



Tuesday, May 21, 2019

Board Meeting Agenda

Board Room #1
 2nd Floor Conference Center
 9960 Mayland Drive
 Henrico, VA 23233
 Phone: (804) 367-8505

- 9:00 a.m. Call to Order – **Susan Quaintance Ferguson, CPA, Chair**
 Security Briefing – **Patti Hambright, Administrative Assistant**
 Determination of Quorum
 Approval of May 21, 2019, Agenda
 Approval of April 30, 2019, Board meeting minutes
 Public comment period*
- 9:15 a.m. 1. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - April 2019 Board Report – **Mary Charity, Deputy Director for Operations**
 - April 2019 Financial Report – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 9:25 a.m. 2. Strategic Visioning Discussion – **Yvonne Crenshaw, Organizational Development Consultant**
- 10:00 a.m. Additional public comment period*
- 10:15 a.m. 3. Board Discussion Topics – **D. Brian Carson, CPA, CGMA, Vice Chair**
- Changes to Active – CPE Exempt status – **Stephanie S. Saunders, CPA**
 - Guidance regarding CPAs serving the cannabis industry
 - Enforcement: goals for 2020 - strategies to streamline processes, establish guidelines and reduce backlog
 - Trust Fund Policy
 - CPE survey and guidelines
 - Virginia-Specific Ethics Course – 2020 and beyond
 - Required coursework for CPA examination/licensure
 - Legislation updates
 - Carryover topics (Additional items for discussion)
- 12:45 p.m. Recess for Board lunch
- 1:15 p.m. 4. FOIA Training – **Alan Gernhardt, Executive Director, Virginia Freedom of Information Advisory Council**
- 1:45 p.m. 5. Additional Items for Discussion
- Sign Conflict of Interest forms
 - Sign Travel Expense vouchers



- Future meeting dates
 - June 27, 2019
 - August 22, 2019

2:00 p.m.

6. Closed Session

- OAG updates and legal advice
- Final Orders
 - 2015-U0025 (Bradshaw and Moyers)
 - 2018-001-001C (Blount and Charity)
 - 2018-352-324C (Blount, Charity and Ferguson)

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
April 30, 2019
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Tuesday, April 30, 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
Matthew P. Boshier, Esq.
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Stephanie S. Saunders, CPA
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

**LEGAL COUNSEL
PARTICIPATING
BY TELECONFERENCE
FOR A PORTION OF
THE MEETING:** Cullen D. Seltzer, Esq., Sands Anderson
Robert (Bobby) N. Turnage, Jr., Esq., Sands Anderson

**MEMBERS OF THE
PUBLIC PRESENT:** Alfonzo Alexander, Chief Ethics and Diversity Officer, NASBA, and
President of NASBA's Center for the Public Trust (CPT)
Dr. William J. Hawk, Professor of Philosophy, James Madison
University
Kevin Savoy, CPA, Audit Director, Virginia Auditor of Public
Accounts
Stephanie Peters, CAE, President and CEO, 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,



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Virginia Society of Certified Public Accountants
Amy Mawyer, Vice President of Learning, Virginia Society of
Certified Public Accountants
Andrew Biondi, Esq., Sands Anderson

CALL TO ORDER

Ms. Ferguson called the meeting to order at 9 a.m.

SECURITY BRIEFING

Ms. Hambricht provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Ms. Ferguson determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the April 30, 2019, agenda as amended by adding an additional public comment period. The members voting "AYE" were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Warwick.

APPROVAL OF MINUTES

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the March 18, 2019, Board meeting minutes as presented. The members voting "AYE" were Ms. Ferguson, Mr. Carson, Mr. Bradshaw, Mr. Brown, Ms. Saunders, Mr. Boshier and Ms. Warwick.

PUBLIC COMMENT PERIOD

Ms. Peters extended an invitation to Board members to attend the VSCPA Leader's Summit on May 16 and 17, 2019, in Richmond, VA. Ms. Newsom-McCurdy provided an update regarding the well-received CY2019 Virginia-Specific Ethics Course, and Ms. Walker provided an update regarding the VSCPA's new hires for continued service with the Peer Review program.

APA – FY2018 Audit Entrance

Mr. Savoy presented the APA – FY2018 Audit Entrance to the Board. He noted historically the VBOA audit has been a very clean audit that is straightforward. He noted Stephen Peeks would be handling the



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VBOA audit with a May anticipated completion date. Mr. Peek will be working with Ms. Glynn and Ms. Reinholtz.

COMMITTEE/NASBA UPDATES

NASBA Enforcement Committee

Mr. Brown led the discussion regarding the NASBA Enforcement Committee. He noted the committee would meet on May 14, 2019.

NASBA Board of Directors

Ms. Saunders led the discussion regarding the NASBA Board of Directors. Ms. Saunders noted the board had met last Friday and approved continuous Uniform CPA Examination testing with a June 2020 target date. She noted the Task Force considering the 120 semester hours versus 150 semester hours required for CPA licensure remains at 150 semester hours. She noted the NASBA regional meetings will include discussions on the CPA Evolution task force recommendations – instead of an alternative pathway, discussions will include how to prepare CPAs for the ever changing technology in audit and attest functions.

Education Committee

Ms. Ferguson led the discussion regarding the NASBA Education Committee. She noted three grant proposals had been approved.

Ms. Ferguson noted the NASBA 2019 Eastern Regional Meeting would be held June 11–13, 2019, in Washington, D.C. She also noted May 3, 2019, was the form submission deadline for any Board members interested in serving on NASBA committees.

