

Monday, September 30, 2019

Board Meeting Agenda

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

- 10:00 a.m. Call to Order – **D. Brian Carson, CPA, CGMA, Chair**
- Security Briefing – **Patti Hambright, Administrative Assistant**
 - Determination of Quorum
 - Approval of September 30, 2019, Agenda
 - Approval of August 22, 2019, Board meeting minutes
 - Introduction of Nadia Rogers
 - Approval of Consent Agenda
 - Consent Orders
 - 2015-U0028 (Ferguson and Saunders)
 - 2017-244-016D (Brown and Ferguson)
 - 2017-034-014U (Brown and Saunders)
 - Public comment period*
- 10:10 a.m. 1. CPE Survey results and analysis – **Trina Willard, Owner & Principal, Knowledge Advisory Group**
- 10:25 a.m. 2. Committee Updates – **D. Brian Carson, CPA, CGMA, Chair**
- NASBA Communications Committee – **D. Brian Carson, CPA, CGMA, Chair**
 - NASBA Enforcement Resources Committee – **William R. Brown, CPA**
 - NASBA Education Committee and UAA Committee – **Stephanie S. Saunders, CPA**
 - NASBA Board of Directors – **Stephanie S. Saunders, CPA**
- 10:35 a.m. 3. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - August 2019 Board Report – **Mary Charity, Deputy Director for Operations**
 - August 2019 Financial Report – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 10:45 a.m. 4. Board Discussion Topics – **D. Brian Carson, CPA, CGMA, Chair**
- Trust Fund Policy -**Renai Reinholtz, Deputy Director for Finance and Administration**
 - Revisions and updates to regulations
 - Active – CPE Exempt status
 - Board Policy #9
 - Board Policy #4
 - Virginia-Specific 2020 Ethics Course – **Matthew Boshier**
 - Approval of outline
 - Discussion of instructor selection/approval

- 2021 Ethics Course vendor selection process
- Publication of VBOA disciplinary actions

- 12:15 p.m. 5. Additional Items for Discussion – **D. Brian Carson, CPA, CGMA, Chair**
Carryover topics (Additional items for discussion)
- Required coursework for CPA examination/licensure (November 2019)
 - Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates
 - November 15, 2019 – Virginia Commonwealth University
 - Tentative January 7 and Feb. 25, June (TBA), Aug. 18, Oct. 8, 2020

12:30 p.m. Recess for Board lunch

- 1 p.m. 6. Closed Session – Legal and Enforcement
- Enforcement – Amanda E. M. Blount, Enforcement Director
 - Status of Open Cases
 - Final Orders
 - 2018-008-008C (Blount and Glynn)
 - 2018-480-425C (Blount and Glynn)
 - 2019-087-069C (Blount and Glynn)
 - OAG updates and legal advice

3 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 22, 2019
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Thursday, August 22, 2019, in Board Room #3 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT:

Laurie A. Warwick, CPA, Vice Chair
Matthew P. Bosher, Esq.
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Stephanie S. Saunders, CPA

**MEMBER PRESENT
FOR A PORTION OF
THE MEETING:**

D. Brian Carson, CPA, CGMA, Chair

MEMBER ABSENT:

Nadia A. Rogers, CPA

LEGAL COUNSEL:

Robert Drewry, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT:

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

**MEMBERS OF THE
PUBLIC PRESENT:**

Aubrey L. Layne, Jr., Secretary of Finance
June Jennings, Deputy Secretary of Finance
Nathan Dowdy, Special Assistant
Gary R. Thomson, CPA, Chair of the VSCPA Board
Maureen Dingus, CAE, Chief Operating Officer, Virginia Society of
Certified Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of
Certified Public Accountants
Linda Newsom-McCurdy, CAE, Senior Director, Learning,
Virginia Society of Certified Public Accountants
Amy Mawyer, Vice President, Learning, Virginia Society of
Certified Public Accountants

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Thursday, August 22, 2019, in Board Room #3 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Laurie A. Warwick, CPA, Vice Chair
Matthew P. Boshier, Esq.
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Stephanie S. Saunders, CPA

