to-attendance monitor ratio must not exceed 25:1, unless there is a dedicated attendance monitor in which case the participant-to-attendance monitor ratio must not exceed 100:1.
- Participation in a conference call:
  - Use of a registration list plus a statement from the program instructor or attendance monitor attesting to full individual participation in the program or noting any late arrivals, early departures or elongated breaks. Periodic attendance checks should be made by the instructor or attendance monitor to verify that individual participants are in attendance during the program.
- Participation in watching a live broadcast or rebroadcast of a program facilitated by a real time instructor:
  - Use of an attendance log with indications of individual participant duration time in the program, including sign in, sign out and any elongated break times;
  - Use of a registration list plus a statement from the program instructor or attendance monitor attesting to full individual participation in the program or noting any late arrivals, early departures or elongated breaks;
  - Use of a technology tool (e.g., QR codes, use of key word or codes, electronic badging) to check in and out of learning programs with sufficient frequency and lack predictability to verify that individual participants are in attendance during the program
- Webcast/webinar facilitated by a real time instructor:

Use of a real time attendance monitoring mechanism to verify that participants are in attendance during the program including sign in, sign out and any elongated break times. The attendance monitoring mechanism must be of sufficient frequency and lack predictability to ensure that participants have been engaged throughout the program. The attendance monitoring mechanism must be employed and completed by the participant at least three times per one CPE credit. CPE program sponsors should verify with respective boards of accountancy on specific monitoring

requirements.

If the program is marketed for one-half CPE credits, then two attendance monitoring mechanisms must be employed and completed by the participant.

After the first full credit and the three instances of attendance monitoring, additional attendance monitoring mechanisms are required based on the additional credit amount of the program as follows:

<b>Additional Credit</b>	<b>Additional Monitoring Mechanisms</b>
0.2	0
0.4	1
0.5	2
0.6	2
0.8	3
Next full credit	3

**6.01.2. CPE program completion verification for self study programs.** Examples of program completion verification for self study programs include but are not limited to:

- For traditional on-demand learning and adaptive learning programs:
  - To provide evidence of satisfactory completion of the course, CPE program sponsors of self study programs must require participants to successfully complete a qualified assessment during or after the program with a cumulative minimum passing grade of at least 70 percent before issuing CPE credit for the course. Assessments may contain questions of varying format (for example, multiple choice, essay, and simulations). At least 5 questions and scored responses per CPE credit must be included on the qualified assessment or 3 assessment questions and scored responses if the program is marketed for one-half CPE credits. For example, the qualified assessment for a 5-credit course must include at least 25 questions and scored responses. Alternatively, a 5 ½ credit course must include at least 28 questions and scored responses. Except in courses in which recall of information is the learning strategy, duplicate review and qualified assessment questions are not allowed. “True or false” questions are not permissible on the qualified assessment.

If the program is marketed for one-fifth credit, at least 2 questions or scored responses must be included on the qualified assessment with a cumulative minimum passing grade of at least 70%. After the first one-fifth credit is earned, qualified assessment questions and scored responses are required based on the one-fifth credit measurement amount of the program as follows:

<b>Initial Credit</b>	<b>Questions/Scored Responses</b>
0.2	2
0.4	3
0.6	4
0.8	5
Next full credit	5

After the first full credit and the minimum of five questions and scored responses per CPE credit, additional qualified assessment questions and scored responses are required based on the additional credit measurement amount of the program as follows:

<b>Additional Credit</b>	<b>Additional Questions/Scored Responses</b>
0.2	1
0.4	2
0.5	3
0.6	3
0.8	4
Next full credit	5

For adaptive learning programs, the noted minimum requirement of at least 5 questions and scored responses per CPE credit must be met by the fastest completion path through the program. When assessment questions are used to evaluate the participant's path through the program such that they must reach 100% success to complete the program, then an additional qualified assessment is not required at the end of the course.