EXECUTIVE DIRECTOR'S REPORT

General Updates

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

- Ms. Glynn welcomed Heather Rogers, Executive Administrative Assistant, and Charlynn Throckmorton, Investigator, to the VBOA staff.
- Ms. Glynn noted the Policy Advisor position had been reposted as a 40-hour week position and the Enforcement position remained vacant at this time.
- Ms. Glynn noted moving all licenses to a June 30 renewal date has been going well.
- Ms. Glynn attended the NASBA 2019 Executive Director and State Board Staff Conference and Ms. Blount attended the NASBA Conference for Board of Accountancy Legal Counsel March



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26–28, 2019, in San Antonio, TX. Ms. Glynn provided a brief overview of the conference and noted it was very informative.

March 2019 Board Report

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

March 2019 Financial Report

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

BOARD DISCUSSION TOPICS

Proposed UAA Model Rules Article 7

Ms. Warwick led the discussion regarding the Proposed UAA Model Rules Article 7. Ms. Warwick noted this as an opportunity to make the Rules consistent with practice. She provided an overview of the proposed revisions. She noted comment letters were due at the end of June 2019. After a brief discussion, the Board agreed no comment letter was needed.

Changes to Active – CPE Exempt Status

Ms. Saunders led the discussion regarding the proposed changes to the Active – CPE Exempt Status. After an in-depth discussion, the Board agreed to revisit the topic on a later date.

PUBLIC COMMENT PERIOD

Mr. Biondi spoke on behalf of Doris Shuman.

ETHICS PRESENTATIONS

Alfonzo Alexander, Chief Ethics and Diversity Officer, NASBA, and President of NASBA’s Center for the Public Trust (CPT)

Mr. Alexander provided an overview of CPE ethics requirements for state boards of accountancy. He noted 50 of the 55 Boards have ethics CPE requirements. New Jersey and Virginia’s ethics course requirement is state specific. He noted courses that include case-base scenarios are well received and seem to hold the attention of the audience. Mr. Alexander fielded questions.

Dr. William J. Hawk, Professor of Philosophy, James Madison University



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Dr. Hawk provided a PowerPoint presentation and hands-on workshop on Ethical Reasoning for Accountants: A Practical Strategy. The presentation included discussions regarding ethical decision-making. He provided examples of well-known individuals who had made bad decisions. Dr. Hawk fielded questions.

RECESS FOR LUNCH 12:03 p.m.

RECONVENE 12:33 p.m.

ADDITIONAL ITEMS FOR DISCUSSION

Carry over items/potential future topics

- Publication of VBOA disciplinary actions (On-going)
- CPE survey and guidelines (May)
- Cannabis laws (On-going)
- Trust Fund Reserve Policy (May)
- Required coursework for CPA examination/licensure (May)

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- May, 21, 2019
- June 27, 2019
- August 22, 2019

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-member will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Robert Drewry. The following non-members will be in attendance for a



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portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and Amanda Blount. The following non-members will participate for a portion of the closed meeting by teleconference: Cullen Seltzer and Robert Turnage.

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
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

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

Upon a motion by Mr. Boshier, and duly seconded, members voted unanimously to accept Final Order 2015-CPE-0285 as amended by eliminating all references to fraud, false certification, false statements and eliminating the one year suspension.

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



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Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

Upon a motion by Mr. Boshier, and duly seconded, members voted unanimously to accept Final Order 2016-CPE-0028 as amended by eliminating all references to fraud, false certification, false statements and eliminating the one year suspension.

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
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

Upon a motion by Ms. Saunders, and duly seconded, members voted unanimously to approve Final Order 2017-036-015DU as presented.

CALL FOR VOTE:

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

VOTE:

Ayes: Six (6)
Abstain: One (1)



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Nays: None

Upon a motion by Ms. Saunders, and duly seconded, members voted unanimously to approve Final Order 2017-540-452C as presented.

Mr. Boshier, Ms. Warwick, Ms. Glynn and Ms. Blount were not in attendance and did not participate in the discussion.

CALL FOR VOTE:

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

VOTE:

Ayes: Five (5)
Abstain: Two (2)
Nays: None

Upon a motion by Ms. Warwick, and duly seconded, members voted unanimously to approve Final Order 2018-124-114C as amended by amending the monetary penalty and removing all references regarding suspension.

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
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None



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Upon a motion by Mr. Bradshaw, and duly seconded, members voted unanimously to approve Final Order 2018-250-225C as presented.

Ms. Glynn and Ms. Blount were not in attendance and did not participate in the discussion.

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
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

Upon a motion by Mr. Carson, and duly seconded, members voted unanimously to approve Final Order 2018-340-312C as presented.

Ms. Glynn and Ms. Blount were not in attendance and did not participate in the discussion.

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
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

Upon a motion by Mr. Brown, and duly seconded, members voted unanimously to approve Final Order 2018-344-316C as presented.



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Ms. Ferguson was not in attendance and did not participate in the discussion.

CALL FOR VOTE:

Susan Quaintance Ferguson, CPA – Abstain
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
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Six (6)
Abstain: One (1)
Nays: None

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Carson, and duly seconded, the meeting adjourned by unanimous vote at 3:22 p.m. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Warwick.

APPROVED:

Susan Quaintance Ferguson, CPA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director

