

Thursday, August 22, 2019

Board Meeting Agenda

Board Room 3
2nd Floor Conference Center
9960 Mayland Drive
Henrico, VA 23233
Phone: (804) 367-8505

- 10 a.m. Call to Order – **D. Brian Carson, CPA, CGMA, Chair**
- Security Briefing – **Patti Hambright, Administrative Assistant**
 - Determination of Quorum
 - Approval of August 22, 2019, Agenda
 - Approval of June 27, 2019, Board meeting minutes
 - Public comment period*
 - Approval of Consent Agenda:
 - 2016-0012U (Bradshaw and Moyers)
 - 2017-267-032U (Brown and Ferguson)
 - 2017-294-033U (Brown and Ferguson)
 - 2017-372-039U (Brown and Saunders)
 - 2017-374-040U (Brown and Saunders)
 - 2018-168-003U (Brown and Saunders)
 - 2018-432-006U (Bradshaw and Moyers)
 - 2019-043-003U (Saunders)
- 10:10 a.m. 1. APA – FY2018 Audit Exit – **Kevin Savoy, CPA, Audit Director, Virginia Auditor of Public Accounts**
- 10:15 a.m. 2. Committee/NASBA Updates – **D. Brian Carson, CPA, CGMA, Chair**
- NASBA Communications Committee - **D. Brian Carson, CPA, CGMA, Chair**
 - NASBA Enforcement Resources Committee – **William R. Brown, CPA**
 - NASBA Education Committee and UAA Committee - **Stephanie S. Saunders, CPA**
 - NASBA Board of Directors – **Stephanie S. Saunders, CPA**
- 10:25 a.m. 3. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - July 2019 Board Report – **Mary Charity, Deputy Director for Operations**
 - July 2019 Financial Report – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 10:45 a.m. 4. Board Discussion Topics – **Nancy Glynn, CPA, Executive Director**
- Procurement/contracting process for ethics course
 - CPE Survey – **Kelli Anderson, Communications Manager**
 - Trust Fund Policy – **Renai Reinholtz, Deputy Director for Finance and Administration**
 - Active – CPE Exempt versus Inactive status

- Legislative Update – **Elizabeth Marcello, Information and Policy Advisor**
 - Proposed updates to regulations and policies
 - General legislation trends across the U.S.

- 12:00 p.m. 5. Introduction to the Secretary of Finance Aubrey Layne
- 12:30 p.m. Recess for Board lunch
- 1:00 p.m. 6. Board Discussion Topics, continued if necessary – **Nancy Glynn, CPA, Executive Director**
- 1:30 p.m. 7. Additional Items for Discussion
- Carry over items/potential future topics
 - Publication of VBOA disciplinary actions (September 2019)
 - Required coursework for CPA examination/licensure (November 2019)
 - Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates
 - Monday, Sept. 30
 - Friday, Nov. 15, Virginia Commonwealth University
- 1:50 p.m. 8. Closed Session
Enforcement – **Amanda E. M. Blount, Enforcement Director**
- Status of Open Cases
 - OAG updates
 - Final Orders
 - 2017-375-041U (Brown and Saunders)
 - 2018-009-009C (Blount and Charity)
- 2:30 p.m. 9. Closed Session
Personnel Discussion – **Nancy Glynn, CPA, Executive Director**
- 3:00 p.m. Adjournment

***Five-minute public comment, per person, on those items not included on the agenda.**

Persons desiring to attend the meeting and requiring special accommodations/interpretive services should contact the VBOA office at (804) 367-8505 at least five days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The VBOA fully complies with the Americans with Disabilities Act.



**Board Meeting
June 27, 2019
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Thursday, June 27, 2019, in Board Room #1 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Susan Quaintance Ferguson, CPA, Chair
D. Brian Carson, CPA, CGMA, Vice Chair
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Stephanie S. Saunders, CPA

MEMBER PRESENT FOR A PORTION OF THE MEETING: Matthew P. Boshier, Esq.

MEMBER ABSENT: Laurie A. Warwick, CPA

LEGAL COUNSEL: Robert Drewry, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Nancy Glynn, CPA, Executive Director
Mary Charity, Deputy Director for Operations
Renai Reinholtz, Deputy Director for Finance and Administration
Amanda E. M. Blount, Enforcement Director
Kelli Anderson, Communications Manager
Patti Hambright, CPE Coordinator and Administrative Assistant
Elizabeth Marcello, Information and Policy Advisor

MEMBERS OF THE PUBLIC PRESENT: Samuel A. Derieux, CPA, past VSCPA President and AICPA Council Chair
Walter Stosch, CPA, former Senator
Joe McNamara, CPA, current House of Delegates member
Maureen Dingus, CAE, Chief Operating Officer, Virginia Society of Certified Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of Certified Public Accountants
Linda Newsom-McCurdy, CAE, Senior Director of Member Value, Virginia Society of Certified Public Accountants
Amy Mawyer, Vice President of Learning, Virginia Society of Certified Public Accountants



**Board Meeting
June 27, 2019
Draft/Unapproved minutes**

CALL TO ORDER

Ms. Ferguson called the meeting to order at 10 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Ms. Ferguson determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the June 27, 2019, agenda, as amended. The members voting "AYE" were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

APPROVAL OF MINUTES

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the May 21, 2019, Board meeting minutes, as amended. The members voting "AYE" were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

PUBLIC COMMENT PERIOD

Ms. Dingus provided an update for the recent VSCPA Board's retreat. She noted a topic of discussion included CPA Evolution. She also noted the VSCPA Board supported embedding technology into training. She noted two task force had been created: Digital Learning and Diversity and Inclusion.

Ms. Walker revisited the VSCPA's views on the Board's recent discussions regarding potential changes to the Active – CPE Exempt status. She noted the VSCPA believes the VBOA must ensure Virginia's statutes and regulations comply with the Uniform Accountancy Act (UAA).

Mr. Derieux, Mr. Stosch and Mr. McNamara addressed the Board regarding their support in maintaining the Active – CPE Exempt licensure status. They noted the CPA perception as powerful and reiterated their support in maintaining the designation.



**Board Meeting
June 27, 2019
Draft/Unapproved minutes**

Ms. Walker noted the VBOA may require regulatory changes to support continuous testing for the Uniform CPA Examination.

NASBA COMMITTEE UPDATES

NASBA Enforcement Committee

Mr. Brown led the discussion regarding the NASBA Enforcement Committee. He noted the Committee as an excellent tool for attorneys. He also noted that new Board members would benefit from attending the Committee's boot camp.

NASBA Eastern Regional Meeting

Ms. Saunders led the discussion regarding the NASBA Eastern Regional Meeting. Ms. Ferguson, Ms. Saunders and Mr. Bradshaw attended the meeting from June 11-13, 2019, in Washington, D.C. Ms. Saunders noted topics of discussion included:

- Speaking with Generation Z
- The Evolution of the CPA Profession: vision and guiding principles
- UAA projects
- Peer Review Model Rules
- The CPAs responsibility for digital records

Ms. Saunders noted issues discussed during breakout sessions included:

- The Evolution of the CPA Profession: vision and guiding principles
- 120 versus 150 semester hours required for licensure
- Adding an experience requirement to the license requirement of firms who issue attest reports

Ms. Saunders and Ms. Ferguson attended the President/Chair breakfast, which included discussions regarding the PEEC exposure draft for staff augmentation. Ms. Saunders is a member on the PEEC Committee.

EXECUTIVE DIRECTOR'S REPORT

General Updates

Ms. Glynn presented the following general updates regarding the VBOA:



**Board Meeting
June 27, 2019
Draft/Unapproved minutes**

- Ms. Glynn introduced Elizabeth Marcello as the new VBOA Information and Policy Advisor. Her duties would also include FOIA and legislative officer for the VBOA.
- Ms. Glynn updated Board members with the number of outstanding license renewals for the June 30, 2019, deadline. She noted a friendly “robo” call reminder was sent out to licensees and firms on Monday, June 24 and again today to all who had not yet renewed.
- Ms. Glynn provided an updated to the NASBA CPE Audit Service.
- Ms. Glynn noted the APA Audit was nearing completion.
- Ms. Glynn noted the July issue of the VBOA newsletter was also nearing completion.
- Ms. Glynn noted the annual campus Board meeting would be held at VCU (Virginia Commonwealth University) in November.

May 2019 Board Report

Ms. Charity presented and fielded questions regarding the May 2019 Board Report.

May 2019 Financial Report

Ms. Reinholtz presented and fielded questions regarding the May 2019 Financial Report.

BOARD DISCUSSION TOPICS

Approval of the upcoming VBOA Chair and Vice Chair

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to nominate Mr. Carson for Board Chair and Ms. Warwick as Board Vice Chair effective July 1, 2019. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

Changes to Active – CPE Exempt status

Ms. Glynn led the discussion regarding the changes to the Active – CPE Exempt status. Ms. Glynn provided numerous alternatives to the status. Ms. Walker and Mr. Stosch provided comments. Ms. Glynn provided the current Active – CPE Exempt definition and an in-depth discussion ensued. The Board agreed to revisit the topic on a later date.

RECESS FOR LUNCH 12:10 p.m.

RECONVENE 12:45 p.m.



**Board Meeting
June 27, 2019
Draft/Unapproved minutes**

BOARD DISCUSSION TOPICS (continued)

CPE survey and guidelines

Ms. Glynn led the discussion regarding the CPE survey and guidelines and provided a sample survey for review. After a thorough discussion, Board members provided suggested revisions to the survey.

Virginia-Specific Ethics Course – 2020 and beyond

Ms. Saunders led the discussion regarding the Virginia-Specific Ethics Course. A broad scope of ethics course options were discussed. The Board agreed to revisit the topic on a later date.

Legislation updates

Ms. Glynn noted the need to discuss potential regulatory changes due to continuous testing of the Uniform CPA Examination.

Transition and Board Leadership

Mr. Carson read a resolution into record recognizing June 27, 2019, as Susan Quaintance Ferguson, CPA recognition day. The Board members, Ms. Glynn and Ms. Walker recognized Ms. Ferguson for her leadership and commitment to the Board and to the profession.

Carry over items/potential future topics

- Changes to Active – CPE Exempt status
- Virginia-Specific Ethics Course – 2020 and beyond
- Publication of VBOA disciplinary actions
- CPE survey and guidelines
- Trust Fund Reserve Policy
- Required coursework for CPA examination/licensure

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- August 22, 2019



**Board Meeting
June 27, 2019
Draft/Unapproved minutes**

- September 30, 2019
- November 2019 (Campus meeting)

Begin closed meeting

Upon a motion by Mr. Carson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases and cases listed on our agenda, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7) and (27). The following non-members will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and Robert Drewry. The following non-member will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Amanda Blount.

