

Thursday, October 12, 2017
VBOA Board Meeting Agenda

Board Room 4
2nd Floor Conference Center
9960 Mayland Drive
Henrico, VA 23233
Phone: (804) 367-8505

- 10:00 a.m. Call to Order – **Matthew P. Boshier, Chair**
Security Briefing – **Patti Hambright, Administrative Assistant**
Determination of Quorum
Approval of October 12, 2017, Agenda
Approval of August 31, 2017, Board meeting minutes
Approval of Consent Agenda:
- Consent Orders:
 - 2017-006-006U (Ferguson and Saunders)
 - 2017-025-011U (Ferguson and Saunders)
- Public comment period*
- 10:10 a.m. 1. Board Discussion Topics – **Wade A. Jewell, Executive Director**
- Approval of 2018 Virginia-Specific Ethics Course outline
 - Proposed 2018 Legislation
 - Proposed changes to Board Policy #10 (Electronic Participation in VBOA Meetings) – **Rebekah Allen, Enforcement Director**
 - Marijuana Laws/Guidance Update - **Rebekah Allen, Enforcement Director**
- 10:45 a.m. 2. Executive Director’s Report – **Wade A. Jewell, Executive Director**
- General updates
 - September Board Report
 - September Financial Report with Proposed Budget for FY18 – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 11:15 a.m. 3. Committee/NASBA Updates
- NASBA Standard-Setting Advisory Committee – **Matthew P. Boshier, Chair**
 - NASBA Education Committee – **Susan Quaintance Ferguson, CPA, Vice Chair**
 - NASBA Communications Committee – **D. Brian Carson, CPA, CGMA**
 - NASBA Diversity Committee – **Andrea M. Kilmer, CPA, CFF, CGMA**
 - NASBA UAA Committee – **Stephanie S. Saunders, CPA**
 - NASBA Middle Atlantic Regional Director – **Stephanie S. Saunders, CPA**
 - NASBA Executive Director’s Committee – **Wade A. Jewell, Executive Director**

- 11:30 a.m. 4. Additional Items for Discussion
- Carry over items/potential future topics
 - CPE guidelines for publications
 - Regulation changes
 - Marijuana Laws/Guidance
 - Board Policy #5 – Publication of Board Disciplinary Action
 - Use of confidential consent agreements
 - CPE – VBOA/VSCPA discussions
 - Single renewal date for all Virginia licensees
 - Trust Fund Reserve Policy
 - Adjudication Manual
 - Social Media Activity (Enforcement)
 - Background checks
 - North Carolina Dental Case
 - Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates –
 - November 7, 2017 (Virginia Tech)
 - December 12, 2017
 - January 18, 2018
 - February 8, 2018
- 12:00 p.m. Recess for Board lunch
- 12:45 p.m. 5. Closed Session
Enforcement – **Rebekah Allen, Enforcement Director**
- Status of Open Cases
 - OAG updates
- 1:00 p.m. 6. Closed Session – **Wade A. Jewell, Executive Director**
- Personnel
- 1:15 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
August 31, 2017
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Thursday, August 31, 2017, in Board Room #1 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Matthew P. Boshers, Esq., Chair
Susan Quaintance Ferguson, CPA, Vice Chair
William R. Brown, CPA
Stephanie S. Saunders, CPA
Laurie A. Warwick, CPA

**MEMBERS PRESENT
FOR A PORTION OF
THE MEETING:** D. Brian Carson, CPA

MEMBER ABSENT: Andrea M. Kilmer, CPA

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

STAFF PRESENT: Wade A. Jewell, Executive Director
Mary Charity, Deputy Director of Operations
Patti Hambright, CPE Coordinator and Administrative Assistant
Renai Reinholtz, Accounting Specialist

**STAFF PRESENT
FOR A PORTION OF
THE MEETING:** Rebekah Allen, Enforcement Director

**MEMBERS OF THE
PUBLIC PRESENT:** Stephanie Peters, CAE, President and CEO, Virginia Society of Certified
Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of
Certified Public Accountants
Amy Mawyer, Vice President of Learning, Virginia Society of Certified
Public Accountants
Linda Newsom-McCurdy, CAE, Senior Director of Member Value,
Virginia Society of Certified Public Accountants
Staci A. Henshaw, CPA, Auditor of Public Accounts, VSCPA Board of
Directors, Chair
Jim Cole, CPA

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CALL TO ORDER

Mr. Boshier called the meeting to order at 10:00 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Boshier determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to approve the August 31, 2017, agenda as amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

APPROVAL OF MINUTES

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to approve the June 14, 2017 Board meeting minutes as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Carson, Ms. Saunders and Ms. Warwick. (Mr. Brown was not present for the June 14, 2017 Board meeting).

APPROVAL OF CONSENT AGENDA

Upon a motion by Ms. Warwick, and duly seconded, the members voted unanimously to approve the Consent Agenda as amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

WELCOME AND BOARD INTRODUCTIONS TO NEW BOARD MEMBER

Mr. Boshier welcomed Mr. Brown to the Board. Mr. Boshier asked Board members, staff and the public to introduce themselves.

PUBLIC COMMENT PERIOD

There were no public comments at this time.

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BOARD DISCUSSION TOPICS

Review of comments on periodic review of 18VAC5-11 and approval of agency action

Ms. Allen led the discussion regarding the review of comments on the required periodic review of 18VAC5-11 (public participation guidelines) and approval of agency action. She noted the guidelines had been published on the Virginia Board of Accountancy website and on Town Hall. No changes had been made to the document and no comments had been received.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to move that (a) the Virginia Board of Accountancy retain its public participation regulations in 18VAC5-11 without any change because it is mandated by law, assists in notifying the public of the agency's regulatory actions, and no significant changes have occurred since this regulation was promulgated that necessitate amending it; and (b) Board staff be directed to post this decision to Town Hall via the appropriate forms. The members voting "AYE" were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

Proposed Fast Track regulation changes

Ms. Allen led the discussion regarding the proposed fast track regulation changes and process. Mr. Jewell recommended submitting numerous fast track packages. The Board reviewed and discussed in detail each fast track proposal. Revisions were made. Ms. Walker also commented on the revisions.