Virginia Board of Accountancy
FY19 Board Report
As of April 30, 2019

REPORT CATEGORIES	FY2019 - YTD as of 04/30/19	FY2018 - YTD as of 04/30/18	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16	Fiscal Year Ending 6/30/15
LICENSEES						
Individuals:						
Number of Active, licensed CPAs	26,794	26,285	26,318	25,452	24,648	24,791
Number of Active - CPE Exempt, licensed CPAs	1,721	1,528	1,585	1,326	1,158	898
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPAs	0	123	0	933	1,516	1,142
Total Number of Licensed CPAs	28,515	27,936	27,903	27,711	27,322	26,831
Number of out-of-state licensees	8,628	8,329	8,330	8,290	8,152	8,086
Reinstatements - Individuals	137	153	178	92	79	106
Number of new CPA licenses issued	974	1,092	1,227	1,378	1,322	1,240
Net change in number of expired/voluntary surrendered licenses (>12 months)	170	867	1,213	1,081	910	863
Firms:						
Number of Active, licensed CPA firms	1,167	1,172	1,177	1,123	1,092	1,115
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPA firms	0	6	0	44	65	71
Total Number of Licensed CPA Firms	1,167	1,178	1,177	1,167	1,157	1,186
Reinstatements - Firms	9	9	10	5	5	0
Number of new CPA firm licenses issued	36	64	74	65	29	40
Net change in number of expired/voluntary surrendered firm licenses (>12 months)	36	53	74	60	63	72
EXAM CANDIDATES						
Number of first time candidates applying to sit for CPA exam	1,219	1,268	1,675	1,819	2,136	1,904
ENFORCEMENT - non-CPE						
Number of complaints	39	76	85	82	145	84
Types of complaints:						
Unlicensed activity	13	20	20	45	41	24
Other disciplinary matters	26	56	65	37	104	60
CPE AUDITS						
Number of CPE audits selected	2,634	2,019 (a)	2,402	2,022	1,578	1,088
Status of CPE Audits:						
# of CPE audits resulting in compliance	1051	1,396	2,001	1,594	1,291	819
# of CPE audit deficiencies	128	235	401	428	286	269
# of CPE audit deficiencies resulting in surrender of license	7	18	32	52	30	17
# of CPE audit deficiencies resulting in suspension of license	5	2	23	34	19	19
# of CPE audits open/pending review	1455	388	0	0	1	0
CPE Audit Deficiency Rate	11%	14%	17%	21%	18%	25%
NOTES:						
(a) CPE audits selected through April 2019 - Currently in CPE Tracker black out period since March 4, 2019.						

Financial Report
FY19 Budget vs. Actual Expenses
As of April 30, 2019

<u>Expenditure Type</u>	<u>FY19 Operating Budget</u>	<u>FY19 YTD Expenditures</u>	<u>% Expended</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,246,789	1,029,698	82.6%	1,174,172	1,103,143	999,185
Total Salaries & Benefits	\$ 1,246,789	\$ 1,029,698	82.6%	\$ 1,174,172	\$ 1,103,143	\$ 999,185
<u>Contractual Services</u>						
1211 Express Services	800	86	10.8%	722	-	-
1214 Postal Services	13,000	7,285	56.0%	12,886	7,975	9,144
1215 Printing Services	5,500	3,271	59.5%	5,487	5,245	4,163
1216 Telecommunications - VITA	13,500	10,493	77.7%	11,613	12,272	10,021
1217 Telecommunications - Nonstate (CallFire)	300	100	33.3%	100	600	-
1219 Inbound Freight	150	52	34.8%	160	418	858
1221 Organization Memberships (primarily NASBA)	7,255	7,045	97.1%	7,255	7,250	7,030
1222 Publication Subscriptions	1,250	1,121	89.7%	1,266	4,730	5,254
1224 Training - Courses, Workshops, Conferences	6,955	3,323	47.8%	11,459	8,914	8,566
1225 Employee Tuition Reimbursement	1,618	1,618	100.0%	-	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	15,000	3,584	23.9%	23,825	10,933	16,123
1228 Employee IT Training Courses/Workshops and Conferences	100	91	91.0%	-	91	91
1242 Fiscal Services (Credit Card Merchant Fees)	50,000	27,354	54.7%	48,558	53,790	47,883
1243 Attorney Services (Including OAG)	62,020	62,020	100.0%	51,736	24,844	36,671
1244 Mgmt. Services - NASBA/special accommodations - IT Support	29,800	26,580	89.2%	21,736	75,641	64,564
1245 Personnel Management Services	-	79	---	-	-	-
1246 Public Info/Public Relations (subscriptions)	5,100	3,470	68.0%	3,538	5,015	1,756
1247 Legal Services (Includes court reporting services)	18,000	9,351	52.0%	19,562	12,977	10,306
1248 Media Services	-	-	---	-	-	235
1252 Electrical Repair/Maintenance	-	-	---	-	90	-
1253 Equipment Repair/Maintenance	-	823	---	-	-	-
1263 Clerical / Temp Services	-	-	---	2,754	2,475	-
1264 Food and Dietary Services	3,500	2,652	75.8%	3,236	2,156	2,170
1265 Laundry & Linen Services	-	13	---	-	25	-
1266 Manual Labor Services (Includes shredding services)	720	260	36.1%	394	1,122	380
1267 Production Services	-	-	---	-	-	1,771
1268 Skilled Services	-	1,138	---	-	-	960
1272 VITA Pass Thru Charges (SA Maintenance, IT Upgrades, and ISO services)	131,677	119,841	91.0%	135,170	122,620	87,475
1273 Info Mgmt Design and Development Services (Project Manager)	156,000	66,000	42.3%	94,600	-	-
1278 VITA Information Technology Infrastructure Services	144,000	109,379	76.0%	119,126	90,483	118,041
1279 Computer Software Development Services (MicroPact and Data Conversion)	455,570	232,515	51.0%	346,155	-	-
1282 Travel - Personal Vehicle	8,000	5,022	62.8%	8,099	6,980	5,926
1283 Travel - Public Carriers	-	77	---	-	589	543
1284 Travel - State Vehicles	1,000	200	20.0%	652	619	1,347
1285 Travel - Subsistence and Lodging	1,500	1,434	95.6%	2,182	1,250	1,749
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	737	73.7%	1,423	730	917
Total Contractual Services	\$ 1,133,315	\$ 707,014	62.4%	\$ 933,694	\$ 459,834	\$ 487,145
<u>Supplies and Materials</u>						
1312 Office Supplies	5,000	3,544	70.9%	5,023	4,338	6,726
1313 Stationery and Forms	2,500	1,786	71.4%	2,028	2,214	2,249
1323 Gasoline (Enterprise vehicles)	250	103	41.4%	221	155	308
1335 Packaging and Shipping Supplies	500	1,237	247.4%	485	958	715
1342 Medical & Dental Supplies	50	-	0.0%	-	260	48