A qualified assessment must measure a representative number of the learning objectives for the program. A representative number of the learning objectives is 75 percent or more of the learning objectives for the program. The representative number of the learning objectives can be less than 75 percent of the learning objectives for the program only if a randomized question generator is used, and the test bank used in the creation of the assessment includes at least 75 percent of the learning objectives for the program. Assessment items must be written to test the achievement of the stated learning objectives of the course.

The number of re-takes a participant is permitted to take is at the sponsor's discretion.

- Providing feedback on the qualified assessment is at the discretion of the CPE



program sponsor. If the CPE program sponsor chooses to provide feedback and

- uses a test bank, then the CPE program sponsor must ensure that the question test bank is of sufficient size to minimize overlap of questions on the qualified assessment for the typical repeat test taker. Feedback may comply with the feedback for review questions as described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.
  - does not use a test bank, whether or not feedback can be given depends on whether the participant passes the qualified assessment, then
    - on a failed assessment, the CPE program sponsor may not provide feedback to the test taker.
    - on assessments passed successfully, CPE program sponsors may choose to provide participants with feedback. This feedback may comply with the type of feedback for review questions as described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.
- For a nano learning program:
    - To provide evidence of satisfactory completion of the course, CPE program sponsors of nano learning programs must require participants to successfully complete a qualified assessment at the conclusion of the program with a passing grade of 100 percent before issuing CPE credit for the course. Assessments may contain questions of varying format (for example, multiple choice, rank order, and matching). Only two questions must be included in the qualified assessment. “True or false” questions are not permissible on the qualified assessment. If the participant fails the qualified assessment, then the participant must re-take the nano learning program. The number of re-takes a participant is permitted to take is at the sponsor’s discretion.
    - Providing feedback on the qualified assessment is at the discretion of the CPE program sponsor. If the CPE program sponsor chooses to provide feedback and
      - uses a test bank, then the CPE program sponsor must ensure that the question test bank is of sufficient size for no overlap of questions on the qualified assessment for the typical repeat test taker. Feedback may comply with the feedback for review questions as described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.
      - does not use a test bank, whether or not feedback can be given depends on whether the participant passes the qualified assessment, then
        - on a failed assessment, the CPE program sponsor may not provide feedback to the test taker.
        - on assessments passed successfully, CPE program sponsors may choose to provide participants with feedback. This feedback may comply with the type of feedback for review questions as

described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.

**6.01.3. CPE program completion verification for blended learning programs. Examples of program completion verification for blended learning programs include but are not limited to:**

- To guide participants through the learning process, CPE program sponsors must provide clear instructions and information to participants that summarize the different components of the program and what must be completed or achieved during each component in order to qualify for CPE credits. The CPE program sponsor must document the process and components of the course progression and completion of components by the participants.
- If the primary components of the blended learning program are synchronous learning activities, then CPE credits for pre-program, post-program, and homework assignments cannot constitute more than 25 percent of the total CPE credits available for the blended learning program.
- If the primary components of the blended learning program are asynchronous learning activities, then the blended learning program must incorporate a qualified assessment in which participants demonstrate achievement of the learning objectives of the program.
  - A qualified assessment must measure a representative number of learning objectives for the program. A representative number of the learning objectives is 75 percent or more of the learning objectives for the program. The qualified assessment must be completed during or after the program with a cumulative minimum passing grade of at least 70 percent before issuing CPE credit for the course.