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve section by section changes to the proposed fast track regulations and directed staff to move forward with the proposed changes. The members voting "AYE" were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

Proposed changes to Board Policy #5 (Publication of Board Disciplinary Action)

Ms. Allen led the discussion regarding the proposed changes to Board Policy #5. She noted CPAVerify as a useful tool for the public in identifying enforcement actions against CPAs. Ms. Walker also commented on the proposed changes. After a thorough discussion the Board agreed to table this discussion for a later date.

VSCPA – 2025 Vision (VSCPA)

Ms. Peters made a presentation regarding the VSCPA's vision for 2025. She noted a year ago the society had begun to look at trends, focus groups and attend Town Hall meetings. She noted the society is embarking on an important initiative in creating a vision to help get their members to thrive in the future. Ms. Peters noted the four strategies were:

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- Culture of learning; adapt to new and different services
- Drive innovation and vision
- Influence students to become CPAs; make the pathway easier and provide education
- Continue to advocate for members

Ms. Peters also noted the intended expansion of relationships with other agencies. She asked Board members for their thoughts and fielded questions.

Virginia-Specific Ethics Course – Presentation (VSCPA) and Board discussion

Ms. Peters provided input regarding the Virginia-Specific Ethics Course. She provided a brief history of the course. Ms. Peters also stated her view that having a sole content provider for the ethics course enabled the course to deliver high quality information and content.

Ms. Peters introduced Mr. Cole, noting he instructs 35 live ethics courses and on-line ethics courses annually to over 9,000 CPAs. Mr. Cole has been an instructor since 2004 and has been a primary author of the course for many years. Mr. Cole noted he was very passionate about the Virginia-Specific Ethics Course and shared his views regarding the usefulness of the course. Mr. Boshier invited Mr. Cole to attend the VBOA Ethics Committee Meeting on September 15, 2017.

Ms. Henshaw also shared her views regarding the usefulness of the course.

VSCPA – Letter regarding reinstatement fees

Ms. Peters discussed the VSCPA letter regarding reinstatement fees that had been sent to the Board members. Following discussion, no action was taken by the Board.

Proposed CPE for Certified Government Financial Manager (CGFM) Exam

Ms. Ferguson led the discussion regarding the proposed CPE for the Certified Government Financial Manager Exam. Ms. Ferguson recommended 10 CPE each for the three CGFM exams.

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to accept the proposed CPE for Certified Government Financial Manager (CGFM) Exam as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

Mr. Boshier temporarily left the meeting.

NASBA Exposure Draft – Use of Titles

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Ms. Saunders led the discussion regarding the NASBA Exposure draft – Use of Titles. She noted the AICPA and NASBA had been working to develop new language in the Uniform Accountancy Act (UAA) which would allow non-CPAs to use management accounting designations with certain restrictions. The deadline for comments on the Exposure Draft is September 30, 2017. Ms. Saunders presented a draft letter commenting on the Exposure Draft. She noted for Virginia this is a non-issue because this Board does not have statutory authority to regulate the non-CPA CGMA title. After a thorough discussion, however, the Board members present agreed to submit the draft comment letter proposed by Ms. Saunders.

Upon a motion by Ms. Saunders, and duly seconded, the members voted to send the draft letter proposed by Ms. Saunders commenting on the NASBA Exposure Draft. The members voting “**AYE**” were Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick. Note: Mr. Boshier was not present during the discussion of the NASBA Exposure Draft – Use of Title, took no part in the preparation of the letter accepted by the Board, and did not participate in any discussion of the issues addressed in the letter preceding the vote.

Mr. Boshier returned to the meeting.

RECESS FOR LUNCH 12:22 p.m.

RECONVENE 12:45 p.m.

Board Discussion Topics, continued

Proposed 2018 Legislation

Mr. Jewell and Ms. Allen led the discussion regarding proposed 2018 legislation. Mr. Jewell informed the Board that the VSCPA would submit legislation to give the Board authority to implement a single renewal date for licensees. Ms. Allen reviewed other potential legislative changes found in the general provisions section of § 54.1, as well as in the Administrative Process Act. Ms. Walker noted the VSCPA would review the proposed legislation for consideration. After a thorough discussion, the Board members agreed to review any proposed legislation prepared by the VSCPA for the 2018 legislative session at a future meeting.

Marijuana Laws/Guidance

Ms. Allen led the discussion regarding the marijuana laws/guidance. Ms. Allen provided a handout detailing marijuana legalization and the role of State Boards of Accountancy. After an in depth discussion the Board decided to carry the discussion forward. Ms. Allen and the VSCPA will provide additional research/information.

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COMMITTEE/NASBA UPDATES

NASBA Standard-Setting Advisory Committee

There were no updates to the NASBA Standard-Setting Advisory Committee.

NASBA Education Committee

Ms. Ferguson led the discussion regarding the NASBA Education Committee. She noted the committee had a conference call where the discussion topic was a continuation of Raymond Johnson's presentation.

NASBA UAA Committee

Ms. Saunders led the discussion regarding the NASBA UAA Committee. She noted the committee had been charged with providing language in the UAA to deal with the issue of non-CPA CGMA title users as previously discussed.

Ms. Saunders also noted the AICPA Professional Ethics Executive Committee's proposed interpretation regarding Responding to Non-compliance with Laws and Regulations ("NOCLAR"). The UAA Committee plans to look at the proposed interpretation.

NASBA Middle Atlantic Regional Director

Ms. Saunders led the discussion regarding her role as NASBA's Middle Atlantic Regional Director. She noted she participates in regional phone calls that discuss numerous topics. Conference calls are generally held in February and September. However, this year Boards will meet in October at NASBA's Annual Meeting and, as a result, there would be no conference call in September. She noted quarterly focus questions would be due in October.