**MEMBER PRESENT
FOR A PORTION OF
THE MEETING:** D. Brian Carson, CPA, CGMA, Chair

MEMBER ABSENT: Nadia A. Rogers, CPA

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

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

**MEMBERS OF THE
PUBLIC PRESENT:** Aubrey L. Layne, Jr., Secretary of Finance
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**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

Kymerly Messersmith, Managing Director of State Government Affairs
Kevin Savoy, CPA, Audit Director, Virginia Auditor of Public Accounts
Laurie Burton, Investigator
Charlynn Throckmorton, Investigator
Jennifer Winters

CALL TO ORDER

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

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Ms. Warwick determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the August 22, 2019, agenda, as presented. The members voting "AYE" were Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

APPROVAL OF MINUTES

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

APPROVAL OF CONSENT AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the Consent Agenda as presented. The members voting "AYE" were Ms. Warwick, Mr. Boshier, Mr. Brown and Ms. Saunders. Mr. Bradshaw abstained from the vote.

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

PUBLIC COMMENT PERIOD

Ms. Mawyer extended an invitation to Board members to attend the first Technology and Innovation Showcase to be held November 11–12, 2019 at the Richmond Marriott. She also noted the upcoming Women’s Leadership Forum and Leadership Academy for Young Professionals.

As the new Chair of the VSCPA Board, Mr. Thomson noted objectives included to create a learning culture, drive innovation and vision, recruit more students to become CPAs and advocate for their members. Mr. Thomson thanked Board members and Ms. Glynn for frequently providing the VSCPA with VBOA updates.

APA – FY2018 AUDIT EXIT

Mr. Savoy reported the APA has concluded its FY2018 audit and reported no findings. He reported the APA had issued an unmodified opinion on the VBOA’s FY2018 financial statements.

NASBA COMMITTEE UPDATES

NASBA Enforcement Resources Committee

Mr. Brown led the discussion regarding the NASBA Enforcement Resources Committee. He noted the Committee would meet on August 28, 2019.

NASBA Education Committee and UAA Committee

Ms. Saunders led the discussion regarding the NASBA Education Committee. She noted the Committee was awaiting the results of “CPA Evolution –next steps” which may include some changes to education requirements.

Ms. Saunders led the discussion regarding the UAA Committee. Ms. Saunders noted current projects included:

- Peer Review changes to UAA Section 7: Ms. Saunders noted the comment period had ended.
- The Firm Experience task force continues to work towards a recommendation.
- The NOCLAR (Non-compliance with laws and regulations) task force (which includes the PEEC/UAA joint task force) met July 30–31, 2019 in Washington, D.C. The task force worked toward a recommendation for audit and business and industry, a few pathways to enable NOCLAR, auditing standards, AICPA Code of Conduct and the UAA. She noted all approaches would take time. Non-attest services will be discussed at the next meeting. The meeting date has not yet been determined.

NASBA Board of Directors

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

Ms. Saunders led the discussion regarding the NASBA Board of Directors meeting held in Colorado Springs, Colo. in July. The meeting results included:

- Voted unanimously to oppose the AICPA PEEC (Professional Ethics Executive Committee) proposed interpretation on Staff Augmentation. Ms. Saunders noted more discussion would take place at the November PEEC meeting.
- Discussed the “Guiding Principles” of the CPA evaluation and the recommendation of NASBA Vice Chair Laurie Tish to work with AICPA Chair Bill Reeb to adjust #4, which had some comments during the regional meetings.
- Noted State Boards would soon start to receive materials from the Alliance for Responsible Professional Licensing, which has already developed a website clarifying the differences between professional and occupational licenses. In addition, NASBA is upgrading its legislative tracking software.
- Noted Regional Directors would be scheduling conference calls with their regions in September.
- Noted 29 jurisdictions now have adopted firm mobility and 53 State Boards have adopted the expanded definition of attest.
- Ms. Saunders reaffirmed July 1, 2020, as the target date to switch to continuous testing for the Uniform CPA Examination.