<u>Expenditure Type</u>	<u>FY19 Operating Budget</u>	<u>FY19 YTD Expenditures</u>	<u>% Expended</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	300	-	0.0%	389	41	48
1362 Food & Dietary Supplies	525	268	51.0%	498	561	260
1363 Food Service Supplies	100	48	47.7%	62	107	15
1364 Laundry & Linen Supplies	-	-	---	-	24	-
1373 Computer Operating Supplies	5,500	3,471	63.1%	3,194	7,004	3,402
Total Supplies & Materials	\$ 14,725	\$ 10,457	71.0%	\$ 11,900	\$ 15,919	\$ 14,635
<u>Transfer Payments</u>						
1413 Awards & Recognition	900	138	15.3%	848	863	717
1415 Unemployment Compensation	-	-	---	-	-	-
1418 Incentives	-	-	---	-	410	-
Total Transfer Payments	\$ 900	\$ 138	15.3%	\$ 848	\$ 1,273	\$ 717
<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	8,500	5,701	67.1%	8,645	8,460	4,865
1539 Building Rentals - Non-State Owned Facilities	93,417	77,536	83.0%	90,982	88,126	76,350
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	38,424	36,365	94.6%	38,169	36,071	32,411
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	978	-	0.0%	978	968	978
Total Continuous Charges	\$ 143,002	\$ 119,603	83.6%	\$ 140,457	\$ 135,308	\$ 116,287
<u>Equipment</u>						
2216 Network Components	1,200	276	23.0%	341	1,117	530
2217 Other Computer Equipment	500	762	152.3%	685	300	744
2218 Computer Software Purchases	-	379	---	540	2,157	3,556
2224 Reference Equipment	50	32	64.5%	80	26	181
2231 Electronic Equipment	-	-	---	-	164	-
2232 Photographic Equipment	-	-	---	552	845	-
2233 Voice and Data Transmission Equipment	-	256	---	164	-	1,691
2238 Electronic and Photo Equipment Improvements (Board Rooms)	3,000	3,791	126.4%	6,125	-	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	350	348	99.4%	94	-	880
2262 Office Furniture	15,000	5,666	37.8%	555	3,375	14,385
2263 Office Incidentals	1,500	95	6.3%	969	2,646	1,627
2264 Office Machines	-	-	---	65	928	821
2268 Office Equipment Improvements	150	-	0.0%	-	129	129
2271 Household Equipment	-	-	---	-	342	-
Total Equipment	\$ 21,750	\$ 11,604	53.4%	\$ 10,168	\$ 12,030	\$ 24,543
Total Expenses	\$ 2,560,481	\$ 1,878,514	75.9%	\$ 2,271,239	\$ 1,727,506	\$ 1,642,512
Chapter 2 Appropriation	\$ 2,476,080					
Appropriation adjustment requests	\$ 84,401					
Total Projected Appropriation	\$ 2,560,481					

**Virginia Board of Accountancy
Financial Report
Cash Balance
As of April 30, 2019**

	Operating Fund (09226)		Special Fund (02020)	
	FY2019 - YTD as of 4/30/19	FY2018 - YTD as of 4/30/18	FY2019 - YTD as of 4/30/19	FY2018 - YTD as of 4/30/18
Beginning Fund Balance July 1:	\$ 614,003	\$ 511,346	\$ 3,700,807	\$ 3,677,602
YTD Revenue Collected *	1,717,129	1,988,907	52,659	33,040
Accounts Payable **	6,290	58,004	0	0
Interfund Cash Transfers In/(Out), based on September 30th balance	43,805	(267,307)	(43,805)	267,307
Interfund Cash Transfers In/(Out), based on December 31st balance	373,278	137,961	(373,278)	(137,961)
Interfund Cash Transfers In/(Out), based on March 31st balance	(74,675)	185,274	74,675	(185,274)
Interfund Cash Transfers In/(Out), based on June 30 balance	0	0	0	0
YTD Expenditures	(1,878,514)	(1,980,412)	0	0
Cash Balance before annual transfers	\$ 801,316	\$ 633,774	\$ 3,411,058	\$ 3,654,714
Projected Cash Transfers:				
Transfers to Central Service Agencies ***	(\$11,302)	(\$10,155)	\$0	\$0
Cash Balance after transfers	\$ 790,014	\$ 623,619	\$ 3,411,058	\$ 3,654,714

* 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	FY2019 - YTD as of 4/30/19	FY2018 - YTD as of 4/30/18	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16
(a) Pre-Evaluation of Transcripts Application Fee	\$ -	\$ -	\$ -	\$ -	\$ 3,975
(b) Re-Exam Application	\$ 235,320	\$ 246,365	\$ 309,965	\$ 333,960	\$ 369,945
(c) Renewal Fee	\$ 1,316,236	\$ 1,586,210	\$ 1,859,054	\$ 2,086,540	\$ 1,864,290
Reinstatement Fee	\$ 53,500	\$ 53,920	\$ 64,570	\$ 45,775	\$ 35,450
Duplicate Wall Certificate Fee	\$ 1,500	\$ 1,625	\$ 1,950	\$ 1,775	\$ 1,750
License Verification Fee	\$ 15,775	\$ 16,325	\$ 20,025	\$ 20,487	\$ 19,963
CPA Exam Score Transfers	\$ 1,650	\$ 2,050	\$ 2,325	\$ 2,075	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ 5,100	\$ 4,300
Administrative Fee	\$ -	\$ 1,000	\$ 1,000	\$ 5,100	\$ 4,100
Bad Check Fee	\$ 50	\$ 150	\$ 150	\$ 50	\$ 100
Total Revenue	\$ 1,702,571	\$ 1,985,265	\$ 2,349,619	\$ 2,616,342	\$ 2,367,168
(d) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 1,709,040	\$ 1,983,120	\$ 2,338,729	\$ 2,604,132	\$ 2,378,598
(e) Difference	\$ (6,469)	\$ 2,145	\$ 10,890	\$ 12,210	\$ (11,430)