NASBA Executive Director's Committee

Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. He noted his position as Chair of the 2017 Executive Director's Committee would be ending in October. He has very much enjoyed the experience. Oklahoma Board Executive Director Randy Ross is slated to serve as Chair of the 2018 Executive Director's Committee. Mr. Jewell noted he had attended NASBA's Eastern Regional meeting from June 27 – 29 in Newport, RI. Mr. Jewell noted he will attend a NASBA/AICPA/Prometric Quarterly Business Review meeting in October, as well as a NASBA Board Meeting in October. He also attended an AICPA/NASBA summit meeting with Ms. Peters in July and a NASBA Board meeting in July. Mr. Jewell also attended NASBA U for executive directors in Tennessee

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on August 1 and 2. Mr. Jewell noted the NASBA Annual Meeting would be held October 29 – November 1 in New York, NY. Mr. Jewell, Mr. Boshier, Ms. Ferguson, Mr. Brown and Ms. Saunders plan to attend. Mr. Jewell will also serve on an Executive Director panel/peer review advisory group that will be meeting with NASBA and AICPA representatives on November 1 in New York City.

EXECUTIVE DIRECTOR’S REPORT

General Updates

Mr. Jewell presented the following general updates regarding the VBOA:

- The new VBOA licensing/database project continues to move forward.
- Ms. Charity provided an update regarding letters, emails and phone calls made by Board staff regarding license renewals.
- Ms. Allen inquired about peer review guidance. Ms. Walker commented on the AICPA’s peer review guidelines.
- Ms. Charity and Ms. Hambright presented the VBOA’s latest video on CPE compliance.

ENFORCEMENT

Begin closed meeting

Upon a motion by Ms. Ferguson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately 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),(27). The following non-members will be in attendance to reasonably aid in the consideration of this topic: Wade Jewell, Robert Drewry and Rebekah Allen.

End closed meeting

Upon a motion by Ms. Ferguson, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the Code of Virginia, be adjourned and that the VBOA

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immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision 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 law 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:

Matthew P. Boshier, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Five (5)
Nays: None

The following actions were taken as a result of the closed session:

Consent Orders:

Case # 2016-0053U (Bradshaw and Moyers)
Case # 2017-002-002U (Ferguson and Saunders)
Case # 2017-003-003U (Ferguson and Saunders)
Case # 2017-105-025U (Ferguson and Saunders)

Upon a motion by Ms. Warwick, and duly seconded, the members voted unanimously to approve the final Consent Orders as presented.

CALL FOR VOTE:

Matthew P. Boshier, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

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VOTE:

Ayes: Five (5)

Nays: None

Begin closed meeting

Upon a motion by Ms. Ferguson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately 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-member will be in attendance to reasonably aid in the consideration of this topic: Wade Jewell. The following non-member will be in attendance for a portion of the closed session to reasonably aid in the consideration of this topic: Robert Drewry.

End closed meeting

Upon a motion by Ms. Ferguson, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the Code of Virginia, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision 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 law 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:

Matthew P. Boshier, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Five (5)

Nays: None

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ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items/Potential Future Topics

- CPE guidelines for publications
- Regulation changes
- Use of confidential consent agreements
- CPE – VBOA/VSCPA discussions
- Single renewal date for all Virginia licensees
- Trust Fund Reserve Policy
- Background checks
- Adjudication Manual
- Social Media Activity (Enforcement)
- North Carolina Dental Case
- Marijuana Laws/Guidance

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- Tuesday, October 3, 2017 (Tentative)
 - Tuesday, November 7, 2017, at Virginia Tech
-

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Boshier, and duly seconded, the meeting was adjourned by unanimous vote at 3:34 p.m. The members voting **AYE** were Mr. Boshier, Ms. Ferguson, Mr. Brown, Ms. Saunders and Ms. Warwick.

APPROVED:

Matthew P. Boshier, Esq., Chair

COPY TESTE:

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Wade A. Jewell, Executive Director

Virginia-Specific Ethics Course 2018 Outline

1. Welcome/Introductory Video

The video will include comments from Susan Ferguson, CPA, VBOA Vice Chair and Brian Carson, CPA, VBOA Board Member, discussing the following topics:

- The purpose of the course
- Why Virginia requires the course
- Background information surrounding the start of the course
- The public's perception of a CPA as it relates to the CPA's professional and personal conduct
- The CPA's responsibility to society
- Responsibility of the CPA to scan personal social media accounts for compliant use of the CPA title and for how personal social media content may reflect on the CPA profession:
 - LinkedIn
 - Facebook
 - Twitter
 - Instagram
 - Etc.
- Responsibility of the CPA to update contact information with the VBOA

2. Continuing Professional Education (CPE)

- CPE requirements and qualifications
- Documentation required as proof of taking a course
- Documentation required to earn CPE for teaching a course
 - During each three-year period, a maximum of 30 hours for preparing and making presentations is allowable
 - Repeat presentations may not be counted as additional CPE
- Policy retention for CPE documentation has changed to four years
- Tutorial for the CPE Tracker and using the CPE Tracking System
- Using the CPE tracker will not trigger a CPE audit
- Clarify Active – CPE Exempt status

3. Volunteer Work/updates

- Provide fictitious scenarios for discussion

4. Legislative changes

Topics to include:

- No late renewals or fees. Licensee will go into expired status.
- Changes to Peer Review

- Reviewing the language surrounding using the CPA title
- Statute of limitations changed for out-of-state licensees who do not hold a Virginia license
- VBOA moving towards single license renewal date for all licensees
- Review 2017 bill and 2018 legislation
- Review fast track updates

5. Overview of Board's Enforcement cases/Case Studies/AICPA Code of Professional Conduct

This section will cover a variety of enforcement cases. VBOA Enforcement Director will provide enforcement cases and statistics. The AICPA Code of Professional Conduct will be used to relate to the case studies.

