Form: TH-01
August 2022

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Notice of Intended Regulatory Action (NOIRA)
Agency Background Document

Agency name	Virginia Board of Accountancy
Virginia Administrative Code (VAC) Chapter citation(s)	18VAC5-22-20
VAC Chapter title(s)	Fees
Action title	Fee Changes
Date this document prepared	06/26/2026

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of the subject matter, intent, and goals of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation).

The Virginia Board of Accountancy (VBOA) intends to amend regulation 18VAC5-22-20 to adjust fees related to license renewals, lifting suspensions, licensee requests, and non-communication with the board. The increase in renewal fees will be used to support long-term sustainability of VBOA operations.

Acronyms and Definitions

Define all acronyms or technical definitions used in this form.

Virginia Board of Accountancy: “VBOA” or “board”
Certified Public Accountant: “CPA”

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation, (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

The regulatory change was prompted by board decision to amend the fee schedule based on analysis of the agency's 10-year financial forecast.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The VBOA is the promulgating entity for regulations governing public accountancy. VBOA regulations are promulgated under the general authority of Title 54.1, Chapter 44 of the Code of Virginia.

Virginia Code § 54.1-4403(4) states "The Board shall have the power and duty to… Levy and collect fees for the issuance, renewal, or reinstatement of Virginia licenses that are sufficient to cover all expenses of the administration and operation of the Board."

Virginia Code § 54.1-4402(H) states "The Board shall have the responsibility of enforcing this chapter and may by regulation establish rules and procedures for the implementation of the provisions of this chapter."

Purpose

Describe the specific reasons why the agency has determined that this regulation is essential to protect the health, safety, or welfare of citizens. In addition, explain any potential issues that may need to be addressed as the regulation is developed.

While some fees will be reduced, renewal fee increases are needed to align fees with the VBOA's budget. As a non-general fund agency, VBOA receives most of its revenue through license renewal fees. The Board last instituted a fee increase in 2013. Since then, agency operational costs have highlighted the need for a renewal fee increase.

Code of Virginia § 54.1-4405.1 authorizes the board to maintain a trust fund for use in the study, research, investigation, or adjudication of matters involving possible violations of the provisions of the chapter or regulations promulgated by the Board. Over the past 13 years operational expenses have continued to increase due to inflation, but also due to the number and complexity of compliance and enforcement efforts, as well as increasing IT requirements and security. The cost of adjudication and the increasing complexity of the business environment has substantially impacted the number and complexity of cases, resulting in increased operational costs.

Over the past 3-years the board has used the trust fund to supplement operational costs and the Board's 10-year financial forecast analysis indicates that operational costs will continue to outpace revenues substantially if there is not an increase in renewal fees. Please see attached a summary of the board's forecasted revenues with no license renewal fee increase (attachment 1), $25 increase for individuals and firms (attachment 2), and $40 increase for individuals and $50 increase for firms (attachment 3).

At the beginning of 2013, prior to the last fee update, the Board's cash balance was $191,617 in the operating fund and $208,164 in the trust fund, with a total expenditure of $1,096,057 and total revenue of $1,531,024. Before the fee increase was effective on July 1, 2013, the trust fund was depleted to cover operational costs, which triggered the need to increase renewal fees.

As of June 30, 2026, the Board's ending cash balance was $2,228,661 in the operating fund and $3,164,447.12 in the trust fund, with total expenditures of $2,724,781.45 and total operating revenue of $2,168,825. The Board is also in the process of procuring a new licensing system and projects the cost to be paid over the next two fiscal years. These costs are being covered by cash balances in the trust fund."

This fee increase also uses the same methodology found in § 54.1-113 (used by the Department of Professional and Occupational Regulation and Department of Health Professions) to determine an appropriate fee increase for sustainability of VBOA operations.

Substance

Briefly identify and explain the new substantive provisions that are being considered, the substantive changes to existing sections that are being considered, or both.

The license renewal fee for Active or Inactive status CPAs will increase to $100.
The license renewal fee for Emeritus status CPAs will remain at $60.
The license renewal fee for a CPA firm will increase to $125.
The fee for lifting a person's license suspension will decrease to $100.
The fee for lifting a firm's license suspension will decrease to $350.
The fee for manually requesting license verification will decrease to $25.
The fee for requesting an additional CPA wall certificate will increase to $40.
The fee for not responding to the board within 30 days will increase to $200.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

No viable alternatives have been identified at this time. VBOA is a self-funded agency receiving no general funds. VBOA may make changes to the regulatory action if alternative proposals are identified during the regulatory process.