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 prior to FY19.
- (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 April 30, 2019**

	FY2019 - YTD as of 4/30/19	FY2018 - YTD as of 4/30/18	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16
Fines levied/collected/receivable:					
\$ amount of fines levied	\$ 173,373	\$ 260,760	\$ 326,285	\$ 187,925	\$ 284,528
\$ amount of fines collected	\$ 161,469	\$ 193,000	\$ 258,879	\$ 198,771	\$ 252,626
\$ OAG Fees	\$ -	\$ -	\$ -	\$ -	\$ 342
\$ Discharged	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 93,910	\$ 92,380	\$ 92,026	\$ 25,442	\$ 51,538
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 602,243	\$ 592,222	\$ 592,222	\$ 591,400	\$ 576,150

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.

2016-18 Strategic Plan **Board of Accountancy [226]**

MISSION

The Virginia Board of Accountancy's mission is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of Certified Public Accountants (CPA) and CPA firms.

VISION

To serve all CPAs and CPA candidates in a professional manner, enabling them to contribute to the Commonwealth's prosperity by entering and progressing in their chosen profession; to provide the most equitable, efficient, and economical means available to limit entry barriers to the marketplace; and to discipline those licensees who do not follow accepted ethical or professional standards and to protect the public through enforcement actions against unlicensed persons and entities

VALUES

The Virginia Board of Accountancy's commitment to excellence is demonstrated through the agency's values:

- High Ethical Standards and Integrity
Pledging principled and reputable conduct;
- Exceptional Customer Service
Demonstrating a courteous, empathetic and helpful attitude while assisting each customer to reach their goal;
- Honesty and Fairness
Acting with openness, impartiality, and consistency;
- Teamwork
Excelling mutually, the VBOA will work together with citizens and licensees to achieve the shared vision;
- Competence
Striving for proficiency through creativity, innovation and diversity;
- Communication
Achieving enhanced understanding between the VBOA, the regulated community and the public through effective communications, interactions, and service
- Continuous Improvement
Striving to innovate and to change where change is needed;
- Financial Stewardship
Maintaining frugality with respect to the expenditures of public funds.

PRODUCTS AND SERVICES

- The Board promulgates regulations that establish entry requirements, including education, examination, and licensure, which are essential in determining whether an individual is minimally competent to practice as a CPA in Virginia.
- The Board establishes requirements for the registration of CPA firms.
- The Board promulgates regulations in accordance with the Administrative Process Act.
- The Board levies and collects fees for the issuance, renewal or reinstatement of Virginia licenses (and special assessments) that are sufficient to cover all expenses of the administration and operation of the Board.

- The Board initiates or receives complaints concerning CPAs or those that claim to be a CPA, and takes disciplinary action if warranted (to include revoking, suspending or refusing to reinstate a Virginia license, or to assess fines).
- The Board establishes requirements for peer review and continuing professional education (CPE) requirements as a condition for issuance, renewal or reinstatement of a Virginia license.
- Education/Examination - assesses education and other qualifications for eligibility to take the CPA exam. Licensing - determines eligibility to be licensed as a CPA or registered as a CPA firm.
- Enforcement - receives, investigates and adjudicates complaints regarding the professional practice by CPAs and CPA firms (and those claiming to be CPAs).
- CPE and Peer Review Compliance - administers the CPE and Peer Review compliance reviews. Administration - prepares budgets, financial statements, and reports; procures goods and services; provides personnel/payroll services; provides fiscal services; manages information security technology development and maintenance; manages board administration, strategic planning, continuity planning, public relations, management analysis, and legislative and regulatory programs.

Proposed changes to current policies for VBOA for discussion

- Eliminate the Active – CPE Exempt status as of **January or July 1, 2020**. (This would require the continuing processing of applications and appeals throughout calendar year 2019.)
- Institute the statuses of “Inactive” and “Retired” for licensing options. Licensing options would then be-
 - **Fully Active** - can use “CPA” title and subject to all rules and regulations
 - **Retired** - can use “CPA (Retired)” title; 60 years of age or older and not working in accounting, tax or finance capacity for compensation; CPA license must be in good standing for at least 3 years prior to request for retired status; continue to pay annual license fee (may be discounted); no CPE required
 - **Inactive** - no use of CPA title; must voluntarily request to go inactive; annual renewal with re-affirmation of status; reinstatement request requires three year commitment (I.e. can’t go inactive again for at least three years after reinstatement); must take 40 upfront hours of CPE before reinstatement is effective; normal CPE requirements after reinstatement; 40 upfront hours of CPE can count towards normal ongoing CPE requirement.
- “Inactive” or “Retired” would be granted to those CPAs in good standing who submit a signed application attesting 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.
- Revise Board Policy #9 to reflect changes.
- Revise Providing Volunteer Services as a Virginia CPA document to reflect changes.
- Grandfather those who have already been granted Active – CPE Exempt status to “Inactive” or “Retired.”
- Develop a communication plan to announce changes to license status options.

Inactive and Retired Guidance and Research

UAA 6th Edition Section 6-3 (d) discusses “Inactive” and “Retired” Status in regards to issuance and renewal of certificates, and maintenance of competency

Inactive

UAA 6-3(d) “The Board may by rule create an exception to this requirement for certificate holders who do not perform or offer to perform for the public or employer one or more kinds of services involving use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.” Licensees granted such an exception by the Board must place the word “inactive” adjacent to their CPA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate, on which their CPA title appears. Licensees may only convert to inactive status if they hold a license in good standing.”