- Case statistics
- Cases

Board Policy #10

Electronic Participation in Virginia Board of Accountancy Meetings

TITLE:

EFFECTIVE DATE:

~~April 30, 2015~~ [INSERT DATE]

AUTHORITY:

§ 2.2-3708.1 of the Code of Virginia

POLICY STATEMENT:

It is the policy of the Virginia Board of Accountancy that individual Board members may participate in meetings of the Board by electronic communication means as permitted by Virginia Code § 2.2-3708.1. 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:

1. A quorum of the Board must be physically assembled at the primary or central meeting location.
2. There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
3. The individual participation must be in an event of ~~emergency or a personal matter or a temporary or permanent disability or other medical condition.~~ **emergency**
4. 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 board member participates electronically due to ~~a an emergency or personal matter~~, such electronic participation is limited by law to two meetings ~~each calendar year or 25 percent of the meetings of the public body per member each calendar year, whichever is fewer.~~ each calendar year.

Automatic approval with vote if challenged

Individual participation from a remote location shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act. If a member's participation from a remote location is challenged, then the Board 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 Board policy was reviewed and approved on ~~April 30, 2015~~ [INSERT DATE].

SUPERSESSION:

This Board policy ~~is new~~ replaces Board Policy #10 effective April 30, 2015.

**BOARD CHAIR AT
LAST REVIEW:**

~~W. Barclay Bradshaw~~ Matthew P. Boshier, CPA

**BOARD MEMBERS AT
LAST REVIEW:**

~~Susan Quaintance Ferguson~~~~Robert J. Cochran,~~
~~Ph.D., CPA, Vice Chair~~
~~William R. Brown, CPA, MBA~~
~~D. Brian Carson, CPA, CGMA~~~~Matthew P.~~
~~Bosher~~
~~James M. "Jim" Holland, CPA~~
Andrea M. Kilmer, CPA, CFF, CGMA
~~Marc B. Moyers, CPA~~
Stephanie S. Saunders, CPA
Laurie A. Warwick, CPA

EXECUTIVE DIRECTOR:

Wade A. Jewell

**Marijuana Legalization and State Boards of Accountancy
(alphabetically by state/territory) as of 09/29/2017**

State/Territory	Possession	Sale	Transportation	Cultivation	Accountancy Board Guidance	Adopted
Alabama	Medical use of non-psychoactive CBD oil only	Felony	Unknown	Illegal	N/A	N/A
Alaska	Legal	Medical & recreational use	Legal to carry up to 1 oz.	Legal to grow up to 12 plants in a household with two adults over 21, or an unlimited number commercially with a license	N/A	N/A
American Samoa	Illegal	Illegal	Illegal	Illegal	N/A	N/A
Arizona	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
Arkansas	Medical use only	Medical use only	Medical use only	Unknown	"...the Board concludes that, in and of itself, the provision of professional services, as defined in ACA 17-12-103(a)(18), within states where the possession and distribution of medical marijuana has been legalized, and the client has been duly licensed or is in the process of licensure application does not constitute a lack of good moral character as defined in Ark. Code Ann. § 17-12-301(b)(1)(A), nor would the provision of such services be considered an act discreditable to the profession under Ark. Code Ann § 17-12-601(a)(1)(B) or Rule 401 of the Board's Code of Professional Conduct."	8/18/2017
California	Legal	Medical & recreational use	Legal to carry up to 1 oz.	Legal to grow up to six plants for an individual, or commercially with a license	N/A	N/A
Colorado	Legal	Medical & recreational use	Legal to carry up to 1 oz.	Legal to grow up to six plants for an individual, or commercially with a license	"...offering to perform or performing professional services for clients in the marijuana industry who are in compliance with Colorado Medical Marijuana Code and the Colorado Retail Marijuana Code is not in itself specifically prohibited by the Accountancy Act codified in Section 2 of Title 12 of the Colorado Revised Statutes or the State Board of Accountancy Rules."	12/16/2015

**Marijuana Legalization and State Boards of Accountancy
(alphabetically by state/territory) as of 09/29/2017**

Connecticut	Decriminalized	Felony	Felony	Felony	"in the absence of such a determination [that a Connecticut CPA or CPA firm has violated drug laws] by the courts, the Connecticut Board of Accountancy will not pursue independent disciplinary action against Connecticut CPAs or CPA firms who are operating within the bounds of state law."	2015
Delaware	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
District of Columbia	Legal	Medical use only	Legal to carry up to 2 oz.	Legal to grow up to 6 plants (only 3 mature at a time) for recreational purposes	N/A	N/A
Florida	Medical use only	Medical use only	Medical use only	Medical use only	"...the provision of public accounting services, as defined in Section 473.302(8), FS, to marijuana-related businesses in states where marijuana-related businesses have been legalized, in the absence of a criminal conviction of the certified public accountant for the provision of those services, in and of itself does not constitute a lack of good moral character."	9/30/2015
Georgia	Medical use of non-psychoactive CBD oil only	Medical use only	Medical use only	Illegal	N/A	N/A
Guam	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
Hawaii	Medical use only	Medical use only	Against program rules	Medical use only	N/A	N/A
Idaho	Misdemeanor	Felony	Unknown	Felony	N/A	N/A
Illinois	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
Indiana	Medical use of non-psychoactive CBD oil only	Illegal	Unknown	Illegal	N/A	N/A
Iowa	Medical use of non-psychoactive CBD oil only	Felony	Unknown	Felony	N/A	N/A
Kansas	Misdemeanor	Illegal	Unknown	Illegal	N/A	N/A
Kentucky	Misdemeanor	Misdemeanor	Unknown	Misdemeanor	N/A	N/A
Louisiana	Medical use only	Medical use only	Medical use only	Illegal	N/A	N/A