EXECUTIVE DIRECTOR’S REPORT

General Updates

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

- Ms. Glynn updated Board members with the number of outstanding individual license and firm renewals for the June 30, 2019, deadline.
- Ms. Glynn recognized Jennifer Winters as the new VBOA Adjudication Specialist.
- Ms. Glynn noted Ms. Rogers had joined the VBOA Board in July as the Board Educator and had begun fielding education questions.
- Ms. Glynn noted Ms. Rogers is the new Board liaison for the PROC (Peer Review Oversight Committee).
- Ms. Glynn noted the Ethics Committee and PROC Committee members would soon be listed on the VBOA website.
- Ms. Glynn noted the Ethics Committee would meet on September 12, 2019. Mr. Bosher is the Board liaison for the committee.

Mr. Carson has joined the meeting.

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

July 2019 Board Report

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

July 2019 Financial Report

Ms. Reinholtz presented and fielded questions regarding the July 2019 Financial Report. She also provided the FY2020 proposed Operating Budget for review and approval.

Upon a motion by Ms. Warwick, and duly seconded, the members voted unanimously to approve the draft FY2020 Operating Budget as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

BOARD DISCUSSION TOPICS

Procurement/contracting process for ethics course

Ms. Glynn led the discussion regarding the procurement/contracting process for the Virginia-Specific Ethics Course. Ms. Glynn provided guidance regarding the RFP (request for proposal) process for the course. Ms. Glynn will provide additional information at the September Board meeting.

CPE survey

Ms. Anderson led the discussion regarding the CPE survey. She provided the preliminary results and noted the survey would close today.

Trust Fund Policy

Ms. Reinholtz led the discussion regarding the Trust Fund Policy. She provided handouts and fielded questions. After an in-depth discussion, the Board agreed to continue discussions on a later date.

VBOA Policy #10

Ms. Glynn led the discussion regarding VBOA Policy #10. She fielded questions from Board members.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to accept the changes to VBOA Policy #10 as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Saunders.

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

Active – CPE Exempt versus Inactive status

Ms. Glynn led the discussion regarding the Active – CPE Exempt versus Inactive status. Ms. Glynn reviewed Board Policy #9 and discussion ensued regarding the potential status change. The Board agreed to revisit the topic on a later date.

Introduction to the Secretary of Finance Aubrey Layne

Mr. Carson welcomed and introduced Secretary Layne, Deputy Secretary Jennings and Mr. Dowdy. Secretary Layne provided a brief overview of the overall reorganization and noted he looked forward to working with the VBOA.

RECESS FOR LUNCH 12:20 p.m.

RECONVENE 12:50 p.m.

Mr. Carson welcomed and introduced Ms. Messersmith. Ms. Messersmith provided a brief introduction.

BOARD DISCUSSION TOPICS (continued)

Legislative Update

Proposed updates to regulations and policies

Ms. Marcello led the discussion regarding the proposed updates to regulations and policies. Ms. Marcello provided a PowerPoint presentation including the current regulations alongside the proposed changes and additions. She fielded questions from Board members. After a thorough discussion and additional proposed changes, the Board agreed to revisit the topic on a later date.

General legislation trends across the U.S.

Ms. Marcello led the discussion regarding the general legislation trends across the U.S. She noted an anti-regulatory environment including watered down regulations as the current trend. Ms. Marcello fielded questions from Board members.

Carry over items/potential future topics

- Changes to Active – CPE Exempt status
- Virginia-Specific Ethics Course – 2020 and beyond
- Publication of VBOA disciplinary actions (September 2019)

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

- CPE survey and guidelines (Sept. 2019)
- Trust Fund Reserve Policy (Sept. 2019)
- Required coursework for CPA examination/licensure (November 2019)

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- September 30, 2019
 - November 15, 2019, Virginia Commonwealth University
-

Begin closed meeting

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

End closed meeting

Upon a motion by Ms. Warwick, 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:

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

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

VOTE:

Ayes: Five (5)
Abstain: One (1)
Nays: None

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

Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Blount were not in attendance and did not participate in the discussion.