States with Inactive Status - at least 10 jurisdictions have adopted a statutory provision that is similar to UAA 6(d) – Arkansas, Iowa, Louisiana, Minnesota, Missouri, New Hampshire, New Mexico, South Dakota, Tennessee, Guam; a few states that allow inactive status will not allow use of title through statute or rule– Arizona, Illinois, Nevada, North Carolina; DC; Overall 40 states address inactive status in some form; some charge fees (some reduced) and some do not; Reinstatement of license rules vary.

NC Inactive application as an example of a state who will not allow an inactive CPA to use the title and there is no fee.

MO inactive application that follows UAA Section 6(d)

Retired

UAA 6-3(d) “In addition, inactive CPAs, at least 60 years of age, may, use in lieu of “inactive”, place the word “retired” adjacent to their CPA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate on which their CPA title appears.” Nothing in this section shall preclude the retired CPA from providing the following volunteer, uncompensated services: tax preparation services, participating in a government sponsored business-mentoring program, serving on the board of directors for a nonprofit or governmental organization, or serving on a government-appointed advisory body. Licensees may only convert to retired status if they hold a license in good standing.”

States with Retired Status – a majority of states utilize the term “retire” in some form within their administrative rules as it relates to the status of CPA licenses. At least twenty-six (26) states use “retire” “retired status” or “emeritus” in their rules. Of these 26, at least six (6) define the term within their rules. States have not followed a uniform approach to adopting rules regarding retirement. (Different ages, some of minimum years of being a licensed CPA) Again reinstatement of license rules vary – note SC makes you retake CPA exam. At least eleven (11) states provide a definitive age cutoff by which a licensee either must be a certain age or have practiced for a certain number of years before applying for retired status.

Status	ACTIVE – CPE EXEMPT	CPA, INACTIVE	INACTIVE	CPA, RETIRED
Effective date	No applications accepted after July 1, 2019	July 1, 2020	July 1, 2020	July 1, 2020
Eligibility	Current Active – CPE Exempt will maintain status through July 1, 2020. They are eligible to apply for Inactive or Retired status July 1, 2020, and would be exempt from the 3-year good standing rule.	Only eligible to licensees who have been in good standing for 3-years prior to applying for the status.	Only eligible to licensees who have been in good standing for three years prior to applying for the status.	Must be 60 years or older. Only eligible to licensees who have been in good standing for three years prior to applying for the status.
Attestation	Must submit a signed application (at license renewal) attesting 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).	Must submit a signed application (at license renewal) attesting 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).	Must submit a signed application (at license renewal) attesting 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).	Must submit a signed application (at licensing renewal) attesting 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).
Approval process	Currently approval and appeal process conducted by VBOA based on applicants job/position description.	Approval upon receipt of attestation/affirmation.	Approval upon receipt of attestation/affirmation.	Approval upon receipt of attestation/affirmation and validation of age.
Use of CPA Title	YES	YES Licensees granted such an exception by the Board must place the word “Inactive” adjacent to their CPA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate, on which their CPA title appears.	NO Licensees granted such an exception by the Board are prohibited from using the CPA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate, on which their CPA title appears.	YES Licensees granted such an exception by the Board must place the word “Retired” adjacent to their CPA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate, on which their CPA title appears.
CPE	Not required – (though current regulation 18VAC5-22-90 (D) indicates a 3-year look back though VBOA policy does not provide for lookback).	Not required once application is approved.	Not required once application is approved.	Not required once application is approved.

Status	ACTIVE – CPE EXEMPT	CPA, INACTIVE	INACTIVE	CPA, RETIRED
Enforcement	Difficult to monitor. CPA title is allowed though certain activities are prohibited under this status. Unless reported it would be difficult to identify misuse of title.	Difficult to monitor. CPA title is allowed though certain activities are prohibited under this status. Unless reported it would be difficult to identify misuse of title.	Moderate complexity. Prohibited from using CPA title but can participate in certain activities such as tax and bookkeeping as long as they do not hold themselves out as a CPA.	Moderate complexity. Must use CPA, Retired title. Prohibited from certain activities but can participate in certain activities such as tax and bookkeeping as long as they do not hold themselves out as a CPA.
Annual License Renewal	\$60 and affirmation that they still meet the requirements for the Active CPE Exempt status.	\$60 and affirmation that they still meet the requirements for the inactive status.	\$60 and affirmation that they still meet the requirements for the inactive status.	\$60 and affirmation that they still meet the requirements for the retired status.
Reinstatement	\$350 reinstatement fee required. Proof of 120 hours required to re-activate license.	Must have held Inactive status for three years prior to requesting reinstatement. No additional fee required. Must take 40 upfront hours of CPE before reinstatement to Active is effective. Normal CPE requirements after reinstatement. The 40 upfront hours of CPE can count towards normal ongoing CPE requirement.	Must have held Inactive status for three years prior to requesting reinstatement. No additional fee required. Must take 40 upfront hours of CPE before reinstatement to Active is effective. Normal CPE requirements after reinstatement. The 40 upfront hours of CPE can count towards normal ongoing CPE requirement.	Must have held retired status for 3 years prior to requesting reinstatement. No additional fee required. Must take 40 upfront hours of CPE before reinstatement to Active is effective. Normal CPE requirements after reinstatement. The 40 upfront hours of CPE can count towards normal ongoing CPE requirement.