## **Section 7 - Standards for CPE Program Measurement**

**7.01. Sponsored learning activities are measured by actual program length, with one 50-minute period equal to one full CPE credit. Sponsors may recommend CPE credits under the following scenarios and remain compliant with these Standards. However, rules and regulations of state boards of accountancy may differ on acceptable increments of CPE credit, and CPE program sponsors should comply with those rules in awarding CPE credit:**

- **Group programs – A minimum of one-half or one full credit may be awarded initially. If one-half credit is awarded initially, then no increments can be added until a full credit is awarded. After the first full credit has been earned, credits may be awarded in one-fifth increments or in one-half increments (1.0, x.2, x.4, x.5, x.6, x.8, and so on).**
- **Blended learning programs – A minimum of one full credit must be awarded initially, but after the first credit has been earned, credits may be awarded in one-fifth increments or in one-half increments (1.0, x.2, x.4, x.5, x.6, x.8, and so on).**
- **Self study programs –**
  - **Traditional On Demand and/Adaptive Self Study: A minimum of one-fifth or one-half credit may be awarded initially. If one-fifth credit is awarded initially, credits may be awarded in one-fifth increments up to a full credit (0.2, 0.4, 0.6, 0.8). If one-half credit is awarded initially, then no increments can be added until a full credit is awarded. Once one full credit has been earned, credits may be awarded in one-fifth increments or in one-half increments (1.0, x.2, x.4, x.5, x.6, x.8, and so on).**

- **Nano learning program – Credits must be awarded only as one-fifth credit (0.2 credit). A 20-minute program would have to be produced as two stand-alone nano learning programs.**

<b>CPE Program</b>	<b>Minimum initial credit that must be earned</b>	<b>After first one-fifth credit has been earned, credit may be earned in these increments</b>	<b>After first full credit has been earned, credit may be earned in these increments, in addition to one whole credit</b>
<b>Group</b>	One-half	Not applicable	One-fifth or one-half
<b>Blended learning</b>	One	Not applicable	One-fifth or one-half
<b>Self study</b>	One-fifth	One-fifth	One-fifth or one-half
	One-half	Not applicable	One-fifth or one-half
<b>Nano learning</b>	One-fifth	Not applicable (single nano learning program is one-fifth credit)	Not applicable (single nano learning program is one-fifth credit)

Only learning content portions of programs (including pre-program, post-program, and homework assignments, when incorporated into a blended learning program) qualify toward eligible credit amounts. Interactive, facilitated question and answer time between instructor and participants qualifies toward eligible credit amounts. Time for activities outside of actual learning content, including, for example, excessive welcome, introductions, and housekeeping instructions, and breaks, is not accepted toward credit.

At their discretion, CPE program sponsors may round down (but not up) CPE credits awarded for a CPE program to the nearest one-fifth, one-half, or whole credit increment as appropriate for the type of formal learning program. The increment chosen by the CPE program sponsor must be applied to all CPE program sessions (learning activities) within the same CPE program. Any resulting certificate(s) issued for the CPE program must also be awarded in the chosen increment for full credit; however, partial credit must be issued in only one-fifth, one-half, or whole increments. In addition, CPE program sponsors must ensure that the total credit for a CPE program is only in the allowable increment and should round down the credit if necessary. The CPA claiming the CPE credits should refer to the respective state board requirements regarding acceptability of one-fifth and one-half CPE credits.

**7.01.1. Learning activities with individual segments.** For learning activities in which individual segments are less than 50 minutes, the sum of the segments would be considered one total program. For example, five 30-minute presentations would equal 150 minutes and would be counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted must be rounded down to the nearest credit basis depending on the type of formal learning program. For example, a group program must be rounded down to the nearest one-fifth, one-half, or whole credit. Thus, learning activities with segments totaling 140 minutes would be granted two and four-fifths CPE credits if using one-fifth increments

and two and one-half credits if using one-half increments.

For learning activities in which segments are classified in multiple fields of study, the CPE credits granted should first be computed based on the content time of the total program. Next, the CPE credits granted should be allocated to the fields of study based on the field of study content time. If the sum of the individual segments by field of study content time does not equal the CPE credits computed based on the content time for the total program, then the difference should be allocated to the primary field of study for the program.