Periodic Review and Small Business Impact Review Announcement

If you wish to use this regulatory action to conduct, and this NOIRA to announce, a periodic review (pursuant to § 2.2-4017 of the Code of Virginia and the ORM procedures), and a small business impact review (§ 2.2-4007.1 of the Code of Virginia) of this regulation, keep the following text. Modify it as necessary for your agency. Otherwise, delete the paragraph below and insert "This NOIRA is not being used to announce a periodic review or a small business impact review."

This NOIRA is not being used to announce a periodic review or a small business impact review.

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below. In addition, as required by § 2.2-4007.02 of the Code of Virginia, describe any other means that will be used to identify and notify interested parties and seek their input, such as regulatory advisory panels or general notices.

INSERT:

The Virginia Board of Accountancy is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, and (iii) the potential impacts of the regulation.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: https://townhall.virginia.gov. Comments may also be submitted by mail, email or fax to:

Virginia Board of Accountancy
9960 Mayland Dr. Suite 402
Henrico, VA 23233
Phone: (804) 367-8505
E-mail: boa@boa.virginia.gov
Fax: (804) 527-4409

In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will not be held following the publication of the proposed stage of this regulatory action.

Virginia Board of Accountancy
Operating and Trust Fund Balance
Projections FY27 - FY31 (no increase)

	Projection FY27	Projection FY28	Projection FY29	Projection FY30	Projection FY31
<u>**Operating Account Balance (Forecasted)**</u>					
Beginning Balance	**$ 2,228,661**	**$ 1,637,154**	**$ 1,211,016**	**$ 2,230,549**	**$ 2,138,477**
Revenues over(under) expenditures	(1,232,341)	(1,658,479)	(638,946)	(731,018)	(974,003)
Transfers From (To) Trust Account	640,834	1,232,341	1,658,479	638,946	731,018
Ending Balance	**$ 1,637,154**	**$ 1,211,016**	**$ 2,230,549**	**$ 2,138,477**	**$ 1,895,492**
<u>**Trust Account Balance (Forecasted)**</u>					
Beginning Balance	**$ 3,164,447**	**$ 2,523,613**	**$ 1,291,272**	**$ (367,207)**	**$ (1,006,153)**
Transfers From (To) Operating Account	(640,834)	(1,232,341)	(1,658,479)	(638,946)	(731,018)
Ending Balance	**$ 2,523,613**	**$ 1,291,272**	**$ (367,207)**	**$ (1,006,153)**	**$ (1,737,171)**

Virginia Board of Accountancy
Operating and Trust Fund Balance
Projections FY27 - FY31 ($85 individual $100 firm)

	Projection FY27	Projection FY28	Projection FY29	Projection FY30	Projection FY31
Operating Account Balance (Forecasted)					
Beginning Balance	**$ 2,228,661**	**$ 1,637,154**	**$ 1,947,629**	**$ 2,959,795**	**$ 2,856,785**
Revenues over(under) expenditures	(1,232,341)	(921,866)	90,300	(12,710)	(266,469)
Transfers From (To) Trust Account	640,834	1,232,341	921,866	(90,300)	12,710
Ending Balance	**$ 1,637,154**	**$ 1,947,629**	**$ 2,959,795**	**$ 2,856,785**	**$ 2,603,026**
Trust Account Balance (Forecasted)					
Beginning Balance	**$ 3,164,447**	**$ 2,523,613**	**$ 1,291,272**	**$ 369,406**	**$ 459,706**
Transfers From (To) Operating Account	(640,834)	(1,232,341)	(921,866)	90,300	(12,710)
Ending Balance	**$ 2,523,613**	**$ 1,291,272**	**$ 369,406**	**$ 459,706**	**$ 446,996**

Attachment 3

Virginia Board of Accountancy
Operating and Trust Fund Balance
Projections FY27 - FY31 ($100 individual $125 firm)

	Projection FY27	Projection FY28	Projection FY29	Projection FY30	Projection FY31
<u>Operating Account Balance (Forecasted)</u>					
Beginning Balance	**$ 2,228,661**	**$ 1,637,154**	**$ 2,401,241**	**$ 3,408,871**	**$ 3,299,125**
Revenues over(under) expenditures	(1,232,341)	(468,254)	539,376	429,630	169,235
Transfers From (To) Trust Account	640,834	1,232,341	468,254	(539,376)	(429,630)
Ending Balance	**$ 1,637,154**	**$ 2,401,241**	**$ 3,408,871**	**$ 3,299,125**	**$ 3,038,730**
<u>Trust Account Balance (Forecasted)</u>					
Beginning Balance	**$ 3,164,447**	**$ 2,523,613**	**$ 1,291,272**	**$ 823,018**	**$ 1,362,394**
Transfers From (To) Operating Account	(640,834)	(1,232,341)	(468,254)	539,376	429,630
Ending Balance	**$ 2,523,613**	**$ 1,291,272**	**$ 823,018**	**$ 1,362,394**	**$ 1,792,024**