Statutory Use of the term "Retired" or "Emeritus" For Purposes of CPE Exemptions

	State	BAR	Title	Notes
1	California	Yes	Retired immediately after	Not actively engaged in the practice of public accountancy or any activity which requires them to be licensed by the board
2	Colorado	Yes	Retired CPA	Shall not perform those acts set forth in section 12-2-120 (6) (a) & (6) (b) opinion on accounting or financial statement
3	Idaho	Yes	Retired adjacent to CPA	After a person reaches the age of 55 or in the event of disability. Will not qualify if perform attest or compilation
4	Kentucky	Yes	Public Accountant Emeritus	Shall not engage in regulated activities; exempt from licensing fees
5	Mississippi	Yes	CPA retired	May not perform or offer to perform one or more kinds of services - use of accounting or auditing skills
6	Nevada	Yes	CPA retired	Retired - Voluntary termination all activities; at least 60 /permanent disability
7	New Jersey	Yes	CPA inactive	May not engage in the practice of accountancy - Inactive
8	New Mexico	Yes	inactive or retired adjacent	Do not provide services to the public
9	North Carolina	Yes	No use of title	no fee, no CPE, no return of CPA certificate
10	Ohio	Yes	CPA retired	Voluntarily retire - give up right to practice public accounting
11	Oklahoma	Yes	CPA retired	Age 65 or disabled (6 mo.); may perform volunteer activities without use of title
12	Oregon	Yes	CPA retired	May not perform attest or sign tax returns, may perform volunteer services uncompensated; Age 65 or 20 years license
13	South Carolina	Yes	Emeritus adjacent	May not perform or offer to perform one or more kinds of services - use of accounting or auditing skills; no fee,annual,CPA exam retake
14	Texas	Yes	No use of title	No association with accounting work
15	Utah	Yes	CPA Emeritus	May not engage in the practice of public accountancy; Age 60, disabled, 2yr renewal cycle
16	Washington	Yes	CPA retired	Age 60 or 20 yrs. license
17	West VA	Yes		Has completely discontinued performance of professional services, no active management or supervisory responsibilities, age 62
18	Wyoming			Age 55 Assumption or use of retired designation is not incident to the practice of public accounting; may provide uncompensated

States Using the Term "Retired" or "Emeritus "in Their Rules for Purposes of CPE Exemptions

State	BAR	Title	Notes
1 Alabama		Retired adjacent	Individuals >55. retires from practice of public accountancy, notify board, no fee; may provide volunteer services
2 Alaska			"Reasonable cause or excusable neglect" includes chronic illness, retirement, military service and hardships as determined by Board
3 Arizona		Retired or RET	Retired, age 55 must have been CPA for 20 years, does not perform accounting services, exempt CPE register every 2 yrs.
4 Arkansas	Yes		Age 55 - no association with accounting work for compensation, may perform volunteer not signed as a CPA
5 California			
6 Colorado			
7 Delaware	Yes		Board may make an exception to CPE who has been granted inactive status, does not perform services
8 DC	Yes		Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement - does not hold out as CPA; Inactive
9 Idaho			
10 Iowa		CPA, retired or LPA, retired	Inactive license who does not reasonably expect to the workforce, may use in context of non-income producing personal activities
11 Kentucky			
12 Minnesota	Yes		Board may make an exception to CPE who has retired or does not perform services
13 Mississippi			
14 Missouri		Inactive, Retired, RET	Licensee after 8/28/2001 , not practicing public accounting in any setting
15 Montana	Yes	CPA, retired or LPA, retired	Age 60 or 20 yrs. license, fully retired in practice of public accounting; volunteer uncompensated certain services allowed
16 Nebraska	Yes	Inactive or Inactive-Retired	Age 60 can not hold myself to Nebraska public as a CPA, annual renewal
17 Nevada			
18 New Jersey			
19 New Mexico			
20 North Carolina			
21 North Dakota	Yes	May use title	Retired available for retired/disabled, age 60 not providing services including bookkeeping
22 Oklahoma			
23 Oregon			
24 Rhode Island			Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement - does not hold out as CPA; Inactive
25 South Dakota	Yes	CPA Retired	Age 55, no longer participating in practice of any accounting discipline, \$10 annual fee
26 Texas			
27 Utah			
28 Washington			
29 Wyoming			

States Using the Term "Inactive" in Public Accountancy Statutes

	State	BAR	Title	Notes
1	Alabama	Yes	Inactive adjacent	Not engaged in the practice of public accounting, annual registration fee
2	Alaska	Yes		Not engaged in the practice, annual registration fee
3	Arizona	Yes	No use of title	Not actively engaged in the practice of accounting, biennial registration fee
4	Arkansas	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
5	California	Yes	Inactive adjacent	Not actively engaged in the practice of public accountancy or any activity which requires them to be licensed by the board
6	Colorado	Yes	Inactive CPA	Shall not perform those acts set forth in section 12-2-120 (6) (a)
7	Florida	Yes		Inactive status, fee
8	Guam	Yes	Inactive adjacent	Not actively engaged in the practice of accounting
9	Idaho	Yes	Inactive adjacent	Does not perform or offer to perform services for the public one or more kinds of attest or compilation services, annual renewal fee
10	Illinois	Yes	No use of title	Shall not practice public accounting in Illinois, no fee
11	Indiana	Yes		Discontinue practice of accounting
12	Iowa	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
13	Kentucky	Yes	CPA Inactive	registers with board, some grandfathering
14	Louisiana	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
15	Maine	Yes		renewal fee, inactive status licensure must describe obligations of inactive status
16	Maryland	Yes		May not practice certified public accountancy in the State, issue inactive status certificate, fee
17	Minnesota	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
18	Missouri	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
19	Nebraska	Yes		Not actively engaged in the practice of public accountancy, fee
20	Nevada	Yes	No use of title	Voluntary termination, does not perform services
21	New Hampshire	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
22	New Jersey	Yes	CPA inactive	May not engage in the practice of accountancy - Inactive
23	New Mexico	Yes	CPA inactive	Does not perform services to the public
24	New York	Yes		Does not perform services to the public
25	North Carolina	Yes	No use of title	no fee, no CPE, no return of CPA certificate
26	Ohio			Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement or just cause
27	Oklahoma	Yes	Inactive adjacent	Board may exempt a licensee from CPE for reasonable causes - military, retirement, not providing services or just cause
28	Oregon	Yes		Board may exempt a licensee from CPE for reasonable causes - disability, military, absence from the state, retirement or just cause, fee
29	Pennsylvania	Yes		Not engaged in the practice of public accounting may request to be put on inactive roll
30	South Carolina			May establish criteria ... for issuing inactive licenses
31	South Dakota	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
32	Tennessee	Yes	Inactive adjacent	Does not perform or offer to perform services for the public, fee (except .70 yrs. old, disabled, active military)
33	Washington	Yes	CPA Inactive	Prohibited from practicing accounting (some transition rules 6/30/01;7/1/01)
34	West VA	Yes	Inactive adjacent	Has completely discontinued performance of professional services, no active management or supervisory responsibilities
35	Wyoming	Yes	Inactive adjacent	Does not practice public accounting in Wyoming, fee