**7.02. For self study programs, CPE credit must be based on one of the following educationally sound and defensible methods:**

**Method 1: Pilot test of the representative completion time Method**

**2: Computation using the prescribed word count formula**

**If a pre-program assessment is used, the pre-program assessment is not included in the CPE credit computation.**

**7.02.1. Method 1 – Sample group of pilot testers.** A sample of intended professional participants must be selected to test program materials in an environment and manner similar to that in which the program is to be presented. The sample group for a traditional on-demand learning program must consist of at least three qualified individuals who are independent of the program development group. The sample group for an adaptive learning program must consist of at least seven qualified individuals who are independent of the program development group.

- For those courses whose target audience includes CPAs, the sample group must be licensed CPAs in good standing, hold an active CPA license or the equivalent of an “active” CPA license in a U.S. jurisdiction, and possess the appropriate level of knowledge before taking the program.
- For those sponsors who are subject to various regulatory requirements that mandate a minimum number of CPE credits and offer courses to non-CPAs, those courses do not have to be pilot tested by licensed CPAs.
- For those courses whose target audience includes CPAs and non-CPAs, the sample group must be representative of the target audience and contain both CPAs, as defined previously, and non-CPAs.

**7.02.2. Method 1 – CPE credit based on representative completion time.** The sample does not have to ensure statistical validity; however, if the results of pilot testing are inconsistent, then the sample must be expanded or, if the inconsistent results are outliers, the inconsistent results must be eliminated. CPE credit must be recommended based on the representative completion time for the sample. Completion time includes the time spent taking the qualified assessment and does not include the time spent completing the course evaluation or pre-program assessment. Pilot testers must not be informed about the length of time the program is expected to take to complete. If substantive changes are subsequently made to program materials, whether in one year or over a period of years, further pilot tests of the revised program materials must be conducted to affirm or amend, as appropriate, the representative completion time.

**7.02.3. Method 1 – Requirement for re-pilot testing.** If, subsequent to course release, actual participant completion time warrants a change in CPE credit hours, re-pilot testing is required to substantiate a change in CPE credit prospectively.

**7.02.4. Method 1 – Pilot testing when course is purchased from vendor or other developer.** CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses in which pilot tests were conducted and provided, CPE program sponsors must review results of the course developer's pilot test results to ensure that the results are appropriate. For purchased courses in which no pilot tests were conducted or provided, CPE program sponsors must conduct pilot testing or perform the word count formula as prescribed in method 2 in Section 7 Paragraph 7.02.5.

**7.02.5. Method 2 – Basis for prescribed word count formula.** The prescribed word count formula begins with a word count of the number of words contained in the text of the required reading of the self study program and should exclude any material not critical to the achievement of the stated learning objectives for the program. Examples of information material that is not critical and, therefore, **excluded** from the word count are course introduction, instructions to the participant, author/course developer biographies, table of contents, glossary, pre-program assessment, and appendixes containing supplementary reference materials.

Again, only course content text that is critical to the achievement of stated learning objectives should be included in the word count formula. If an author/course developer determines, for example, that including the entire accounting rule or tax regulation is beneficial to the participant, the accounting rule or tax regulation should be included as an appendix to the course as supplementary reference material and excluded from the word count formula. Only pertinent paragraphs or sections of the accounting rule or tax regulation required for the achievement of stated learning objectives should be included in the actual text of the course and, therefore, included in the word count formula.

Review questions, exercises, and qualified assessment questions are considered separately in the calculation and should not be included in the word count.

**7.02.6. Method 2 – Calculation of CPE credit using the prescribed word count formula.** The word count for the text of the required reading of the program is divided by 180, the average reading speed of adults. The total number of review questions (including those above the minimum requirements), exercises, and qualified assessment questions is multiplied by 1.85, which is the estimated average completion time per question. These two numbers plus actual audio/video duration time (not narration of the text), if any, are then added together and the result divided by 50 to calculate the CPE credit for the self study program. When the total minutes of a self study program are not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-half credit, one-fifth credit, or whole credit using the guidelines of Section 7 Paragraph 7.01.

$$[(\# \text{ of words}/180) + \text{actual audio/video duration time} + (\# \text{ of questions} \times 1.85)] / 50 = \text{CPE credit}$$

For adaptive learning programs, the CPE credit issued must be based on the average word count formula calculation of each potential path the participant could take to complete the program using

the prescribed word count formula as described above. All potential paths must be documented. For example, if the adaptive learning program has nine potential paths a participant could take to complete the program, then the word count formula must be calculated for each of the nine potential paths, with the sum of the results divided by nine.