End closed meeting

Upon a motion by Mr. Carson, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA, CGMA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)



**Board Meeting
June 27, 2019
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Nays: None

Begin closed meeting

Upon a motion by Mr. Carson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act to discuss and consider a personnel matter relating to the Board of Accountancy Staff, a matter lawfully exempted from open meeting requirements under the ‘personnel matters’ exemption contained in Virginia Code § 2.2-3711(A)(1).” The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and Sherida Davis-Bryan.

End closed meeting

Upon a motion by Mr. Carson, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA, CGMA – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Five (5)
Nays: None

Mr. Boshier left the meeting during the closed session.



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Begin closed meeting

Upon a motion by Mr. Carson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases and cases listed on our agenda, a matter lawfully exempted from open meeting requirements under the 'consulting with legal counsel' and 'disciplinary proceedings' exemptions contained in Virginia Code § 2.2-3711(A)(7) and (27). The following non-members will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn, Amanda Blount and Robert Drewry.

End closed meeting

Upon a motion by Mr. Carson, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Aye
D. Brian Carson, CPA, CGMA – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Five (5)
Nays: None

ADJOURNMENT

There being no further business before the VBOA, Ms. Ferguson adjourned the meeting at 4:10 p.m.



**Board Meeting
June 27, 2019
Draft/Unapproved minutes**

APPROVED:

Susan Quaintance Ferguson, CPA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director

<i>Period Ending</i>	07/31/19	06/30/19	6/30/18	06/30/17
REGULANTS				
Individuals				
Active, licensed CPAs	26,428	26,282	26,318	25,452
Active-CPE Exempt, licensed CPAs	1,809	1,784	1,585	1,326
Other licensed CPAs				933
Total Licensed CPAs	28,237	28,066	27,903	27,711
Out-of-state licensees	8,497	8,435	8,330	8,290
Reinstatements - Individuals	31	162	178	92
New CPA licenses issued	134	1,133	1,227	1,378
Expired/voluntary surrendered licenses	-	778	1,177	1,167
Exam Candidates				
Number of first time exam candidates	105	1,624	1,675	1,819
Firms				
Total active, licensed CPA firms	1,133	1,126	1,177	1,167
Reinstatements - Firms	2	10	10	5
New CPA firm licenses issued	6	38	74	65
Expired/voluntary surrendered firm licenses	-	79	74	60
ENFORCEMENT				
Number of new enforcement cases ¹	1	49	85	82
<i>Types of Complaints</i>				
Unlicensed activity	1	14	20	45
Other disciplinary matters	-	35	65	37
CPE COMPLIANCE REVIEWS				
Number of CPE audits requested ²	-	1,699	2,402	2,022
<i>Status of CPE Compliance Reviews</i>				
Audits resulting in compliance	-	1,116	2,001	1,594
Audits resulting in deficiency	-	145	401	428
Audits resulting in surrender of license	-	9	32	52
Audits resulting in suspension of license	-	5	23	34
Audits open/pending review	438	438	-	-
CPE Audit Deficiency Rate		11%	17%	21%

¹ Numbers do not include cases resulting from CPE Deficiencies

² CPE audits selected through March 2019 - NASBA Implementation

Financial Report
FY20 Budget vs. Actual Expenses
As of July 31, 2019

<u>Expenditure Type</u>	<u>FY20 Draft Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,386,575	164,495	11.9%	1,175,925	1,174,172	1,103,143
Total Salaries & Benefits	\$ 1,386,575	\$ 164,495	11.9%	\$ 1,175,925	\$ 1,174,172	\$ 1,103,143
<u>Contractual Services</u>						
1211 Express Services	150	-	0.0%	134	722	-
1214 Postal Services	12,000	3,552	29.6%	9,984	12,886	7,975
1215 Printing Services	5,500	-	0.0%	4,537	5,487	5,245
1216 Telecommunications - VITA	13,500	1,023	7.6%	12,539	11,613	12,272
1217 Telecommunications - Nonstate (CallFire)	300	-	0.0%	100	100	600
1219 Inbound Freight	150	-	0.0%	56	160	418
1221 Organization Memberships (primarily NASBA)	8,090	-	0.0%	7,625	7,255	7,250
1222 Publication Subscriptions	1,271	-	0.0%	1,271	1,266	4,730
1224 Training - Courses, Workshops, Conferences	7,290	-	0.0%	4,822	11,459	8,914
1225 Employee Tuition Reimbursement	-	-	---	1,618	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	11,000	2,403	21.8%	4,567	23,825	10,933
1228 Employee IT Training Courses/Workshops and Conferences	-	-	---	91	-	91
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	21,930	39.9%	34,498	48,558	53,790
1243 Attorney Services (Including OAG)	77,315	-	0.0%	62,020	51,736	24,844
1244 Mgmt. Services - NASBA/special accommodations - IT Support	34,000	-	0.0%	33,808	21,736	75,641
1245 Personnel Management Services	-	-	---	79	-	-
1246 Public Info/Public Relations (subscriptions)	3,470	-	0.0%	3,470	3,538	5,015
1247 Legal Services (Includes court reporting services)	1,500	10	0.7%	10,834	19,562	12,977
1252 Electrical Repair/Maintenance	-	-	---	-	-	90
1253 Equipment Repair/Maintenance	850	-	---	823	-	-
1263 Clerical / Temp Services	-	-	---	-	2,754	2,475
1264 Food and Dietary Services	3,600	-	0.0%	3,585	3,236	2,156
1265 Laundry & Linen Services	25	-	---	13	-	25
1266 Manual Labor Services (Includes shredding services)	3,720	-	0.0%	320	394	1,122
1268 Skilled Services	1,200	-	---	1,138	-	-
1272 VITA Pass Thru Charges	133,205	-	0.0%	133,466	135,170	122,620
1273 Info Mgmt Design and Development Services (Project Manager and Website)	92,936	1,632	1.8%	108,923	94,600	-
1275 Computer Software Maintenance	74,800	-	---	-	-	-
1278 VITA Information Technology Infrastructure Services	185,240	-	0.0%	146,380	119,126	90,483
1279 Computer Software Development Services	149,500	-	0.0%	234,015	346,155	-
1282 Travel - Personal Vehicle	7,500	705	9.4%	6,603	8,099	6,980
1283 Travel - Public Carriers	-	-	---	77	-	589
1284 Travel - State Vehicles	1,000	-	0.0%	200	652	619
1285 Travel - Subsistence and Lodging	1,500	107	7.1%	1,612	2,182	1,250
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	72	7.2%	824	1,423	730
Total Contractual Services	\$ 886,612	\$ 31,433	3.5%	\$ 830,032	\$ 933,694	\$ 459,834
<u>Supplies and Materials</u>						
1311 Apparel Supplies	-	-	---	-	-	248
1312 Office Supplies	4,500	-	0.0%	3,783	5,023	4,338
1313 Stationery and Forms	2,300	-	0.0%	1,844	2,028	2,214
1323 Gasoline (Enterprise vehicles)	250	-	0.0%	103	221	155
1335 Packaging and Shipping Supplies	800	-	0.0%	1,237	485	958
1342 Medical & Dental Supplies	50	-	0.0%	5	-	260

<u>Expenditure Type</u>	<u>FY20 Draft Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	-	---	-	389	41
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	8
1362 Food & Dietary Supplies	525	-	0.0%	365	498	561
1363 Food Service Supplies	50	-	0.0%	56	62	107
1364 Laundry & Linen Supplies	-	-	---	-	-	24
1373 Computer Operating Supplies	4,100	-	0.0%	3,989	3,194	7,004
Total Supplies & Materials	\$ 12,575	\$ -	0.0%	\$ 11,382	\$ 11,900	\$ 15,919
<u>Transfer Payments</u>						
1413 Awards & Recognition	150	-	0.0%	1,033	848	863
1418 Incentives	1,200	-	---	325	-	410
Total Transfer Payments	\$ 1,350	\$ -	0.0%	\$ 1,358	\$ 848	\$ 1,273
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,112	-	0.0%	8,507	8,645	8,460
1539 Building Rentals - Non-State Owned Facilities	95,918	7,940	8.3%	93,416	90,982	88,126
1541 Agency Service Charges (DOA, PSB, DHRM, & eVA)	36,434	-	0.0%	37,335	38,169	36,071
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,044	-	0.0%	1,044	978	968
Total Continuous Charges	\$ 143,191	\$ 7,940	5.5%	\$ 141,985	\$ 140,457	\$ 135,308
<u>Equipment</u>						
2216 Network Components	1,500	-	0.0%	452	341	1,117
2217 Other Computer Equipment	500	-	0.0%	1,590	685	300
2218 Computer Software Purchases	-	-	---	419	540	2,157
2224 Reference Equipment	50	-	0.0%	32	80	26
2231 Electronic Equipment	-	-	---	-	-	164
2232 Photographic Equipment	-	-	---	-	552	845
2233 Voice and Data Transmission Equipment	-	-	---	511	164	-
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	-	---	3,791	6,125	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	-	0.0%	348	94	-
2262 Office Furniture	5,000	-	0.0%	5,666	555	3,375
2263 Office Incidentals	500	-	0.0%	109	969	2,646
2264 Office Machines	-	-	---	412	65	928
2268 Office Equipment Improvements	-	-	---	-	-	129
2271 Household Equipment	-	-	---	-	-	342
Total Equipment	\$ 7,700	\$ -	0.0%	\$ 13,330	\$ 10,170	\$ 12,029
Total Expenses	\$ 2,438,003	\$ 203,868	9.7%	\$ 2,174,012	\$ 2,271,240	\$ 1,727,506
Chapter 854 Appropriation	\$ 2,104,195					
Additional Appropriation Request	\$ 333,808					
Total Projected Appropriation	\$ 2,438,003					

Virginia Board of Accountancy
Financial Report
Cash Balance
As of July 31, 2019

	Operating Fund (09226)		Special Fund (02020)	
	FY2020 - YTD as of 7/31/19	FY2019 - YTD as of 7/31/18	FY2020 - YTD as of 7/31/19	FY2019 - YTD as of 7/31/18
Beginning Fund Balance July 1:	\$ 681,659	\$ 614,003	\$ 4,405,230	\$ 3,700,807
YTD Revenue Collected *	44,590	166,279	-	-
Accounts Payable **	19,235	20,000	-	-
Cash Transfers In per Board Policy #1	-	-	-	-
Cash Transfers Out per Board Policy #1	-	-	-	-
YTD Expenditures	(203,868)	(193,020)	-	-
Cash Balance before required transfers	\$ 541,616	\$ 607,262	\$ 4,405,230	\$ 3,700,807
Required Cash Transfers:				
Transfers to Central Service Agencies ***	\$ (11,302)	\$ (11,302)	-	-
Cash Balance after required transfers	\$ 530,314	\$ 595,960	\$ 4,405,230	\$ 3,700,807

* Includes Interest Earnings - Per Virginia Acts of Assembly - Chapter 732 - §3-3.03 - Approved April 10, 2016, the State Comptroller shall allocate revenue for interest earnings effective FY2016. Interest Earnings had not been allocated since FY2010.