States' Use of the Term "Inactive" in Rules Providing for CPE Exemptions

	State	BAR	Title	Notes
1	Alabama			
2	Alaska			
3	Arizona			
4	Arkansas			
5	California			
6	DC	Yes	No use of title	Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement - does not issue audit/certify reports
7	Florida			
8	Hawaii			Licensing authorities that allow for a license to be placed on inactive status , fee schedule Inactive fee \$10
9	Idaho			
10	Indiana			
11	Louisiana			
12	Maryland			
13	Minnesota			
14	Missouri			
15	Montana	Yes		Licensee may place license on inactive status, may not practice accounting in the state of Montana
16	Nebraska			
17	Nevada			
18	New Hampshire			
19	New Jersey			
20	New Mexico			
21	New York			
22	North Carolina			
23	North Dakota	Yes	Inactive adjacent	
24	Oklahoma			
25	Oregon			
26	Pennsylvania			
27	Rhode Island			Reinstatement after an inactive period - fee \$500 if more than 5 years, addl rules
28	South Carolina			
29	South Dakota			
30	Tennessee			
31	Washington			
32	West VA			
33	Wyoming			

Guidance on marijuana industry

Proposed language for board discussion based on AICPA and NASBA Guidance

May 21, 2019

1. In the absence of such a determination by the courts [that a Virginia CPA or CPA firm has violated drug laws] the Virginia Board of Accountancy will not pursue independent disciplinary action against Virginia CPAs or CPA firms who provides services to a business involved in the sale or distribution of marijuana, provided that the business is operating legally under applicable state law.

OR

2. Offering to provide or providing professional services to retail marijuana businesses legally operating in another state does not, on its face, constitute an act discreditable to the profession, constitute a lack of good moral character or otherwise violate the statuses and/or rules the Virginia Board of Accountancy administers. Thus, the Board will not generally pursue disciplinary action against licensees who offer to provide or provide professional services to such businesses.

OR

3. In the absence of such a determination by the courts [that a Virginia CPA or CPA firm has violated drug laws] the Virginia Board of Accountancy will not pursue independent disciplinary action against Virginia CPAs or CPA firms who provides services to a business involved in the sale or distribution of marijuana, provided that the business is operating legally under applicable state law.

Offering to provide or providing professional services to retail marijuana businesses legally operating in another state does not, on its face, constitute an act discreditable to the profession, constitute a lack of good moral character or otherwise violate the statuses and/or rules the Virginia Board of Accountancy administers.

AND

4. The board strongly recommends that Virginia CPAs or CPA firms interested in providing services to businesses in the marijuana industry seek legal counsel to discuss potential risks, including but not limited to enforcement of applicable federal or state drug laws, anti-money laundering laws and related provisions of the Internal Revenue Code.

Should this be a board policy, a published statement (website and newsletter) or only upon inquiry?



**VBOA Board Meeting
May 21, 2019
Proposed Enforcement Planning for FY2020**

- **Full Board**
 - New system implementation to replace current manual system/processes
 - Develop sanctioning guidelines
 - Develop Guidance Documents
 - Disposition of disciplinary cases against CPAs practicing with expired license
 - Disposition of disciplinary cases against CPA firms practicing with expired license
 - Disposition of disciplinary cases against CPAs for unlicensed practice
 - Disposition of disciplinary cases against CPA firms for unlicensed practice
 - Disposition of disciplinary cases against non-CPAs for unlicensed use of the CPA title
 - Review CPE penalties guidelines
 - Revision of the Adjudication Manual
 - Review 160-day key performance measure
- **Enforcement Committee**
 - Enforcement Committee training
 - Schedule monthly meetings through June 2020
- **Enforcement Staff**
 - Case intake/planning
 - Investigative guidelines
 - Unlicensed practice
 - Unlicensed use of the CPA title
 - Bi-weekly reports to Enforcement Director
 - Monthly meetings
 - Training
- **CPE Cases**
 - Review of CPE audit processes
 - Supervisor review of failed audits prior to submission to Enforcement Division
 - Discontinue use of Court Reporter for CPE IFFs
 - Discontinue use of Board packets for CPE Presiding Officer recommendations submitted for Board approval
 - Schedule monthly dates for CPE IFFs through June 2020
 - CPE Consent Order compliance completion/review shifted to other VBOA staff

- **Administrative Tasks for Consideration for Reassignment**
 - Scheduling rooms for IFFs and Enforcement Committee Meetings
 - Scheduling court reporter
 - Preparing purchase requests for lunches
 - Preparing purchase requests for Court Reporter
 - Setting up rooms for IFFs and Enforcement Committee meetings
 - CPE Consent Order processing
 - Monthly reconciliation of monetary penalties

DRAFT