**Marijuana Legalization and State Boards of Accountancy
(alphabetically by state/territory) as of 09/29/2017**

Maine	Legal	Medical & recreational use	Legal to carry up to 2.5 oz.	Legal to grow up to six plants for an individual, or commercially with a license	N/A	N/A
Maryland	Medical use only	Medical use only	Medical use only	Medical use only	"Upon advice of counsel, in light of the current state of Maryland and Federal law, the Board will take no regulatory action against a CPA or firm solely on the basis that the CPA or firm provides services to a business involved in the sale or distribution of marijuana, provided that the business is operating legally under applicable state law."	2015
Massachusetts	Legal	Medical & recreational use	Legal to carry up to 1 oz. outside the home and to carry up to 10 oz. inside the home	Legal to grow up to six plants for an individual, or commercially with a license	N/A	N/A
Michigan	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
Minnesota	Medical use only	Medical use only	Medical use only	Illegal	N/A	N/A
Mississippi	Decriminalized	Illegal	Unknown	Illegal	N/A	N/A
Missouri	Medical use of non-psychoactive CBD oil	Felony	Unknown	Illegal	N/A	N/A
Montana	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
Nebraska	Decriminalized	Illegal	Unknown	Illegal	N/A	N/A
Nevada	Legal	Medical & recreational use	Medical use only	Unknown	"...Nevada licensees and firms that elect to provide services to the marijuana industry legalized in any state in which the licensee practices will not face action by the Board based solely on the fact that the licensee or firm is providing such services."	11/16/2015
New Hampshire	Decriminalized	Medical use only	Medical use only	Medical use only	N/A	N/A
New Jersey	Medical use only	Medical use only	Medical use only	Illegal	N/A	N/A
New Mexico	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
New York	Medical use only	Misdemeanor	Unknown	Misdemeanor	N/A	N/A
North Carolina	Decriminalized	Illegal	Illegal	Illegal	N/A	N/A
North Dakota	Medical use only	Medical use only	Medical use only	Unknown	N/A	N/A
Northern Mariana Islands	Illegal	Illegal	Illegal	Illegal	N/A	N/A
Ohio	Decriminalized	Medical use only	Unknown	Illegal	N/A	N/A

**Marijuana Legalization and State Boards of Accountancy
(alphabetically by state/territory) as of 09/29/2017**

Oklahoma	Medical use of non-psychoactive CBD oil only	Illegal	Unknown	Illegal	N/A	N/A
Oregon	Legal	Medical & recreational use	Legal transport of up to 1 oz.; by January 1, 2016: legal transport of larger amounts by marijuana cultivators	Legal cultivation by adults over 21 of up to 4 plants per household.	"...Oregon licensees and firms that elect to provide services to the marijuana industry legalized in any state in which the licensee practices, will not face action by the Board for violation of the State of Oregon Board of Accountancy's Code of Professional Conduct, based solely on the fact that the licensee or firm is providing such services."	3/19/2015
Pennsylvania	Medical use only	Illegal	Illegal	Illegal	N/A	N/A
Puerto Rico	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
Rhode Island	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
South Carolina	Misdemeanor	Illegal	Unknown	Illegal	N/A	N/A
South Dakota	Misdemeanor	Illegal	Unknown	Illegal	N/A	N/A
Tennessee	Medical use of non-psychoactive CBD oil only	Felony	Unknown	Misdemeanor for 9 plants or fewer; felony otherwise	N/A	N/A
Texas	Medical use of non-psychoactive CBD oil only	Felony	Unknown	Illegal	N/A	N/A
U.S. Virgin Islands	Decriminalized	Illegal	Illegal	Illegal	N/A	N/A
Utah	Misdemeanor	Felony	Unknown	Illegal	N/A	N/A
Vermont	Medical use only	Medical use only	Medical use only	Medical use only	N/A	N/A
Virginia	Misdemeanor	Illegal	Unknown	Illegal	N/A	N/A
Washington	Legal	Medical & recreational use	Legal to carry up to 1 oz.	Legal with restrictions & licensing	"...offering or performing professional services to those commercial business enterprises licensed by the Washington State Liquor Control Board (WSLCB) to produce marijuana, process marijuana, and sell marijuana products for recreational use as defined in Initiative No. I-502 is not specifically prohibited by the Public Accountancy Act or Board Rules."	2015
West Virginia	Medical use only	Medical use only	Unknown	Illegal	N/A	N/A
Wisconsin	Medical use of non-psychoactive CBD oil only	Felony	Unknown	Qualifying patients can possess 12 marijuana plants	N/A	N/A
Wyoming	Misdemeanor	Illegal	Unknown	Illegal	N/A	N/A