** Prior to October 1, 2014 and the implementation of the Commonwealth's new financial accounting and reporting system (Cardinal) all payments immediately reduced cash when processed (in CARS). The new Cardinal financial system operates on a modified accrual basis and cash balances are not affected until the voucher's due date. The Cardinal system generates an offsetting entry to a liability account (accounts payable) when the voucher is processed. Once the voucher due date arrives, the payment is made, the liability is relived and cash is now reduced.

*** Non-general fund Transfers required by Virginia Acts of Assembly Part 3-1.01F for expenses incurred by central service agencies due on or before June 30.

**Virginia Board of Accountancy
Financial Report
Revenue by Fee Type
Source: VBOA Licensing System (MLO)**

Fee Type	FY2020 - YTD as of 7/31/19	FY2019 - YTD as of 7/31/18	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Application Fee	\$ 21,545	\$ 27,605	\$ 300,895	\$ 309,965	\$ 333,960
(a) Re-Exam Application	\$ 6,980	\$ 8,700	\$ 95,420	\$ 90,580	\$ 115,480
(b) Renewal Fee	\$ 71,440	\$ 129,170	\$ 2,328,986	\$ 1,859,054	\$ 2,086,540
Reinstatement Fee	\$ 11,300	\$ 4,550	\$ 63,600	\$ 64,570	\$ 45,775
Duplicate Wall Certificate Fee	\$ 125	\$ 150	\$ 1,850	\$ 1,950	\$ 1,775
License Verification Fee	\$ 1,900	\$ 1,700	\$ 18,950	\$ 20,025	\$ 20,487
CPA Exam Score Transfers	\$ 175	\$ 225	\$ 1,950	\$ 2,325	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ -	\$ 5,100
Administrative Fee	\$ -	\$ -	\$ -	\$ 1,000	\$ 5,100
Bad Check Fee	\$ 50	\$ -	\$ 50	\$ 150	\$ 50
Total Revenue	\$ 113,515	\$ 172,100	\$ 2,811,701	\$ 2,349,619	\$ 2,616,342
(c) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 44,590	\$ 166,279	\$ 2,870,760	\$ 2,338,729	\$ 2,604,132
(d) Difference	\$ 68,925	\$ 5,821	\$ (59,059)	\$ 10,890	\$ 12,210

NOTES:

- (a) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (b) Renewal Fee also includes associated late fees prior to FY19.
- (c) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (d) Revenue Totals from the VBOA Licensing System (MLO) will not always match Revenue collected and reported on the VBOA Cash Report (Cardinal), due to timing differences in dates transactions are posted into each system and pending adjustments.

**Virginia Board of Accountancy
Financial Report
Accounts Receivable
As of July 31, 2019**

	FY2020 - YTD as of 7/31/19	FY2019 - YTD as of 7/31/18	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Fines levied	\$ 3,050	\$ 13,800	\$ 221,273	\$ 326,285	\$ 187,925
Fines collected	\$ 5,433	\$ 27,686	\$ 191,199	\$ 258,879	\$ 198,771
OAG Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 54,909	\$ 78,157	\$ 60,230	\$ 92,026	\$ 25,442
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 657,030	\$ 592,206	\$ 654,093	\$ 592,222	\$ 591,400

NOTE:

(a) All accounts uncollected after one year are deemed uncollectible, are written off of the VBOA's financial account records, and are no longer recognized receivables for financial reporting purposes; however, the legal obligation to pay the debt still remains.



VBOA Survey

Welcome to the VBOA Survey

This survey is being administered by Knowledge Advisory Group (KAG). As a third party, KAG ensures the information you provide will remain anonymous. That is, your identity will not be associated with the feedback you provide. KAG will maintain anonymity by summarizing the survey findings across all respondents.

Any questions about this survey may be directed to Sandra Wright at the following email address: Sandra@KnowledgeAdvisoryGroup.com



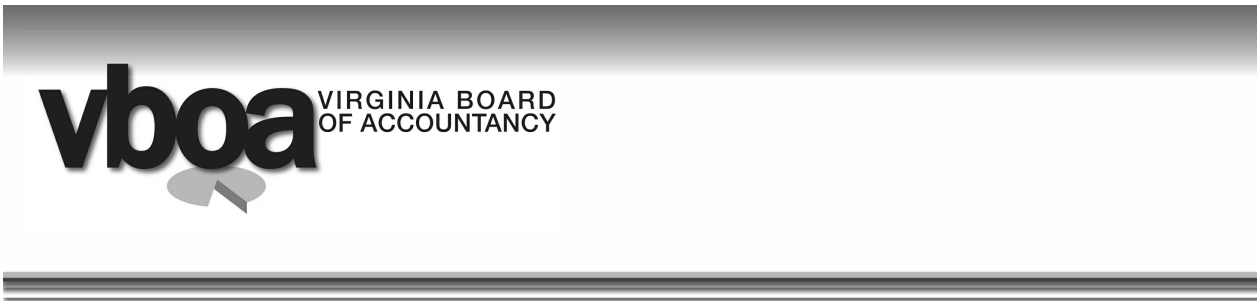
VBOA Survey

Please respond to the following questions.

* 1. Currently, the VBOA requires licensed CPAs to obtain at least 120 continuing professional education (CPE) credit hours over a rolling three-year period (i.e., three calendar years prior to the current calendar year).

How would you prefer CPE requirements to be structured?

- 40 credit hours every year
- 80 credit hours over a two-year time period
- 120 credit hours over a three-year time period
- Not sure



VBOA Survey

* 2. How should the two-year reporting period be structured?

- Rolling two-year time period (e.g., In 2020, the reporting period would be 2018 and 2019)
- Specified two-year time period (e.g., 2020-2021; 2022-2023; etc.)



VBOA Survey

* 3. How should the three-year reporting period be structured?

- Rolling three-year time period (e.g., In 2020, the reporting period would be 2017, 2018 and 2019)
- Specified three-year time period (e.g., 2020-2022; 2023-2025; etc.)



VBOA Survey

4. Currently, the VBOA requires a licensed CPA to obtain at least 20 CPE credit hours each year. What should be the minimum number of CPE hours required every year?

- At least 10 hours every year
- At least 15 hours every year
- At least 20 hours every year



VBOA Survey

5. Currently, CPE credit hours may be obtained through technical courses (e.g., Accounting, Auditing, Business Law, Finance, Information Technology, Statistics, Taxes, etc.), as well as non-technical courses (e.g., sports, recreation, spirituality). Should VBOA have a minimum CPE requirement for technical courses to ensure CPAs maintain professional skills?

- Yes, 25% of total hours
- Yes, 50% of total hours
- Yes, 75% of total hours
- No



VBOA Survey

6. Currently, the VBOA requires a licensed CPA to take a 2-hour Virginia-Specific Ethics Course every year. To what extent is the information provided by the Virginia-Specific Ethics Course relevant to your professional development?

- Not at all relevant
- Slightly relevant
- Moderately relevant
- Very relevant
- Extremely relevant



VBOA Survey

7. Should the VBOA change the yearly 2-hour requirement for the Virginia-Specific Ethics Course?

- Yes, it should only be required once during each CPE reporting period (i.e., once every two years for a 2-year reporting period or once every three years for a 3-year reporting period)
- No, the yearly 2-hour requirement for the Virginia-Specific Ethics Course should not be changed
- Not sure



VBOA Survey

8. Currently, the VBOA allows a licensed CPA to earn up to 30 CPE credit hours per reporting period for creating professional presentations. Should VBOA limit the amount of CPE that can be earned for creating professional presentations?

- Yes, the maximum should be 10% of total hours
- Yes, the maximum should be 25% of total hours
- Yes, the maximum should be 50% of total hours
- No
- Not sure



VBOA Survey

9. Currently, the VBOA allows a licensed CPA to earn unlimited CPE credit hours for writing professional publications. Should VBOA limit the amount of CPE that can be earned for writing professional publications?

- Yes, the maximum should be 10% of total hours
- Yes, the maximum should be 25% of total hours
- Yes, the maximum should be 50% of total hours
- No
- Not sure



VBOA Survey

10. Currently, CPE is measured on a calendar year. Should the requirement for CPE remain on a calendar year (Jan. 1 – Dec. 31) or should it be changed to correspond with the CPA licensing renewal period (July 1 – June 30)?

- Calendar year (January 1 – December 31)
- CPA licensing renewal time period (July 1 – June 30)
- I do not have a preference



VBOA Survey

Other Information

11. How do you plan to track CPE requirements for the upcoming year?

- My own spreadsheet or paper files
- My employer's CPE tracking system
- NASBA's new CPA Audit Service for individual CPAs
- Other

12. How many years have you been a licensed CPA in Virginia?

- Less than 3 years
- 3-5 years
- 6-10 years
- 11-20 years
- More than 20 years

13. Approximately how many people work within your organization?

- 1 (I am self-employed, and I do not have any employees.)
- 2-100
- 101-500
- 501-1,000
- 1,001-5,000
- Over 5,000

14. What type of organization do you work for?

- Public accounting firm
- Private accounting firm
- Publicly traded company
- Other privately owned company
- Not-for-profit organization
- Education
- Government
- Other

15. Do you also hold a CPA license in another state?

Yes

No



VBOA Survey

Additional Comments

16. Do you have any other comments or suggestions about CPE requirements?

VBOA Policy #1

Trust Account

TITLE:

EFFECTIVE DATE:

AUTHORITY:

POLICY STATEMENT:

~~December 31, 2018~~ August 22, 2019

Code of Virginia § 54.1-4405.1

The Trust Account provides a supplemental source of funds to the Virginia Board of Accountancy (VBOA) on a timely basis for (1) its use in the study, research, investigation or adjudication of matters involving possible violations of the provisions of Virginia accountancy statutes or Board regulations or (2) any other purpose that the VBOA determines germane to its statutory purposes.