Case#2017-375-041U (Brown and Saunders)

Upon a motion by Mr. Boshier, and duly seconded, members voted as follows to approve Final Order 2017-375-041U as presented.

CALL FOR VOTE:

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

VOTE:

Ayes: Three (3)
Abstain: Three (3)
Nays: None

**Board Meeting
August 22, 2019
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Case#2018-009-009C (Blount and Charity)

Ms. Blount and Ms. Charity were not present and did not participate in the closed discussion.

Upon a motion by Ms. Warwick, and duly seconded, members voted unanimously to table their decision pending further discussion.

CALL FOR VOTE:

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

VOTE:

Ayes: Five (5)
Abstain: One (1)
Nays: None

Begin closed meeting

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

End closed meeting

Upon a motion by Ms. Warwick, 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

**Board Meeting
August 22, 2019
Draft/Unapproved minutes**

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:

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

VOTE:

Ayes: Six (6)
Nays: None

ADJOURNMENT

There being no further business before the VBOA, Mr. Carson adjourned the meeting at 4 p.m.

APPROVED:

D. Brian Carson, CPA, CGMA, Chair

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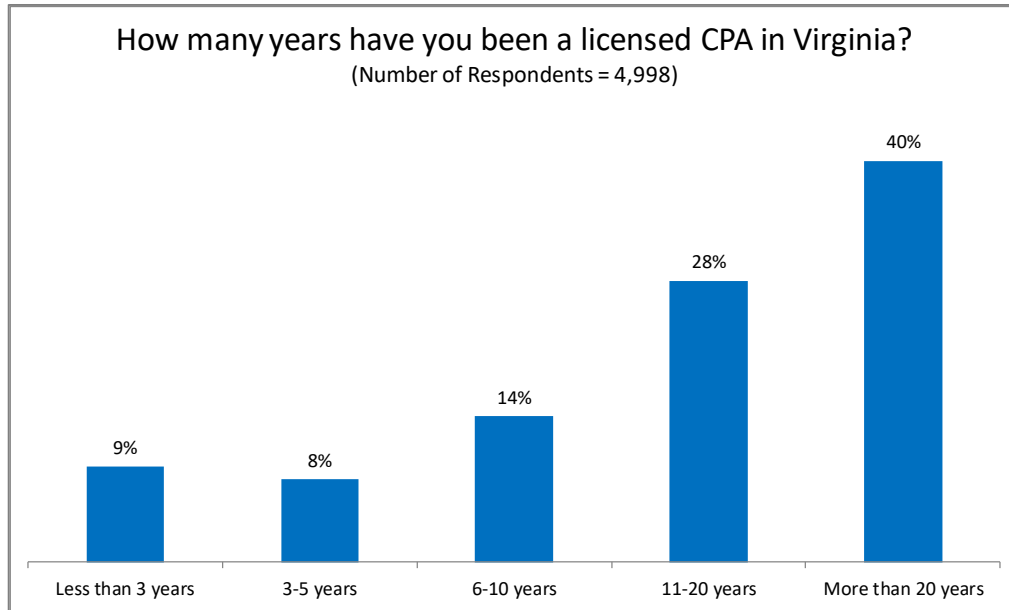
Nancy Glynn, CPA, Executive Director