**7.02.7. Method 2 – Consideration of audio and video segments in word count formula.** If audio and video segments of a self study program constitute additional learning for the participant (that is, not narration of the text), then the actual audio/video duration time may be added to the time calculation as provided in the prescribed word count formula. If the entire self study program constitutes a video, then the prescribed word count formula in Section 7 Paragraph 7.02.6 would consist of the actual video time plus the total number of review questions (including those above the minimum requirements), exercises, and qualified assessment questions multiplied by 1.85, divided by 50 (that is, there would be no word count for text used in the formula).

$$[\text{actual audio/video duration time} + (\# \text{ of questions} \times 1.85)] / 50 = \text{CPE credit}$$

**7.02.8. Method 2 – Word count formula when course is purchased from vendor or other developer.** CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses in which the word count formula was calculated, CPE program sponsors must review the results of the course developer's word count formula calculation to ensure that results are appropriate. For purchased courses in which the word count formula calculation was not performed or provided, CPE program sponsors must perform the word count formula calculation or conduct pilot testing as described in method 1 in Section 7 Paragraphs 7.02.1 through 7.02.2.

**7.02.9. CPE credit for an adaptive learning self study program that tracks individual participant's completion time.** If the adaptive learning platform or technology can track an individual participant's actual completion time through the program, then CPE credit may be awarded as the individual participant's actual completion time.

The individual participant's actual completion time should result in a completion time aligned with the stated learning objectives of the program and the design and development of the program by the CPE program sponsor. If the adaptive learning platform or technology is not responsive enough to detect when an individual participant has deviated from the expected learning path or experienced an unreasonable completion time during the program, then the participant's actual completion time must not be used for CPE credit determination.

7.02.10 CPE credit for nano learning programs must be based on the duration of the program including review questions or other content reinforcement tools plus the qualified assessment, which, when combined, should be a minimum of 10 minutes. **The maximum credit to be awarded for a single nano learning program is one-fifth (0.2) credit. Sponsors must use Method 2 in Section 7 Paragraph 7.02.7 to confirm that the nano learning program is a minimum of 10 minutes and less than 20 minutes.**

**7.03. CPE credit for blended learning programs must equal the sum of the CPE credit**

determinations for the various completed components of the program. CPE credits could be determined by actual duration time (for example, audio/video duration time or learning content delivery time in a group program) or by a pilot test of the representative completion time as prescribed in Paragraph 7.02.1 or word count formula as prescribed in Paragraph 7.02.6 (for example, reading, games, case studies, and simulations).

**7.04. Instructors and discussion leaders of learning activities may receive CPE credit for their preparation, review, and presentation time to the extent the activities maintain or improve their professional competence and meet the requirements of these Standards.**

**7.04.1. Instructor CPE credit parameters.** Instructors, discussion leaders, or speakers who present a learning activity for the first time may receive CPE credit for actual preparation time up to 2 times the number of CPE credits to which participants would be entitled, in addition to the time for presentation, subject to regulations and maximums established by the boards of accountancy. For example, for learning activities in which participants could receive 8 CPE credits, instructors may receive up to 24 CPE credits (16 for preparation plus 8 for presentation). For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed, and such change required significant additional study or research.

When multiple presenters are actively involved in instructing one CPE program session for the first time, all presenters may receive the maximum CPE credit for preparation time up to 2 times the number of CPE credits to which the participants would be entitled, in addition to the time for presentation, subject to regulations and maximums established by the boards of accountancy. For example, a CPE program session (learning activity) with 3 presenters offers participants 1 CPE credit. Each presenter may receive up to 3 CPE credits (2 for preparation plus 1 for presentation).