It is the policy of the VBOA to maintain operating funds equal to approximately three months of the operating budget. Funds ~~exceeding this amount~~ shall be transferred to and from the Trust Account ~~on at least a quarterly basis, to include a final fund transfer by June 30 of each fiscal year if necessary, in accordance with § 54.1-4405.1 to support the operating budget.~~

Annually, the VBOA shall evaluate the balance in the Trust Account to determine if a fee adjustment is necessary. The annual evaluation shall consider the VBOA's needs as it relates to the purpose for the Trust Account, and on the national climate and experiences of other state boards of accountancy.

APPROVAL AND REVIEW:

SUPPRESSION:

VBOA CHAIR AT

LAST REVIEW:

VBOA MEMBERS AT

LAST REVIEW:

This VBOA policy was reviewed on ~~December 4, 2018~~ August 22, 2019.

This VBOA policy replaces Board Policy #1 that was effective on ~~April 30, 2015~~ December 4, 2018.

~~Susan Quaintance Ferguson, CPA~~ D. Brian Carson, CPA, CGMA

~~D. Brian Carson, CPA, CGMA~~ Laurie A. Warwick, CPA, Vice Chair

Matthew P. Boshier

W. Barclay Bradshaw, CPA

William R. Brown, CPA

Nadia A. Rogers, CPA

Stephanie S. Saunders, CPA

~~Laurie A. Warwick, CPA~~

EXECUTIVE DIRECTOR:

Nancy J. Glynn, CPA

VBOA Policy #10

Electronic Participation in Virginia Board of Accountancy Meetings

TITLE:**EFFECTIVE DATE:**

~~December 31, 2018~~ August 22, 2019

AUTHORITY:

Code of Virginia § 2.2-3708.2

POLICY STATEMENT:

It is the policy of the Virginia Board of Accountancy (VBOA) that individual VBOA members may participate in meetings of the VBOA by electronic communication means as permitted by Code of Virginia § 2.2-3708.2. This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

Whenever an individual member is to participate from a remote location that is not open to the public, the following conditions must be present:

- A quorum of the VBOA must be physically assembled at the primary or central meeting location.
- There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
- The reason that the member is unable to attend the meeting and the remote location from which the member participates must be recorded in the meeting minutes.

In the event that a VBOA member participates electronically due to a personal matter, such electronic participation is limited by law to two meetings each calendar year. There is no statutory limit on the number of meetings in which a VBOA member may participate electronically if the member's lack of physical attendance is due to a temporary or permanent disability or other medical condition.

Automatic approval with vote if challenged

Individual participation from a remote location due to a personal matter shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act (Code of Virginia § 2.2-~~3800~~ 3700 *et seq.*). If a member's participation from a remote location due to a personal matter is challenged, then the VBOA shall vote whether to allow such participation and the results of such vote shall be recorded in the minutes with specificity.

APPROVAL AND REVIEW:

This VBOA policy was reviewed on ~~December 4, 2018~~ August 22, 2019.

SUPPRESSION:

This VBOA policy replaces Board Policy #10 that was effective on ~~November 7, 2017~~ December 4, 2018.

**VBOA CHAIR AT
LAST REVIEW:**

Susan Quaintance-Ferguson, CPA-D. Brian Carson, CPA, CGMA, Chair

**VBOA MEMBERS AT
LAST REVIEW:**

~~D. Brian Carson, CPA, CGMA, Vice Chair~~ ~~Laurie A. Warwick, CPA, Vice Chair~~

Matthew P. Boshier

W. Barclay Bradshaw, CPA

William R. Brown, CPA

Nadia A. Rogers, CPA

Stephanie S. Saunders, CPA

~~Laurie A. Warwick, CPA~~

EXECUTIVE DIRECTOR:

Nancy J. Glynn, CPA

Change of License Status Request Form From Active status to Active – CPE Exempt status

This individual is currently licensed as a CPA with the Active status. However, the individual is not currently providing services to the public (providing services that are subject to the guidance of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § 54.1-4413.3) or to or on behalf of an employer (providing to an entity services that require the substantial use of accounting, financial, tax or other skills that are relevant, as determined by the Virginia Board of Accountancy) and therefore is requesting an exemption from the VBOA's continuing professional education requirements. This individual must be approved for the Active – CPE Exempt status before ceasing to meet the CPE requirements.

Please complete and return this form by email to boa@boa.virginia.gov, fax at (804) 527-4409 or by mail to 9960 Mayland Drive, Suite 402, Henrico, VA 23233.

CERTIFICATION OF APPLICANT

Name: _____ License number: _____

Current employer/
not employed: _____ Current job title: _____
If employed, attach company bio/resume and job description.

- I certify that I am not currently providing services as defined in § 54.1-4400, "Providing services to an employer" or "Providing services to the public."
- I certify that I will not provide accounting services to the public or to an employer with the Active – CPE Exempt status, which includes but is not limited to tax preparation (with or without compensation).
- I understand in order to begin providing services, I must request reinstatement of the Active status from the VBOA.
- I understand that I must comply with Board regulation, to begin providing services (the requirements include obtaining at least 120 hours of CPE prior to providing the services, including the two hour Virginia-Specific Ethics Course).

Signature: _____ Date: _____

VBOA Policy #9

TITLE:

~~Active—CPE Exempt~~ Inactive Status Procedure for Approval/Denial/Appeal

EFFECTIVE DATE:

~~December 31, 2018~~ August 22, 2019

AUTHORITY:

Code of Virginia § 54.1-4409.1(B) of the Code of Virginia and VBOA regulation 18VAC5-22-90(C)

POLICY STATEMENT:

A person who holds a Virginia license with the status of Inactive ~~Active—CPE Exempt~~ has ~~an active~~ a current license and has the privilege of using the CPA title. However, the person has demonstrated to the Virginia Board of Accountancy (VBOA) that they are not currently providing services, including on a volunteer basis, to the public (providing services that are subject to the guidance of the standard-setting authorities listed in the standards of conduct and practice in subsections 5 and 6 of § 54.1-4413.3) or to or on behalf of an employer (providing to an entity services that require the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the VBOA) and therefore is not required to meet the VBOA's CPE requirements.

Persons who hold a Virginia license must proactively apply for this status by submitting a Change of License Status Request Form (Active to ~~Active—CPE Exempt~~ Inactive) to the VBOA. Persons not approved for this status are required to obtain CPE in accordance with VBOA statutes and regulations and will not be exempt from CPE requirements if subject to a CPE compliance review.

Procedure for approval/denial/appeal of ~~Active—CPE Exempt~~ Inactive status includes:

1. Application form must be submitted to the VBOA.
2. Upon receipt of form and supporting documentation if applicable, the Deputy Director for Operations or Executive Director makes the determination to approve or deny status change.
3. If approved by staff, the status is changed and the person is informed of the change.
4. If denied by staff, the person is informed of denial.
5. As part of the staff approval process, staff may have questions regarding a specific type of experience presented on an application that could affect the determination of the ~~Active—CPE Exempt~~ Inactive status. In such cases, staff may ask the VBOA Chair or designee, ~~excluding the Enforcement Committee Chair~~, for determination.
 - a. If approved by a VBOA member, the status is changed and the person is informed of the change.
 - b. If denied by a VBOA member, the person is informed of denial.
6. Following initial denial of the ~~Active—CPE Exempt~~ Inactive status pursuant to #4 or #5b above, the person may appeal the decision and may present additional documentation to assist the VBOA in making a determination.
7. If an appeal is made after the request is denied by staff pursuant to #4 above, the VBOA Chair or designee will make the final determination of status.

- a. If approved by VBOA Chair or designee, the status is changed and the person is informed of the change.
- b. If denied by VBOA Chair or designee, the person is informed of denial and that no further appeals are available.

~~8. If an appeal is made after the request is denied by a VBOA member pursuant to #5b above, the VBOA's Enforcement Committee Chair or designee will make the final determination of status. a. If approved by the Enforcement Committee Chair, the status is changed and the person is informed of the change. b. If denied by the Enforcement Committee Chair, the person is informed of denial and that no further appeals are available.~~

APPROVAL AND REVIEW:

This VBOA policy was reviewed on ~~December 4, 2018~~ [August 22, 2019](#).

SUPPRESSION:

This VBOA policy replaces Board Policy #8 that was effective on ~~March 8, 2018~~ [December 4, 2018](#).

**VBOA CHAIR AT
LAST REVIEW:**

~~Susan Quaintance Ferguson, CPA~~ [D. Brian Carson, CPA, CGMA, Chair](#)

**VBOA MEMBERS AT
LAST REVIEW:**

~~D. Brian Carson, CPA, CGMA,~~ [Laurie A. Warwick, CPA, Vice Chair](#)

Matthew P. Boshier

W. Barclay Bradshaw, CPA

William R. Brown, CPA

[Nadia A. Rogers, CPA](#)

Stephanie S. Saunders, CPA

~~Laurie A. Warwick, CPA~~

EXECUTIVE DIRECTOR:

Nancy J. Glynn, CPA

At least 39 states/jurisdictions in the United States use the term "inactive," including three "no use of title" states

Alternative descriptors for Inactive:

- Interim
- Hiatus
- On pause
- Conditional
- Lapsed

VBOA Policy #4

Continuing Professional Education Guidelines for CPAs

TITLE:**EFFECTIVE DATE:**

~~December 31, 2018~~ [August 22, 2019](#)

AUTHORITY:

Code of Virginia §§ 54.1-4409.2 and 54.1-4413.2 and VBOA regulations 18VAC5-22-90 and 18VAC5-22-140

POLICY STATEMENT:

Specific CPE requirements of the Virginia Board of Accountancy (VBOA) are listed in the authority sections named above. This policy details the CPE guidelines approved by the VBOA.

General guidelines

Persons who hold a Virginia license must obtain 120 hours of CPE during a rolling three-calendar-year reporting period. For each calendar year within the reporting period, the person must obtain a minimum of 20 hours of CPE that must include the two-hour Virginia-Specific Ethics Course. If the person releases or authorizes the release of reports on attest services, compilation services, or financial statement preparation services during the calendar year, the person must obtain a minimum of eight hours of CPE related to those services in that same calendar year, which are included as part of the annual minimum and reporting period minimum.

CPE requirements for persons who have been newly issued a Virginia license can be found in VBOA regulation 18VAC5-22-90(B). CPE requirements for a person wishing to reinstate a Virginia license or wishing to transition the status of their Virginia license from ~~Active~~ ~~CPE Exempt~~ ~~Inactive~~ back to Active can be found in VBOA regulation 18VAC5-22-90(C).