Virginia Board of Accountancy
FY17 Board Report
As of September 30, 2017

REPORT CATEGORIES	FY2018 - YTD as of 9/30/17	FY2017 - YTD as of 9/30/16	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15	Fiscal Year Ending 6/30/14
LICENSEES						
Individuals:						
Number of Active, licensed CPAs	25,854	23,840	25,452	24,648	24,791	25,467
Number of Active - CPE Exempt, licensed CPAs (a)	1,396	1,210	1,326	1,158	898	
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPAs	592	2,405	933	1,516	1,142	881
Total Number of Licensed CPAs	27,842	27,455	27,711	27,322	26,831	26,348
Number of out-of-state licensees	8,315	8,201	8,290	8,152	8,086	8,160
Reinstatements - Individuals	44	23	92	79	106	107
Number of new CPA licenses issued	314	343	1,378	1,322	1,240	1,345
Net change in number of expired/voluntary surrendered licenses (>12 months)	183	210	989	831	757	624
Firms:						
Number of Active, licensed CPA firms	1,152	1,066	1,123	1,092	1,115	1,147
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPA firms	27	92	44	65	71	71
Total Number of Licensed CPA Firms	1,179	1,158	1,167	1,157	1,186	1,218
Reinstatements - Firms	3	2	5	5	0	5
Number of new CPA firm licenses issued	21	14	65	29	40	38
Net change in number of expired/voluntary surrendered firm licenses (>12 months)	9	13	55	58	72	50
EXAM CANDIDATES						
Number of first time candidates applying to sit for CPA exam	367	436	1,819	2,136	1,904	1,860
ENFORCEMENT						
Number of complaints	29	29	82	145	84	74
Types of complaints:						
Unlicensed activity	14	12	45	41	24	16
Other disciplinary matters	15	17	37	104	60	58
CPE COMPLIANCE REVIEWS						
Number of CPE audits selected	832 (b)	382	2,022	1,578	1,088	971
Status of CPE Compliance Reviews:						
# of CPE audits resulting in compliance	359	164	1583	1,291	819	800
# of CPE deficiencies	22	29	414	286	269	171
# of CPE deficiencies resulting in surrender of license	1	0	42	30	17	7
# of CPE deficiencies resulting in suspension of license	0	1	23	19	19	10
# of CPE audits open/pending review	451	189	25	1	0	0
BUDGET/EXPENDITURES						
Total YTD expenditures	\$477,939	\$385,232	\$1,727,506	\$1,642,512	\$1,424,978	\$1,366,765
Total fiscal year budget	\$2,799,421	\$2,414,828	\$2,414,828	\$1,886,458	\$1,648,449	\$1,648,384
% of expenditures vs. budget	17.1%	16.0%	71.5%	87.1%	86.4%	82.9%

NOTES:

(a) The Active - CPE Exempt status became effective on July 1, 2014.

(b) CPE audits selected through September 2017.

VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
FY18 BUDGET vs. ACTUAL EXPENSES
AS OF SEPTEMBER 30, 2017

<u>Expenditure Type</u>	<u>FY18 Proposed Operating Budget</u>	<u>FY18 YTD Expenditures</u>	<u>% Expended</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>	<u>FY15 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,320,796	342,260	25.9%	1,103,143	999,185	901,488
Total Salaries & Benefits	\$ 1,320,796	\$ 342,260	25.9%	\$ 1,103,143	\$ 999,185	\$ 901,488
<u>Contractual Services</u>						
1209 Charge Card Purchases (not distributed)	-	(647)	---	-	-	-
1214 Postal Services	12,500	3,484	27.9%	7,975	9,144	9,049
1215 Printing Services	5,500	221	4.0%	5,245	4,163	3,296
1216 Telecommunications - VITA	13,000	985	7.6%	12,272	10,021	7,256
1217 Telecommunications - Nonstate	-	-	---	600	-	30
1219 Inbound Freight	450	-	0.0%	418	858	436
1221 Organization Memberships (primarily NASBA)	7,250	6,600	91.0%	7,250	7,030	6,690
1222 Publication Subscriptions	4,900	71	1.4%	4,730	5,254	370
1224 Training - Courses, Workshops, Conferences	8,900	495	5.6%	8,914	8,566	12,638
1227 Training-Transportation, Lodging, Meals, Incidentals	11,500	4,800	41.7%	10,933	16,123	2,264
1228 Employee IT Training Courses/Workshops and Conferences	100	-	0.0%	91	91	91
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	10,747	19.5%	53,790	47,883	44,753
1243 Attorney Services (Including OAG)	51,736	12,934	25.0%	24,844	36,671	27,744
1244 Mgmt. Services - NASBA/special accommodations - IT Support	78,500	3,703	4.7%	75,641	64,564	10,085
1246 Public Info/Public Relations (subscriptions)	5,100	300	5.9%	5,015	1,756	590
1247 Legal Services (Includes court reporting services)	13,500	-	0.0%	12,977	10,306	9,079
1248 Media Services (Advertising RFP in newspaper)	-	-	---	-	235	-
1249 Recruitment Advertising	-	-	---	-	-	905
1252 Electrical Repair/Maintenance	-	-	---	90	-	485
1253 Equipment Repair/Maintenance	-	-	---	-	-	50
1257 Plant Repair & Maintenance Services	-	-	---	-	-	89
1263 Clerical / Temp Services	2,754	2,754	100.0%	2,475	-	-
1264 Food and Dietary Services	2,500	544	21.7%	2,156	2,170	3,115
1265 Laundry & Linen Services	-	-	---	25	-	-
1266 Manual Labor Services (Includes shredding services)	1,200	-	0.0%	1,122	380	736
1267 Production Services	-	-	---	-	1,771	1,500
1268 Skilled Services	-	-	---	-	960	7,407
1272 VITA Pass Thru Charges (SA Maintenance, IT Upgrades, and new system costs)	547,552	32,032	5.8%	122,620	87,475	78,203
1273 Info Mgmt Design and Development Services (Project Manager)	144,870	-	0.0%	-	-	599
1275 Computer Software Maintenance (MOU with DHP)	-	-	---	-	43,200	43,227
1278 VITA Information Technology Infrastructure Services	108,832	26,499	24.3%	90,483	118,041	98,143
1279 Computer Software Development Services (Data Conversion)	65,900	-	0.0%	-	-	-
1282 Travel - Personal Vehicle	7,000	884	12.6%	6,980	5,926	4,691
1283 Travel - Public Carriers	700	-	0.0%	589	543	1,032
1284 Travel - State Vehicles	1,000	-	0.0%	619	1,347	698
1285 Travel - Subsistence and Lodging	1,500	395	26.3%	1,250	1,749	6,484
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	400	40.0%	730	917	1,626
Total Contractual Services	\$ 1,152,744	\$ 107,201	9.3%	\$ 459,834	\$ 487,145	\$ 383,359
<u>Supplies and Materials</u>						
1311 Apparel Supplies	-	-	---	248	842	-
1312 Office Supplies	5,000	1,588	31.8%	4,338	6,726	3,923
1313 Stationery and Forms	2,500	676	27.0%	2,214	2,249	2,271
1323 Gasoline (Enterprise vehicles)	400	45	11.2%	155	308	60
1335 Packaging and Shipping Supplies	970	197	20.3%	958	715	280
1342 Medical & Dental Supplies	50	-	0.0%	260	48	32

VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
FY18 BUDGET vs. ACTUAL EXPENSES
AS OF SEPTEMBER 30, 2017

<u>Expenditure Type</u>	FY18 Proposed Operating Budget	FY18 YTD Expenditures	%	FY17 YTD Expenditures	FY16 YTD Expenditures	FY15 YTD Expenditures
Supplies and Materials, continued						
1352 Custodian Repair & Maintenance	-	-	---	41	48	-
1353 Electrical Repair/Maintenance Materials	-	-	---	8	22	-
1362 Food & Dietary Supplies	575	32	5.6%	561	260	395
1363 Food Service Supplies	150	-	0.0%	107	15	7
1364 Laundry & Linen Supplies	-	-	---	24	-	18
1373 Computer Operating Supplies	7,100	935	13.2%	7,004	3,402	3,963
Total Supplies & Materials	\$ 16,745	\$ 3,473	20.7%	\$ 15,919	\$ 14,635	\$ 10,951
Transfer Payments						
1413 Awards & Recognition	1,000	-	0.0%	863	717	575
1415 Unemployment Compensation	-	-	---	-	-	4,512
1418 Incentives	300	-	---	410	-	-
Total Transfer Payments	\$ 1,300	\$ -	0.0%	\$ 1,273	\$ 717	\$ 5,087
Continuous Charges						
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	8,500	1,441	17.0%	8,460	4,865	5,277
1539 Building Rentals - Non-State Owned Facilities	90,400	22,594	25.0%	88,126	76,350	77,951
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	36,326	30	0.1%	36,071	32,411	31,893
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,000	-	0.0%	968	978	857
Total Continuous Charges	\$ 137,909	\$ 24,065	17.4%	\$ 135,308	\$ 116,287	\$ 117,661
Equipment						
2216 Network Components	1,200	236	19.6%	1,117	530	-
2217 Other Computer Equipment	500	102	20.4%	300	744	1,830
2218 Computer Software Purchases (new system software licenses)	149,050	-	0.0%	2,157	3,556	140
2223 Exhibit Equipment	-	-	---	-	-	698
2224 Reference Equipment	50	-	0.0%	26	181	-
2231 Electronic Equipment	175	-	0.0%	164	-	-
2232 Photographic Equipment	552	552	100.0%	845	-	-
2233 Voice and Data Transmission Equipment	-	-	---	-	1,691	120
2261 Office Appurtenances (Blinds, Carpet, etc.)	500	-	0.0%	-	880	331
2262 Office Furniture	15,000	-	0.0%	3,375	14,385	2,068
2263 Office Incidentals	2,750	50	1.8%	2,646	1,627	792
2264 Office Machines	-	-	---	928	821	10
2268 Office Equipment Improvements	150	-	0.0%	129	129	445
2271 Household Equipment	-	-	---	342	-	-
Total Equipment	\$ 169,927	\$ 940	0.6%	\$ 12,030	\$ 24,543	\$ 6,433
TOTAL ALL EXPENSE TYPES	\$ 2,799,421	\$ 477,939	17.1%	\$ 1,727,506	\$ 1,642,512	\$ 1,424,978
APPROPRIATION - CHAPTER 836	\$ 1,917,446					
2016-2018 Biennium Caboose Bill Decision Package Appropriation Requests	\$ 881,975					
Total Projected Appropriation	\$ 2,799,421					

**VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
CASH BALANCE
As of September 30, 2017**

	Operating Fund (09226)		Special Fund (02020)	
	FY2018 - YTD as of 9/30/17	FY2017 - YTD as of 9/30/16	FY2018 - YTD as of 9/30/17	FY2017 - YTD as of 9/30/16
Beginning Fund Balance July 1:	\$ 511,346	\$507,753	\$ 3,677,602	\$2,807,901
YTD Revenue Collected *	713,217	553,812	0	0
Accounts Payable **	45	11,846	0	0
Interfund Cash Transfers In/(Out), based on September 30th balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on December 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on March 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on June 26 balance	0	0	0	0
YTD Expenditures	(477,940)	(385,232)	0	0
Cash Balance before annual transfers	\$ 746,669	\$ 688,179	\$ 3,677,602	\$ 2,807,901
Annual Cash Transfers:				
Transfers to Central Service Agencies ***	\$0	(\$10,155)	\$0	\$0
Transfers for repayment of deferred contributions to the VRS ****	\$0	\$0	\$0	\$0
Cash Balance after transfers	\$ 746,669	\$ 678,024	\$ 3,677,602	\$ 2,807,901

* 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 in FY2016. Interest Earnings have not been allocated since FY2010.

** Prior to October 1, 2014 and the implementaton 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.

**** Non-general fund transfer required by 2017 Virginia Acts of Assembly, Chapter 836, Part 3-1.01 II.1 for the expedited repayment of deferred contributions to the Virginia Retirement System authorized in Chapter 732, 2016 Acts of Assembly (for FY17 only).

**VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
FY2018 - REVENUE BY FEE TYPE
Source: VBOA Licensing System (MLO)**

Fee Type	FY2018 - YTD as of 9/30/17	FY2017 - YTD as of 9/30/16	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15
(a) Pre-Evaluation of Transcripts Application Fee	\$ -	\$ -	\$ -	\$ 3,975	\$ 13,800
(b) Re-Exam Application	\$ 74,770	\$ 81,465	\$ 333,960	\$ 369,945	\$ 320,765
(c) Renewal Fee	\$ 24,980	\$ 33,480	\$ 115,480	\$ 61,220	\$ -
Reinstatement Fee	\$ 592,030	\$ 428,145	\$ 2,086,540	\$ 1,864,290	\$ 1,849,935
Duplicate Wall Certificate Fee	\$ 13,450	\$ 12,325	\$ 45,775	\$ 35,450	\$ 40,750
License Verification Fee	\$ 625	\$ 575	\$ 1,775	\$ 1,750	\$ 1,825
CPA Exam Score Transfers	\$ 5,925	\$ 5,087	\$ 20,487	\$ 19,963	\$ 21,550
Failure to Respond to Board Requests	\$ 525	\$ 650	\$ 2,075	\$ 2,075	\$ 2,225
Administrative Fee	\$ -	\$ 2,900	\$ 5,100	\$ 4,300	\$ 2,200
Bad Check Fee	\$ -	\$ 1,500	\$ 5,100	\$ 4,100	\$ 10,129
	\$ -	\$ 50	\$ 50	\$ 100	\$ 50
Total Revenue	\$ 712,305	\$ 566,177	\$ 2,616,342	\$ 2,367,168	\$ 2,263,229
(d) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 713,217	\$ 553,812	\$ 2,604,132	\$ 2,378,598	\$ 2,263,479
(e) Difference	(912)	12,365	12,210	(11,430)	(250)

NOTES:

- (a) Effective October 15, 2015, VBOA no longer collected fees for Pre-Evaluation of Transcripts.
- (b) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (c) Renewal Fee also includes associated late fees.
- (d) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (e) 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 SEPTEMBER 30, 2017**

	FY2018 - YTD as of 9/30/17	FY2017 - YTD as of 9/30/16	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15
Fines levied/collected/receivable:					
\$ amount of fines levied	\$ 64,125	\$ 49,699	\$ 187,925	\$ 284,528	\$ 199,075
\$ amount of fines collected	\$ 69,858	\$ 66,269	\$ 198,771	\$ 252,626	\$ 206,367
\$ OAG Fees	\$ -	\$ -	\$ -	\$ 342	\$ 371
\$ Discharged	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 13,609	\$ 34,968	\$ 25,442	\$ 51,538	\$ 220,724
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 597,500	\$ 576,150	\$ 591,400	\$ 576,150	\$ 374,719

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.

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-4413.2 of the Code of Virginia is amended and reenacted as follows:

§ 54.1-4413.2. Issuance, rRenewal and reinstatement of licenses and lifting the suspension of privileges.

A. A Virginia license shall provide its holder with ~~a 12-month~~the privilege to use the CPA title in Virginia or provide attest services, compilation services, and financial statement preparation services to persons and entities located in Virginia.

B. A license granted pursuant to the provisions of this chapter shall be renewed as prescribed by the Board. If theAny license ~~is not renewed by the end of the 12-month period, it~~pursuant to the provisions prescribed by the Board shall be considered to have expired and the person or firm shall be considered to no longer hold a Virginia license.

C. A person whose Virginia license expired may obtain a new Virginia license under subsection C of § 54.1-4409.2 if he holds the license of another state.

D. The license of a person whose Virginia license expired and who does not hold the license of another state may be reinstated under this subsection. In addition, a person whose privilege of using the CPA title in Virginia was suspended may have the suspension lifted under this subsection.

1. To be considered for reinstatement of a Virginia license or lifting the suspension of the privilege of using the CPA title in Virginia, a person shall:

a. Disclose to the Board why he no longer holds a Virginia license or why his privilege of using the CPA title in Virginia was suspended;

b. Disclose to the Board each state in which he has held a license. For each of the states in which the person has held a license, the person shall disclose why he no longer holds a license and provide documentation from the board of accountancy concerning whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board; and

c. Describe his continuing professional education since his Virginia license expired or was suspended. The Board shall determine whether his continuing professional education complies with the continuing professional education requirement prescribed by the Board for that period.

2. After evaluating the information provided by the person, the Board may request additional information and may impose additional requirements for reinstatement of the Virginia license or lifting the suspension.

3. The Board shall communicate to the person its decision and, if the request for reinstatement or lifting the suspension is denied, the reasons for the denial. The request may be resubmitted when the person believes the matters affecting the request have been satisfactorily resolved. The person may request a proceeding in accordance with the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

E. The license of a firm whose Virginia license expired may be reinstated under this subsection. In addition, a firm whose privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia was suspended may have the suspension lifted under this subsection.

1. To be considered for reinstatement of a Virginia license or lifting the suspension of the privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia:

a. The firm shall disclose to the Board why it no longer holds a Virginia license or why its privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia was suspended.

b. The firm shall disclose to the Board each state in which it holds or has held a license.

c. For each of the states in which the firm holds a license, the firm shall provide documentation from the board of accountancy concerning whether it is in good standing with the board, whether there are any pending actions alleging violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board, and whether it has been found guilty of any violations of these standards of conduct and practice.

d. For each of the states in which the firm has held a license, the firm shall disclose why it no longer holds a license and provide documentation from the board of accountancy concerning whether it has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board.

2. After evaluating the information provided by the firm, the Board may request additional information and may impose additional requirements for reinstatement of the Virginia license or lifting the suspension.

3. The Board shall communicate to the firm its decision and, if the request for reinstatement or lifting the suspension is denied, the reasons for the denial. The request may be resubmitted when the firm believes the matters affecting the request have been satisfactorily resolved. The firm may request a proceeding in accordance with the provisions of the Administrative Process Act (§ [2.2-4000](#) et seq.).

F. The Board shall consider granting the privilege of using the CPA title in Virginia, or the privilege of providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia, to persons or firms that have had the privilege revoked only when the person or firm demonstrates to the Board that there are special facts and circumstances that warrant reconsideration by the Board of whether it should allow the person or firm to have the privilege.

2. That an emergency exists and this act is in force from its passage.

3. That the Board of Accountancy shall promulgate regulations to implement the provisions of this act to be effective no later than June 30, 2018. The Board's initial adoption of regulations necessary to implement the provisions of this act shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), except that the Board shall provide an opportunity for public comment on the regulations prior to adoption.

4. Add an enactment clause to allow for an immediate transition until the emergency regulations go through.