**7.04.2. Presenting a program.** The CPA claiming CPE credits should refer to respective state board requirements.

**7.05. Writers of published articles, books, or CPE programs may receive CPE credit for their actual research and writing time to the extent it maintains or improves their professional competence. Content reviewers of learning activities may receive CPE credit for actual review time up to the actual number of CPE credits for the program, subject to the regulations and maximums established by boards of accountancy.**

**7.05.1. Authoring a program.** As a general rule, receiving CPE credits for authoring and presenting the same program should not be allowed. The CPA claiming CPE credits should refer to respective state board requirements.

**7.05.2. Requirement for content review.** Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. For the writer to receive CPE credit, the article, book, or CPE program must be formally reviewed by a content reviewer other than the writer. CPE credits should be claimed only upon publication.

**7.05.3. Content reviewer CPE credit parameters.** Content reviewers who review a learning activity



for the first time may receive CPE credit for actual review time up to the actual number of CPE credits for the program, subject to regulations and maximums established by boards of accountancy. For repeat content reviews, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed, and such change required significant additional study or research.

## **Section 8 - Standards for Participant Communication**

**8.01. CPE program sponsors must provide descriptive materials that enable participants to assess the appropriateness of learning activities. For CPE program sponsors whose courses are developed for sale or external audiences, or both (that is, not internal training), CPE program sponsors must make the following information available in advance:**

- **Learning objectives**
- **Type of formal learning program**
- **Recommended CPE credit and recommended field of study**
- **Prerequisites**
- **Program knowledge level**
- **Advance preparation**
- **Program description**
- **Course registration and, where applicable, attendance requirements**
- **Refund policy for courses sold for a fee or cancellation policy**
- **Complaint resolution policy**
- **Official NASBA sponsor statement, if an approved NASBA sponsor (explaining final authority of acceptance of CPE credits)**

**For CPE program sponsors whose courses are purchased or developed for internal training only, CPE program sponsors must make the following information available in advance:**

- **Learning objectives**
- **Type of formal learning program**
- **Recommended CPE credit and recommended field of study**
- **Prerequisites (if required)**
- **Advance preparation (if required)**
- **Program knowledge level (for optional internal courses only)**
- **Program description (for optional internal course only)**

**8.01.1. Disclose significant features of program in advance.** For potential participants to effectively plan their CPE, the program sponsor must disclose the significant features of the program in advance (for example, through the use of brochures, websites, electronic notices, invitations, direct mail, or other announcements). When CPE programs are offered in conjunction with non-educational activities or when several CPE programs are offered concurrently, participants must receive an appropriate schedule of events indicating those components that are recommended for CPE credit. The CPE program sponsor's registration and attendance policies and procedures must be formalized, published, and made available to participants and include refund

and cancellation policies as well as complaint resolution policies.

**8.01.2. Disclose advance preparation and prerequisites.** CPE program sponsors must distribute program materials in a timely manner and encourage participants to complete any advance preparation requirements. All programs must clearly identify prerequisite education, experience, and advance preparation requirements, if any, in the descriptive materials. Prerequisites, if any, must be written in precise language so that potential participants can readily ascertain whether they qualify for the program.

**8.01.3. Disclose requirements for earning full credit for a group program.** Prior to the commencement of a group program, the CPE program sponsor must communicate how the participants can earn full credit, including the number of minutes of attendance required. Participants must be advised if the CPE program sponsor requires polling questions to be answered correctly in order to earn full CPE credit for the program. If polling questions are used for the attendance monitoring mechanism, the participant must be informed of the number of polling questions posted per CPE credit and how many must be answered in order to earn full credit for the program.