The VBOA recognizes that 50 minutes of CPE participation equals one hour of CPE. Conversion of semester hours or quarter hours from an accredited college or university into hours of CPE can be found in VBOA regulation 18VAC5-22-90(F)(3). CPE requirements may be adjusted depending upon when a person who holds a Virginia license begins or ceases to provide services to the public or to or on behalf of an employer in accordance with VBOA regulation 18VAC5-22-90. Specific questions may be addressed by contacting the VBOA. All persons who hold a Virginia license have until January 31 to complete the previous calendar year's CPE requirements.

Virginia-Specific Ethics Course

The VBOA requires that all people who hold a Virginia license complete on an annual basis a Virginia-Specific Ethics Course that complies with VBOA regulation 18VAC5-22-90, unless the person has been granted the ~~Active~~ ~~CPE Exempt~~ ~~Inactive~~ status for their Virginia license or the VBOA has granted a waiver of this requirement. The two-hour Virginia-Specific Ethics Course is a separate and distinct annual requirement from the one-time American Institute of Certified Public Accountants ethics course needed for initial licensure.

People who hold a Virginia license must complete this course no later than January 31 of each year to meet the previous calendar-year requirement. No sponsor may provide the annual ethics course later than January 31 for the previous calendar year.

The VBOA may contract with one or more vendors to provide the content/material for the Virginia-Specific Ethics Course, under the provisions of the Virginia Public Procurement Act (Code of Virginia § 2.2-4300 *et seq.*). The ethics course content/material must follow an annual outline approved by the VBOA. The VBOA will post on its website the selected provider(s) of the content/material for the Virginia-Specific Ethics Course.

The course must be instructor-led but may be presented in a variety of different formats including, but not limited to, live seminars, conference sessions, online self-study presented by an instructor, live webcast and webcast replays, on-demand webcast and in-house training.

It is the responsibility of a person who holds a Virginia license to ensure that sponsors providing the Virginia-Specific Ethics Course are listed on the VBOA's website as an approved sponsor of this course.

People who hold a Virginia license must also ensure that sponsors provide a certificate of completion or some other form of documentation that includes the sponsor's name, participant's name, course/content name, date taken and hours of CPE earned.

If a person who holds a Virginia license is not satisfied with the content of the course or the instructor, the person is encouraged to contact the VBOA. A person who holds a Virginia license will not be deemed to have met the annual ethics requirement if they complete a Virginia-Specific Ethics Course from a non-approved sponsor.

Qualifying CPE other than the Virginia-Specific Ethics Course

It is the intent of the VBOA that all CPE (1) meet the requirements of VBOA regulations 18VAC5-22-90 and 18VAC5-22-140; (2) provide course content pertinent to the profession; and (3) assist the person who holds a Virginia license in becoming a better accounting professional. The VBOA accepts CPE obtained through a variety of forums, providing that the person who holds a Virginia license is able to demonstrate that learning objectives were met.

A variety of continuing professional education is acceptable, as specified in VBOA regulation 18VAC5-22-90(E).

The VBOA will determine on a case-by-case basis the acceptability of other forums for CPE not otherwise specified in regulation. Restrictions on specific forums for CPE are found in VBOA regulation 18VAC5-22-90(F). Acceptance of hours of CPE is at the discretion of the VBOA.

The VBOA has also approved that Continuing Education (CE), Continuing Education Units (CEU), Continuing Legal Education (CLE), Continuing Medical Education (CME), and Quality Assurance Service (QAS) are acceptable as hours of CPE.

With the exception of the Virginia-Specific Ethics Course, the VBOA does not currently require people who hold a Virginia license to obtain CPE from specific or approved sponsors.

CPE reporting period

The VBOA uses a rolling three calendar-year period to determine CPE compliance. This period includes the three calendar-years prior to the current calendar-year. For example, if asked by the VBOA to produce evidence of CPE compliance, submit such evidence for the three calendar-years prior to the current calendar-year.

CPE compliance reviews

On a monthly basis, the VBOA randomly selects people who hold a Virginia license for CPE compliance. The VBOA will notify licensees selected for a CPE compliance review. If selected, a person will be required to submit acceptable CPE documentation to verify compliance through a means determined by the VBOA. As a function of this CPE review process, a person may be required to provide additional documentation as requested by the VBOA to support compliance.

In addition to the random selection process, people who hold a Virginia license will also be selected for a CPE compliance review as a component of any open investigation or enforcement case or in situations where the VBOA believes that a CPE compliance review is warranted.

People who hold a Virginia license should not submit CPE documentation during the annual renewal process unless specifically requested by the VBOA.

CPE documentation requirements

Required documentation can generally be satisfied by providing:

- Certificates of completion or some other form of documentation from the CPE sponsor(s) including the sponsor(s)' name, participant's name, course/content name, date taken and hours of CPE earned.
- Official transcript of the college or university for earning course credit at an accredited college or university.
- Syllabus/agenda and signed statement indicating the length of the presentation when making a presentation.
- Copy of published article, book or written material (or proof of publication) when producing written material relevant to CPAs who provide services to the public or to or on behalf of an employer.

The VBOA has restrictions on the types of documentation it regards as acceptable. The VBOA will not accept receipts, registration confirmations, canceled checks, outlines, PowerPoint presentations or sign-in sheets, etc., as valid CPE documentation.

Retention requirements for CPE documentation

People who hold a Virginia license must retain CPE documentation for the four calendar-years preceding the current calendar-year.

CPE violations

As the result of a CPE compliance review, the VBOA may find that a person who holds a Virginia license has violated the CPE requirements during the reporting period. In such cases, enforcement action may be taken and the person will generally be offered a consent order and be subject to disciplinary action.

A person who holds a Virginia license may also determine on their own, outside of a CPE compliance review, that they are deficient in CPE for a specific reporting period. The person should notify the VBOA immediately when it is determined that a CPE deficiency has occurred.

In accordance with VBOA regulation 18VAC5-22-90(G), depending on the facts and circumstances, the VBOA may waive all or part of the CPE requirement for one or more calendar-years or grant additional time for complying with the CPE requirement, provided that the waiver or deferral is in the public interest. However, requests for a waiver or a deferral must generally be received in advance of the deadline for CPE completion. It is the policy of the VBOA that such waivers or deferrals generally be considered only in situations resulting from extreme medical hardship or active military deployment.

Requests for a waiver or deferral made under this section will be considered on a case-by-case basis. Such approvals are rare.

APPROVAL AND REVIEW:

This VBOA policy was reviewed on ~~December 4, 2018~~ [August 22, 2019](#).

SUPPRESSION:

This VBOA policy replaces Board Policy #4 that was approved on ~~March 8, 2018~~ [December 4, 2018](#).

**VBOA CHAIR AT
LAST REVIEW:**

~~Susan Quaintance Ferguson, CPA~~ [D. Brian Carson, CPA, CGMA, Chair](#)

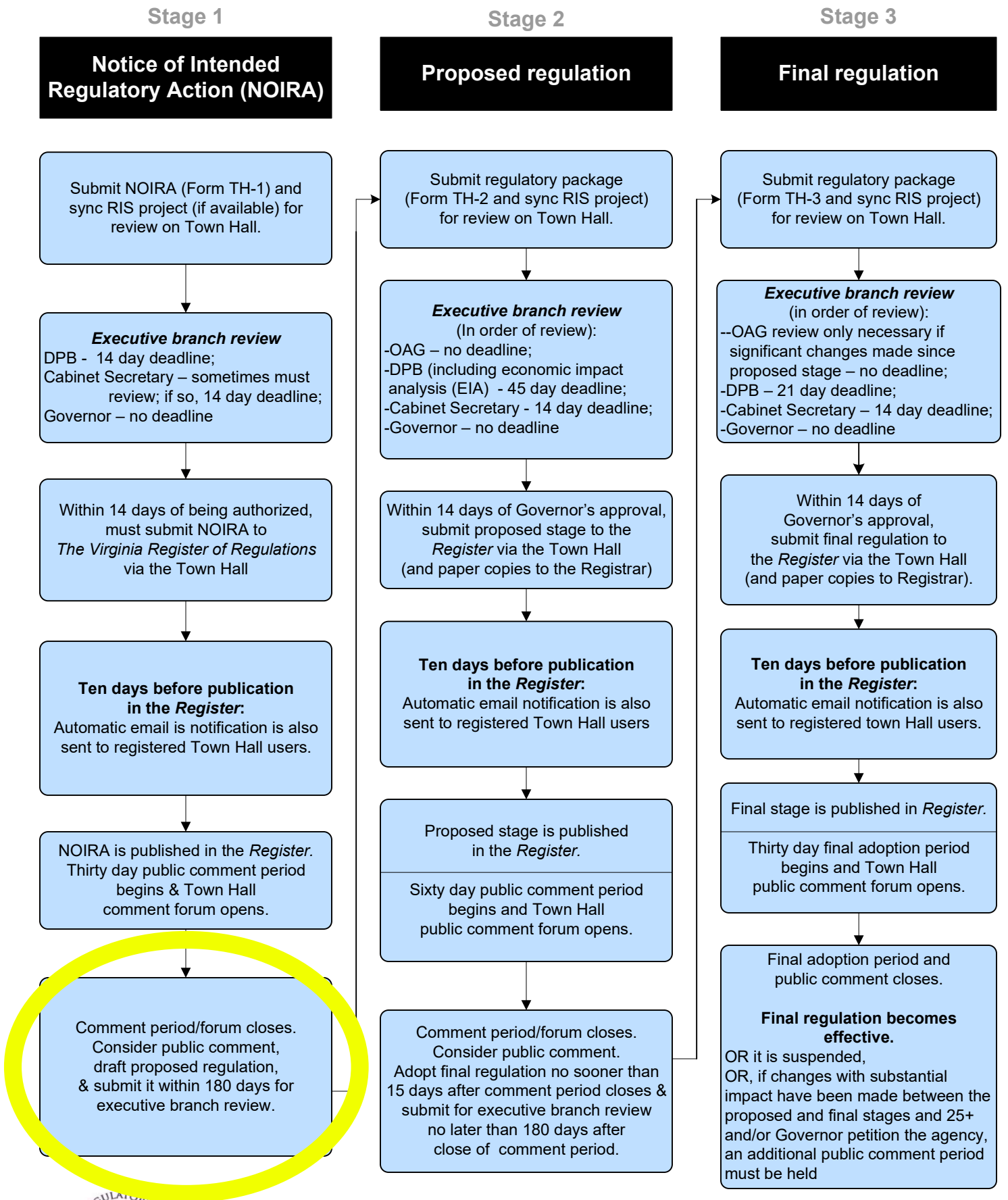
**VBOA MEMBERS AT
LAST REVIEW:**

~~D. Brian Carson, CPA, CGMA,~~ [Laurie A. Warwick, CPA, Vice Chair](#)
Matthew P. Boshier
W. Barclay Bradshaw, CPA
William R. Brown, CPA
[Nadia A. Rogers, CPA](#)
Stephanie S. Saunders, CPA
~~Laurie A. Warwick, CPA~~

EXECUTIVE DIRECTOR:

Nancy J. Glynn, CPA

Standard regulatory process: Guide for state agencies



Summary of Proposed Changes

18VAC5-22-80. Examination.	<p>Changes for this section will be pursued through the exempt process,* which means after consulting with the Secretary, the changes will skip the typical executive branch review and public comment period and will become effective immediately upon publication in the Virginia Register of Regulations.</p> <p><i>*§2.2-4002(B)(13) of the Code of Virginia exempts the following type of action from the standard rulemaking process: "Content of, or rules for the conduct of any examination required by law."</i></p>
18VAC5-22-90. Continuing professional education.	<ul style="list-style-type: none"> • Much of the existing language remains the same, but the addition of new sections changes the lettering order. <ul style="list-style-type: none"> ○ For example, the current 90(A) becomes (C) due to the addition of two new sections, which make the most sense to insert as a new 90(A) and (B). • Proposed 90(A) simply states that the individual is responsible for accurate reporting of CPE. • Proposed 90(B) clarifies the CPEs which a new Virginia licensee must follow <ul style="list-style-type: none"> ○ Content wise, this designed to clarify and replace current 90(D), which is difficult to interpret. • Proposed 90(C), which is current 90(A), inserts language that is consistent with the "home state exemption" explanation which is on our website. <ul style="list-style-type: none"> ○ Another sentence clarifies that CPEs from the current and past three calendar years will be accepted as credit, which is the current practice. ○ In addition, the wording regarding the ethics requirement was adjusted to support consistency throughout the regulations ○ Scenarios for the board to consider: <ul style="list-style-type: none"> ▪ What if another state has no ethics requirement? ▪ What if another state has an ethics requirement, but it is not equivalent in hours to Virginia's? (See Appendix A) • Current 90(B) becomes proposed 90(D). <ul style="list-style-type: none"> ○ Minor changes regarding the ethics language, as noted above • Proposed 90(E), which is current 90(C), clarifies that the exemption related to Active –CPE Exempt/Inactive (not

	<p>specifically mentioned in the regulations) is regarding obtaining continuing professional education</p> <ul style="list-style-type: none"> • Proposed 90(E) also adds that the exemption is prospective and does not relieve someone of obtaining CPE for prior calendar years <ul style="list-style-type: none"> ○ Minor changes regarding the ethics language, as noted above • Proposed 90(F) adds language regarding the CPE requirements for someone following the reinstatement of a license. Currently, this language is not found in our regulations.
18VAC5-22-91. Documentation of continuing professional education.	<ul style="list-style-type: none"> • Because of the added language in 18VAC5-22-90, the section became lengthy, which is discouraged by the Virginia Register of Regulations, which is responsible for publishing proposed and final regulations. • 91(A), (B), and (C) are already in our regulations. The proposed regulations are moved to a new section with minor tweaks in grammar and word choice in a couple of spots. • Proposed 91(D), (E), and (F) are new to our regulations, but they are currently listed in Policy #4 and reflect our current practice.
18VAC5-22-170. Communication with the board.	<ul style="list-style-type: none"> • 170(A) remains the same. • Proposed 170(B) clarifies that a change in a licensee's legal name must be reported within 30 days. • Current 170(C) is moved to 180(C) in the proposed regulations where it seems more appropriately located. • Proposed 170(C) adds that upon the renewal, reinstatement of, or application for a Virginia license, the applicant must disclose whether a variety of disciplinary actions/judgments involving the applicant has occurred.
18VAC5-22-180. Issuance, renewal, and reinstatement of licenses.	<ul style="list-style-type: none"> • The proposed regulations delete previous language regarding the prorated fees period for license renewals as those dates have passed. This means that 180(A), (B), and (C) are proposed to be deleted • Current 180(D) is proposed as the new 180(A) with no changes. • Proposed 180(B) inserts language regarding the expiration date for license renewals and reinstatements that occur within a certain number of days before June 30 of every year. • Current 170(C) is proposed as 180(C).



Board of Accountancy Regulations with Potential Changes

August 2019

*Note: when a word, phrase, or section is struck through, that indicates the removal of that portion. When a word, phrase, or section is underscored, that is suggested additional language. If neither struck through or underscored, that is how the language currently presents itself in our regulations.

Chapter 22. Board of Accountancy Regulations

18VAC5-22-10. Definitions.

The definitions in § 54.1-4400 of the Code of Virginia apply to these regulations.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-20. Fees.

A. The board shall charge the following fees for services it provides:

Processing an initial application to take one or more sections of the CPA examination	\$120
Processing additional applications to take one or more sections of the CPA examination	\$20
Processing an application for issuance of a Virginia license to a person	\$75
Processing an application for issuance of a Virginia license to a firm	\$100
Processing an application for the timely renewal of a person's Virginia license except as provided in subsection B of 18VAC5-22-180	\$60
Processing an application for the timely renewal of a firm's Virginia license except as provided in subsection B of 18VAC5-22-180	\$75
Additional fee for processing an application for the renewal of a person's Virginia license that is not timely	\$100
Additional fee for processing an application for the renewal of a firm's Virginia license that is not timely	\$100
Processing an application for reinstatement of a person's Virginia license	\$350
Processing an application for reinstatement of a firm's Virginia license	\$500

Processing an application for lifting the suspension of the privilege of using the CPA title in Virginia	\$350
Processing an application for lifting the suspension of the privilege of providing attest services, compilation services, or financial statement preparation services for persons or entities located in Virginia	\$500
Providing or obtaining information about a person's grades on sections of the CPA examination	\$25
Processing requests for verification that a person or firm holds a Virginia license:	
1. Online request	\$25
2. Manual request	\$50
Providing an additional CPA wall certificate	\$25
Additional fee for not responding within 30 calendar days to any request for information by the board under subsection A of 18VAC5-22-170	\$100
Additional fee for not using the online payment option for any service provided by the board	\$25

B. All fees for services the board provides are due when the service is requested and are nonrefundable.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended, Virginia Register Volume 29, Issue 3, eff. January 1, 2013; amended Volume 34, Issue 19, eff. June 13, 2018; amended Volume 34, Issue 24, eff. September 6, 2018.

18VAC5-22-30. Determining whether persons or entities to whom communications are made, or for whom services are provided, are located in Virginia.

For the purpose of complying with Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia for communication to persons or entities located in Virginia or providing services for persons or entities located in Virginia, persons are considered to be located in Virginia if their primary residence for federal income tax reporting is located in Virginia, and entities are considered to be located in Virginia if they conduct any activities in Virginia.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.



18VAC5-22-40. Determining whether a person who holds a Virginia license is providing services to the public using the CPA title or to or on behalf of an employer using the CPA title.

For the purpose of determining whether a person who holds a Virginia license is providing services to the public or to or on behalf of an employer, those terms are to be defined in accordance with § 54.1-4400 of the Code of Virginia.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended, Virginia Register Volume 35, Issue 1, eff. October 18, 2018.

18VAC5-22-50. Determining whether the principal place of business of a person or of a firm is in Virginia.

Complying with subdivision A 1 of § 54.1-4409.1, subsection B of § 54.1-4411, or subsection B of § 54.1-4412.1 of the Code of Virginia requires the person or firm to use reasonable judgment in determining whether Virginia is the principal place of business in which:

1. The person provides services to the public or
2. The firm provides attest services or compilation services.

The determination shall be reasonable considering the facts and circumstances and can be based on quantitative or qualitative assessments. The determination shall be reconsidered for changes in facts and circumstances that are not temporary.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended, Virginia Register Volume 33, Issue 23, eff. August 9, 2017.

18VAC5-22-60. Determining whether a college or university is an accredited institution.

A. For the purpose of complying with subdivision A 1 a of § 54.1-4409.2 of the Code of Virginia, a college or university that is not accredited by one of the six major regional accrediting organizations listed in the definition of accredited institution in § 54.1-4400 of the Code of Virginia or their successors shall be considered an accredited institution if it is accredited by an accrediting organization recognized by the Council on Higher Education Accreditation (CHEA) or its successor. Publication of the name of the accrediting organization by CHEA or its successor shall be sufficient notification that the accrediting organization is recognized by CHEA or its successor.

B. To determine whether a college or university is an accredited institution if it is accredited by an accrediting organization that is neither one of the six major regional accrediting organizations or their successors, nor an accrediting organization recognized by CHEA or its successor, representatives of the accrediting organization shall meet with a task force appointed by the board to study and recommend to the board how the organization shall demonstrate that its accreditation process and standards are substantially equivalent to the accreditation process and standards of the six major regional accrediting organizations or their successors. The size and composition of the task force shall depend on the facts and circumstances. However, at least one of the members of the task force shall have substantial experience with the accreditation process and standards of the six major regional accrediting organizations or their successors.

After the task force provides its recommendations to the board, the board shall decide what the requirements shall be to demonstrate that the accreditation process and standards of the accrediting organization are substantially equivalent to the accreditation process and standards of the six major regional accrediting organizations or their successors and shall communicate its decision to the organization. The organization shall then provide the required documentation to the board that will enable the board to decide whether a college or university accredited by the organization is an accredited institution as defined in § 54.1-4400 of the Code of Virginia.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-70. Education.

A. In order for a person to take the CPA examination through Virginia, he must have obtained from one or more accredited institutions at least 120 semester hours of education, a baccalaureate or higher degree, and an accounting concentration or equivalent prior to taking any part of the CPA examination.

B. For the purpose of complying with subsection A of this section and with subdivision A 1 a of § 54.1-4409.2 of the Code of Virginia, obtaining an accounting concentration or equivalent requires obtaining at a minimum:

1. 24 semester hours of accounting courses, ~~including that must include~~ courses in auditing, financial accounting, management accounting, and taxation; and
2. 24 semester hours of business courses, no more than six semester hours of which could be considered accounting courses.

Principles or introductory accounting courses cannot be considered in determining whether a person has obtained the 48 minimum number of semester hours required for an accounting concentration or equivalent.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended, Virginia Register Volume 33, Issue 23, eff. August 9, 2017.

18VAC5-22-80. Examination.

A. In order to comply with subdivision A 1 b of § 54.1-4409.2 of the Code of Virginia:

1. Each section of the CPA examination must be passed by attaining a uniform passing grade established through a psychometrically acceptable standard-setting procedure approved by the board.
2. Persons may take sections of the CPA examination in any order.