## **Section 9 - Standards for Required Documentation of CPE Programs**

**9.01. CPE program sponsors must provide program participants with documentation (electronic or paper) of their participation (certificate of completion), which includes the following:**

- CPE program sponsor name
- Participant's name
- Course title
- Date offered or completed
- If applicable, location
- Type of formal learning program
- Amount of CPE credit recommended by field(s) of study
- NASBA sponsor identification number
- State registration number, if required by the state boards
- NASBA time statement stating that CPE credits have been granted on a 50-minute hour
- Any other statements required by boards of accountancy

**The documentation should be provided as soon as possible and should not exceed 60 days (so that participants can report their earned CPE credits in a timely manner).**

**9.01.1. Entity to award CPE credits and acceptable documentation.** The CPE program sponsor is the individual or organization responsible for issuing the certificate of completion and maintaining the documentation required by these Standards. The entity whose name appears on the certificate of completion is responsible for awarding the CPE credits earned by a participant. CPE program sponsors must provide participants with documentation (electronic or paper) to support their claims of CPE credit. Acceptable evidence of completion includes the following:

- For group and blended learning programs, a certificate or other verification supplied by

the CPE program sponsor

- For self study and nano learning programs, a certificate supplied by the CPE program sponsor after satisfactory completion of a qualified assessment
- For instruction or content review credit, appropriate supporting documentation that complies with the requirements of the respective state boards subject to the guidelines in Section 7 Paragraphs 7.05 and 7.06
- For published articles, books, or CPE programs:
  - A copy of the publication (or in the case of a CPE program, course development documentation) that names the CPA as author or contributor
  - A statement from the writer supporting the number of CPE hours claimed
  - The name and contact information of the content reviewer(s) or publisher

**9.02. CPE program sponsors must retain adequate documentation (electronic or paper) for a minimum of five years to support their compliance with these Standards and the reports that may be required of participants.**

**9.02.1. Required documentation elements for group programs.** Evidence of compliance with responsibilities set forth under these Standards that is to be retained by CPE program sponsors of group programs includes the following:

- Records of program completion verification by individual participant, including the number of CPE credits earned by participant.
  - The documentation maintained should adequately support the CPE program completion methodology selected by the CPE program sponsor. For example, if the CPE program sponsor selected to use an attendance log with indications of individual participant duration time, including sign in, sign out and any elongated breaks for program completion verification, then the attendance log for the program including all the aforementioned elements of information should be maintained.
  - If the group program is a webinar/webcast and the CPE program sponsor used a real time attendance monitoring mechanism to verify that participants are in attendance during the program, then the CPE program sponsor must retain documentation that serves as the evidence of the individual participant response to the attendance monitoring mechanisms.
- Dates and locations of group program offerings.
- Documentation of how CPE credits were determined.
  - CPE credits for group programs are determined based on course content duration time. Supporting documentation includes but is not limited to the group program agenda or program descriptive materials (course announcement information).
- Documentation of participant engagement.
  - Group CPE program sponsors must retain the program outline, agenda, speaker notes or other documentation that evidences the participant engagement related to course content during each credit of CPE planned for the group program. In certain limited circumstances, such as a high-profile keynote session, an element of participant engagement may not be appropriate. In such cases, the sponsor should document the justification.
- Author/instructor, author/developer, and content reviewer, as applicable, names and credentials. For the CPA and tax attorney acting as an author/instructor, author/developer,

and content reviewer for accounting, auditing, or tax program(s), the state of licensure, license number, and status of license should be maintained. For the enrolled agent acting in such capacity for tax program(s), information regarding the enrolled agent number should be maintained.

- Results of program evaluations.
- Program descriptive materials (course announcement information).
- Program materials.