3a. Subject to subdivision A 2 b, a person who fails a section of the CPA examination may not retake that section until the next quarter of the calendar year unless otherwise prescribed by the board.

b. The board may decide to eliminate the current restriction outlined in subdivision A 2 a and allow persons to retake sections of the CPA examination as soon as his grade for any previous attempt of that same section has been released.

43. When a person first passes a section of the CPA examination, he has 18 months to pass the remaining sections. If the remaining sections are not passed within the 18-month period, the person loses credit for the first section passed, and a new 18-month period starts with the next section passed. Depending on the facts and circumstances, the board may grant additional time to pass the remaining sections, provided that the waiver or deferral is in the public interest.

4. A person must pass all sections of the CPA examination in 40 or fewer attempts. If a person cannot pass the CPA examination in 40 or fewer attempts, that person is prohibited from taking the CPA examination in Virginia for five years.

a. Each administration of the CPA examination the person sits for, regardless of the number of sections taken by the person, counts as a single attempt.

b. A person who is aggrieved under this subdivision may request a proceeding in accordance with the provisions of the Administrative Process Act (§2.2-4000 et seq. of the Code of Virginia) to request a waiver of this prohibition. Final determination of a waiver under this subsection is at the board's sole discretion.

B. Failure to comply with the policies established by the board for conduct at the CPA examination may result in the loss of eligibility to take the CPA examination or credit for sections of the CPA examination passed. Cheating by a person in connection with the CPA examination shall invalidate any grade earned on any section of the CPA examination and may warrant expulsion from the CPA examination site and disqualification from taking the CPA examination for a specified period of time as determined by the board.

C. The board may postpone scheduled CPA examinations, the release of grades, or the issuance of licenses under the following circumstances:

1. A breach of CPA examination security;

2. Unauthorized acquisition or disclosure of the contents of a CPA examination;
3. Suspected or actual negligence, errors, omissions, or irregularities in conducting a CPA examination; or
4. Any other reasonable circumstances.

D. Prior to being considered for a Virginia license, a person shall pass an ethics examination approved by the board.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-90. Continuing professional education.

A. To obtain, reinstate, or renew a Virginia license, a person must obtain and is responsible for the accurate reporting of his satisfactory completion of the continuing professional education requirements.

B. For a person who is applying for the issuance of an initial Virginia license and does not hold the license of another state:

1. If he applies in the same calendar year in which he passed the CPA examination, he shall must complete the current ethics course of at least two hours prescribed by the board;

2. If he applies in the calendar year after the calendar year in which he passed the CPA examination, he shall must complete a minimum of 40 continuing professional education hours, which must include the current ethics course of at least two hours prescribed by the board;

3. If he applies two calendar years after the calendar year in which he passed the CPA examination, he shall must complete a minimum of 80 continuing professional education hours, which must include the current ethics course of at least two hours prescribed by the board; or

4. If he applies three or more calendar years after the calendar year in which he passed the CPA examination, he shall must complete a minimum of 120 continuing professional hours, which must include the current ethics course of at least two hours prescribed by the board.

In determining whether a person has met the requirements of this subsection, the board will only accept continuing professional education hours earned during the current calendar year and the three calendar years prior to the current calendar year.

AC. If during the current calendar year a person holds a Virginia license and has not been granted an exemption by the board pursuant to subsection ~~CE~~ of this section, he shall have obtained at least 120 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including an ethics course of at least two hours which conforms to the requirements prescribed by the board.

1. If a person holds an active license in another state and his principal place of business is not located in Virginia, he is eligible for an exemption from meeting the continuing professional education requirements of Virginia if he meets the continuing professional education requirements in his principal place of business.

2. If the person also holds the license of another state and Virginia is not his principal place of business, the ethics course taken to comply with this subsection either shall conform with the requirements prescribed by the board or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.

23. Otherwise, the ethics course shall conform to the requirements prescribed by the board.



In determining whether a person has met the requirements of this subsection, the board will only accept continuing professional education hours earned during the current calendar year and the three calendar years prior to the current calendar year.

BD. If during the current calendar year a person who holds a Virginia license provided services to the public or to or on behalf of an employer, has not been granted an exemption by the board pursuant to subsection CE of this section, and did not hold a Virginia license or the license of another state during one or both of the two preceding calendar years, he shall determine whether he has complied with the requirements of subsection AC of this section as follows:

1. If the person became licensed during the current calendar year, he shall be considered to have met the requirements of subsection AC of this section for the three-calendar-year period ending with the current calendar year.

2. If the person became licensed during the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year he obtained at least the minimum number of hours of continuing professional education required by subsection AC of this section for the current calendar year, including an ethics course of at least two hours which conforms to the requirements prescribed by the board.

3. If the person became licensed during the calendar year prior to the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year and the preceding calendar year he obtained at least the minimum number of hours of continuing professional education required by subsection A of this section for each of the years, including for each year an ethics course of at least two hours which conforms to the requirements prescribed by the board.

CE. If during the current calendar year a person who holds a Virginia license did not provide services to the public or to or on behalf of an employer and has demonstrated to the board that he does not provide those services, a person may submit an application for an exemption from obtaining continuing professional education to the board which must be approved. he is not required to have obtained continuing professional education during the three-calendar-year period ending with the current calendar year. Any person who holds a Virginia license to whom an exemption has been granted shall annually affirm and certify to the board his continued eligibility for the exemption in that he does not provide services to the public or to or on behalf of an employer. An exemption granted by the board under this subsection is prospective and does not relieve a person of his continuing professional education requirements for prior calendar years. However, in order to begin resume providing those services:

1. He is required to have obtained at least 120 hours of continuing professional education prior to providing the services, including an ethics course of at least two hours which conforms to the requirements prescribed by the board.

2. The ethics course shall conform to the requirements prescribed by the board for the calendar year in which the person begins providing the services.

~~Continuing professional education obtained during the three calendar years prior to the current calendar year and from the start of the current calendar year to when he begins providing the services shall be considered in determining whether the person has complied with the requirements of this subsection.~~

In determining whether a person has met the requirements of this subsection, the board will only accept continuing professional education hours earned during the current calendar year and the three calendar years prior to the current calendar year.

F. For a person who is applying for the reinstatement of his Virginia license:

1. He is required to have obtained at least 120 hours of continuing professional education prior to providing the services, including an ethics course of at least two hours which conforms to the requirements prescribed by the board.

2. The ethics course shall conform to the requirements prescribed by the board for the calendar year in which the person begins providing the services.

In determining whether a person has met the requirements of this subsection, the board will only accept continuing professional education hours earned during the current calendar year and the three calendar years prior to the current calendar year.

~~DE. If a person who has not held the license of any state applies for a Virginia license after the end of the calendar year in which he passes the CPA examination, he shall obtain continuing professional education prior to applying for the license, including an ethics course of at least two hours.~~

~~1. The required minimum number of hours of continuing professional education shall be 40, 80, or 120 depending on whether he applies for the Virginia license by the end of the first calendar year after the calendar year in which he passes the CPA examination, by the end of the second calendar year, or later.~~

~~2. The ethics course shall conform to the requirements prescribed by the board for the calendar year in which the person applies for the license.~~

~~Continuing professional education obtained subsequent to passing the CPA examination but during the three calendar years prior to the calendar year in which the person applies for the license and from the start of that calendar year to when he applies for the license shall be considered in determining whether he has complied with this requirement.~~

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended, Virginia Register Volume 33, Issue 23, eff. August 9, 2017; Volume 34, Issue 11, eff. March 8, 2018.

18VAC5-22-91. Documentation of continuing professional education.

E.A. Continuing professional education acceptable to the board may be obtained through a variety of forums, provided there is a means of demonstrating that the education was obtained. The acceptable forums are:

1. Attending seminars and educational conferences, provided that the instructors have appropriate knowledge of the subject matter and use appropriate teaching materials and that attendance is monitored in a manner that can be verified by the board;

2. **Completing** courses at an accredited institution for credit;

3. Completing self-study courses, provided there is a method for determining that the person met the learning objectives;

4. Making a presentation at a professional seminar, educational conference, or in a classroom setting, provided the person has appropriate knowledge of the subject matter and uses appropriate teaching materials;

5. Writing material that is relevant to providing services to the public or to or on behalf of an employer that is formally reviewed by an independent party and that is published in a book, magazine, or similar publication; and

6. Passing examinations and obtaining certifications that have been approved by the board.

Whether other forums are acceptable shall be determined by the board on a case-by-case basis.

FB. In determining whether a person has obtained the required number of hours of continuing professional education:

1. Repeat presentations, **examinations, and courses** shall not be considered.

2. No more than 30 hours from preparing for and making presentations shall be considered during each three-calendar-year period.

3. One semester-hour of credit for courses at an accredited institution constitutes 15 hours of continuing professional education, and one quarter-hour of credit constitutes 10 hours of continuing professional education.

4. Credit for examination and certification shall be awarded for the calendar year in which the examination was passed and certification was received. If passage of the examination and certification occur in different calendar years, credit shall be awarded for the calendar year in which the examination was passed. The board shall determine how many hours are credited per certification.

5. No more than 60 hours from examination and certification shall be considered during each three-calendar-year period.

C. Depending on the facts and circumstances, the board may waive all or part of the continuing professional education requirement for one or more calendar years or grant additional time for complying with the continuing professional education requirement, provided that the waiver or deferral is in the public interest.

D. Evidence of satisfactory completion of the continuing professional education requirements shall include:

1. Certificates of completion or some other form of documentation from the continuing professional education sponsor(s) including the sponsor(s)'s name, participant's name, course or content name, date taken, and hours of continuing professional education earned;

2. Official transcripts of the college or university for earning course credit at an accredited college or university;

3. A syllabus or agenda and a signed statement from the sponsoring individual or sponsoring organization indicating the length of the presentation for making a presentation;

4. A copy of the published article, book, or written material, or other proof of publication for producing written material relevant to CPAs who provide services to the public or to or on behalf of an employer; or

5. In the case of exams and certifications that have been approved by the board, a letter from the administering organization that identifies the passage of the exam or the certification, the participant's name, and the date of passage or certification;

The board shall not accept receipts, registration confirmations, canceled checks, outlines, presentation slides, or sign-in sheets as valid evidence of satisfactory completion of the continuing professional education requirements. Whether other documentation is acceptable shall be determined by the board on a case-by-case basis.

E. A person who holds a Virginia license shall retain evidence of his satisfactory completion of the continuing professional education requirements for a period of four years preceding the current calendar year.

F. One continuing professional education hour is satisfied by 50 minutes of participation in a program of continuing professional education.

18VAC5-22-100. Experience.