**9.02.2. Required documentation elements for self study programs.** Evidence of compliance with responsibilities set forth under these Standards that is to be retained by CPE program sponsors of self study programs includes the following:

- Records of program completion verification by individual participant, including the number of CPE credits earned by participant and course completion date.
- Documentation of how CPE credits were determined.
  - For CPE program self study sponsors using method 1 (pilot tests) as the basis for CPE credit for traditional on-demand learning programs, as well as adaptive learning self study programs, appropriate pilot test records must be retained regarding the following:
    - When the pilot test was conducted
    - The intended participant population
    - How the sample of pilot testers was selected
    - Names and credentials and relevant experience of sample pilot test participants
    - For CPA pilot testers, the state of licensure, license number, and status of license should be maintained
    - A summary of pilot test participants' actual completion time
    - Statement from each pilot tester to confirm that the pilot tester is independent from the course development group and that the pilot tester was not informed in advance of the expected completion time
  - For CPE program sponsors using method 2 (word count formula) as the basis for CPE credit for self study programs, the word count formula calculation, as well as the supporting documentation for the data used in the word count formula (for example, word count; number of review questions, exercises, and qualified assessment questions; duration of audit or video segments, or both, if applicable; and actual calculation), must be retained. For adaptive learning self study programs, all potential paths that a participant could take to complete the program must be documented and retained.
  - For adaptive learning programs in which the adaptive learning platform or technology can track an individual participant's actual completion time through the program, the CPE program sponsor must maintain or be able to produce upon request, the individual participant's completion path and time through the program.
  - For nano learning programs, CPE program sponsors must maintain the documentation of the use of method 2 for self study programs in Section 7 Paragraph 7.02.7 to confirm that the nano learning program is a minimum of 10 minutes and less than 20 minutes.

- Course documentation must include an expiration date (the time by which the participant must complete the qualified assessment). For individual courses, the expiration date is no longer than one year from the date of purchase or enrollment. For a series of courses to achieve an integrated learning plan, the expiration date may be longer.
- Author/instructor, author/developer, and content reviewer, as applicable, names and credentials. For the CPA and tax attorney acting as an author/instructor, author/developer, and content reviewer for accounting, auditing, or tax program(s), the state of licensure, license number, and status of license should be maintained. For the enrolled agent acting in such capacity for tax program(s), information regarding the enrolled agent number should be maintained.
- Results of program evaluations.
- Program descriptive materials (course announcement information).
- Program materials.

**9.02.3. Required documentation elements for blended learning programs.** Evidence of compliance with responsibilities set forth under these Standards that is to be retained by CPE program sponsors of blended learning programs includes the following:

- Clear instructions and information that summarizes the different components of the blended learning program and what must be completed or achieved during each component in order to qualify for CPE credits. The CPE program sponsor must also retain documentation of the course progression and what CPE credits were earned by individual participants upon the completion of the components.
- Dates and locations of blended learning program offerings.
- Documentation of how CPE credits were determined. CPE credit for blended learning programs must equal the sum of the CPE determinations for the various completed components of the program.
  - CPE credits could be determined by actual completion time, for example, audio/video duration time or learning content duration time in a group program. Supporting documentation in those instances includes but is not limited to evidence of audio/video time or group program agenda or group meeting invitation indicating duration time.
  - CPE credits could also be determined based on pilot tests of the representative completion time or word count formula (for example, reading, games, case studies and simulations). Supporting documentation in those instances includes but is not limited to the pilot test documentation (method 1) and word count formula (method 2) documentation requirements as prescribed for self study programs in Section 7 Paragraphs 7.02.01 and 7.02.6.
- Author/instructor, author/developer, and content reviewer, as applicable, names and credentials. For the CPA and tax attorney acting as an author/instructor, author/developer, and content reviewer for accounting, auditing, or tax program(s), the state of licensure, license number, and status of license should be maintained. For the enrolled agent acting in such capacity for tax program(s), information regarding the enrolled agent number should be maintained.

- Results of program evaluations.
- Program descriptive materials (course announcement information).
- Program materials.

**Effective date:**

Unless otherwise established by state licensing bodies or other professional organizations, these Standards are to be effective on\_\_\_\_\_.