Prior to applying for a license, a person must have been employed in academia, a firm, government, or industry in any capacity involving the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the board, to providing services to the public or to or on behalf of an employer for a period that is the full-time equivalent of one year. Whether other skills are relevant shall be determined by the board on a case-by-case basis. Self-employment does not meet the definition of experience in § 54.1-4400 of the Code of Virginia.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended, Virginia Register Volume 33, Issue 23, eff. August 9, 2017.

18VAC5-22-110. Demonstrating that a person's education, CPA examination, and experience are substantially equivalent to the requirements for obtaining a Virginia license.

Subdivision A 2 of § 54.1-4411 of the Code of Virginia does not require the person to notify the board that the person's education, CPA examination, and experience are substantially equivalent to the requirements for obtaining a Virginia license.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.
 Historical Notes
 Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-120. Supervision of firm personnel.

To comply with subdivision C 2 of § 54.1-4412.1 of the Code of Virginia, a person's work must be planned, supervised, and reviewed by a person who either (i) holds an active Virginia license or (ii) holds the license of another state and complies with the substantial equivalency provisions of § 54.1-4411 of the Code of Virginia.

Statutory Authority
 §§ 54.1-4402 and 54.1-4403 of the Code of Virginia.
Historical Notes
 Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-130. Owners of firms who are not licensees.

To comply with subdivision D 2 of § 54.1-4412.1 of the Code of Virginia, owners of a firm who are not licensees must be persons who, based on the facts and circumstances, participate in the firm's activities on a regular, continuous, and substantial basis.

Statutory Authority
 §§ 54.1-4402 and 54.1-4403 of the Code of Virginia.
Historical Notes
 Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-140. Persons who release or authorize the release of reports.

A. To comply with subdivision D 4 of § 54.1-4412.1 of the Code of Virginia, a person who releases or authorizes the release of reports on attest services, compilation services, or financial statement preparation services provided for persons or entities located in Virginia shall annually obtain a minimum of eight hours of continuing professional education related to attest services, compilation services, or financial statement preparation services. The hours obtained to meet this requirement shall be considered in determining whether the person has complied with the requirements of 18VAC5-22-90.

B. Firms providing attest services, compilation services, or financial statement preparation services shall establish policies and procedures to provide the firm with reasonable assurance that persons who release or authorize the release of reports on attest services, compilation services, or financial statement preparation services possess the kinds of competencies that are appropriate given the facts and circumstances. These policies and procedures shall address the required technical proficiency, familiarity with the industry and the person or entity, skills that indicate sound professional judgment, and other competencies necessary under the circumstances.

Statutory Authority
 §§ 54.1-4402 and 54.1-4403 of the Code of Virginia.
Historical Notes
 Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended Volume 34, Issue 24, eff. September 6, 2018.

18VAC5-22-150. Monitoring program and peer review.

In order to comply with subdivision D 6 of § 54.1-4412.1 of the Code of Virginia, a firm shall comply with all components of the monitoring program in which it is enrolled, except that, depending on the facts and circumstances, the board may waive the requirement for a peer review or grant additional time for complying with the requirement.

Statutory Authority
 §§ 54.1-4402 and 54.1-4403 of the Code of Virginia.
Historical Notes
 Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-160. Confidential consent agreements.

To determine whether to enter into a confidential consent agreement under subsection A of § 54.1-4413.5 of the Code of Virginia, the board shall consider a violation minor if the board believes that the violation was not intentional misconduct, was not the result of gross negligence, and did not have a significant financial impact on persons or entities. The board shall enter into no more than two additional confidential consent agreements with a person or firm within 10 years after the first confidential consent agreement.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010.

18VAC5-22-170. Communication with the board.

A. Pursuant to § 54.1-4425 of the Code of Virginia, each licensee or applicant shall respond within 30 calendar days to any board request for information regarding compliance with any statutes or regulations pertaining to the board or any of the programs that may be in another title of the Code of Virginia for which the board has regulatory responsibility. When the requested response is not produced by the licensee or applicant within 30 calendar days, this nonproduction shall be deemed a violation of this rule, unless otherwise determined by the board.

B. Each holder of a Virginia license shall notify the board in writing within 30 calendar days of any change in the holder's legal name or in the postal and electronic addresses where the person or firm may be reached.

C. Upon the renewal, reinstatement of, or the application for a Virginia license each person or entity shall notify the board in writing if any of the sanctions listed below in subsection C have occurred:

1. Any administrative disciplinary action that the holder is the subject of or party to before any court, agency of the state or federal government, branch of the armed forces of the United States of America, or before the American Institute for Certified Public Accountants, the Virginia Society of Certified Public Accountants or their successors;

2. Any conviction concerning a felony or misdemeanor, regardless of whether sentence is imposed, suspended, or executed; or

3. Any guilty plea or plea of nolo contendere; or

4. Any judgment rendered against the holder in a civil court of law.

~~C. The board shall transmit license renewal notices electronically unless a person or firm is unable to communicate electronically. The responsibility for renewing a Virginia license is on its holder, and that responsibility is not affected by whether the holder receives a license renewal notice.~~

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 26, Issue 24, eff. September 16, 2010; amended, Virginia Register Volume 35, Issue 1, eff. October 18, 2018.

18VAC5-22-180. Issuance, renewal, and reinstatement of licenses.

~~A. Any Virginia license issued, renewed, or reinstated on or after February 26, 2018, and on or before June 30, 2018, shall expire on June 30, 2019, and its holder shall pay the fee prescribed in 18VAC5-22-20 upon submission of a completed license application.~~

~~B. Any Virginia license expiring between July 31, 2018, and on or before March 31, 2019, that is renewed pursuant to this subsection shall expire on June 30, 2019. Any Virginia license expiring between April 30, 2019, and on or before May 31, 2019, that is renewed pursuant to this subsection shall expire on June 30, 2020.~~

~~1. A person who holds a Virginia license that expires between July 31, 2018, and May 31, 2019, shall pay a prorated renewal fee as prescribed in this subdivision upon submission of a completed license renewal application.~~

Current Expiration Date	Renewal Fee	Expiration Date Following Renewal
July 31, 2018	\$55	June 30, 2019
August 31, 2018	\$50	June 30, 2019
September 30, 2018	\$45	June 30, 2019
October 31, 2018	\$40	June 30, 2019
November 30, 2018	\$35	June 30, 2019
December 31, 2018	\$30	June 30, 2019
January 31, 2019	\$25	June 30, 2019
February 28, 2019	\$20	June 30, 2019
March 31, 2019	\$15	June 30, 2019
April 30, 2019	\$60	June 30, 2020
May 31, 2019	\$60	June 30, 2020

2. A firm that holds a Virginia license that expires between July 31, 2018, and May 31, 2019, shall pay a prorated renewal fee as prescribed in this subdivision upon submission of a completed license renewal application.

Current Expiration Date	Renewal Fee	Expiration Date Following Renewal
July 31, 2018	\$68	June 30, 2019
August 31, 2018	\$62	June 30, 2019
September 30, 2018	\$56	June 30, 2019
October 31, 2018	\$50	June 30, 2019
November 30, 2018	\$43	June 30, 2019
December 31, 2018	\$37	June 30, 2019
January 31, 2019	\$31	June 30, 2019
February 28, 2019	\$25	June 30, 2019
March 31, 2019	\$18	June 30, 2019
April 30, 2019	\$75	June 30, 2020
May 31, 2019	\$75	June 30, 2020

C. Any Virginia license issued or reinstated from July 1, 2018, to on or before March 31, 2019, shall expire on June 30, 2019, and its holder shall pay the fee prescribed in 18VAC5-22-20 upon submission of a completed license

~~application. Beginning April 1, 2019, any Virginia license issued or reinstated during the months of April, May, or June shall expire on June 30 of the succeeding calendar year, and its holder shall pay the fee prescribed in 18VAC5-22-20 upon submission of a completed license application.~~

DA. For Virginia licenses issued or renewed on June 30, 2019, or later, the holder of a Virginia license shall annually renew his license on or before June 30 of each calendar year by submitting a completed license renewal application and paying to the board a renewal fee as prescribed in 18VAC5-22-20.

B. If a person or entity applies for an initial license or reinstatement within the 120 day period preceding June 30 of the current calendar year, the license will not expire until June 30 of the following calendar year.

C. The board shall transmit license renewal notices electronically unless a person or firm is unable to communicate electronically. The responsibility for renewing a Virginia license is on its holder, and that responsibility is not affected by whether the holder receives a license renewal notice.

Statutory Authority

§§ 54.1-4402 and 54.1-4403 of the Code of Virginia.

Historical Notes

Derived from Virginia Register Volume 34, Issue 19, eff. June 13, 2018.





Commonwealth of Virginia
Office of the Governor

Executive Order

THIRTY-SEVEN (2019)

TRANSFER OF THE VIRGINIA BOARD OF ACCOUNTANCY TO THE SECRETARY OF FINANCE

Importance of the Initiative/Issue

The Virginia Board of Accountancy's (VBOA) mission is to protect the citizens of the Commonwealth through a regulatory program of examination, licensure for individuals and firms, consumer protection, professional education audits and peer review oversight. This mission provides assurance to the citizens of the Commonwealth that the individuals and firms we entrust to practice in public accounting meet certain professional standards.

The Secretary of Finance safeguards the Commonwealth's fiscal assets and oversees the allocation of its financial resources. Accordingly, the Secretary has a fiduciary responsibility to the citizens of the Commonwealth to protect the public.

The Virginia Board of Accountancy carries out its mission through a program of regulation development, oversight, and investigations. Transfer of the VBOA to the Secretary of Finance will more closely align the responsibilities of the VBOA and Secretary of Finance.

Directive

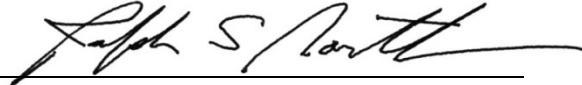
By virtue of the authority vested in me as Governor under § 2.2-211 of the *Code of Virginia*, I hereby authorize the transfer of administrative authority of the Virginia Board of Accountancy from the Secretary of Commerce and Trade to the Secretary of Finance.

Effective Date of the Executive Order

This Executive Order shall be effective upon its signing and shall remain in full force and effect unless amended or rescinded by further executive order.

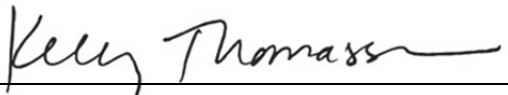
Given under my hand and under the Seal of the Commonwealth of Virginia this 1st day of August, 2019.





Ralph S. Northam, Governor

Attest:



Kelly Thomasson, Secretary of the Commonwealth