Survey Methodology

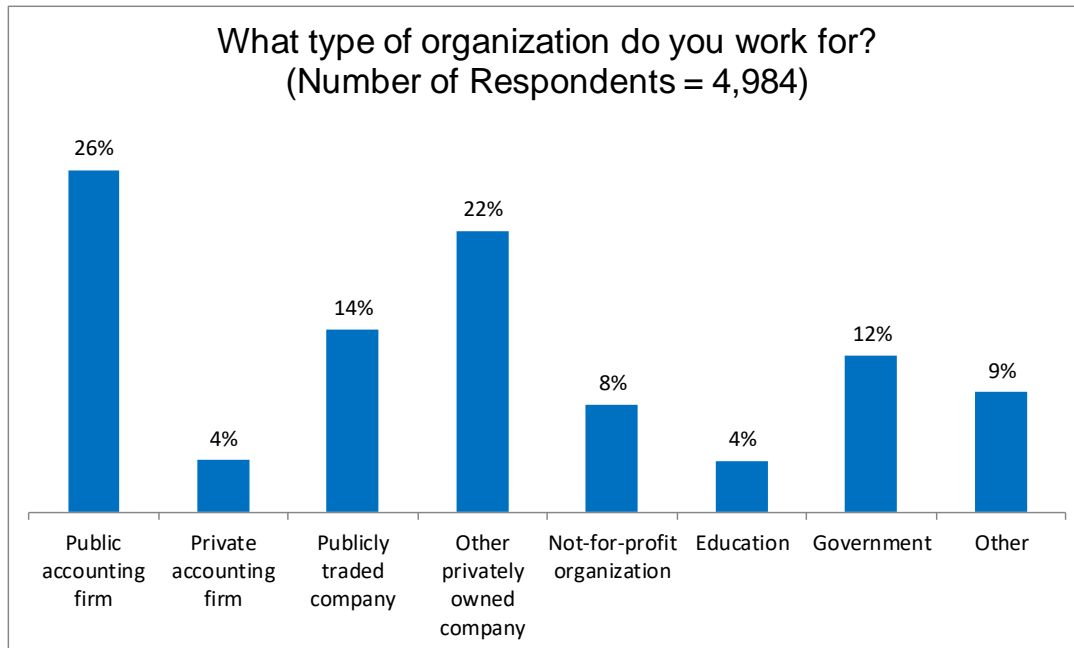
- Survey created by *Knowledge Advisory Group* in consultation with VBOA staff to assess opinions on CPE requirements
- Electronic survey sent to 26,435 VBOA licensees
- Survey responses collected over 2-week period (August 8- August 22)
- Responses received from 5,173 licensees (Response rate = 20%)



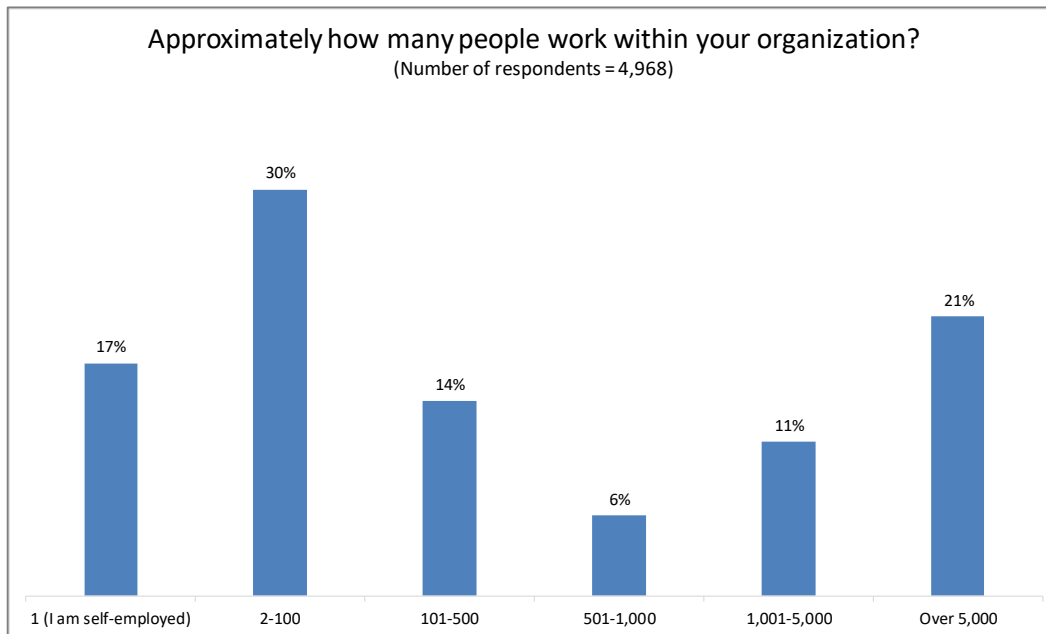
Majority of respondents have been a licensed CPA in Virginia for **at least 11 years**



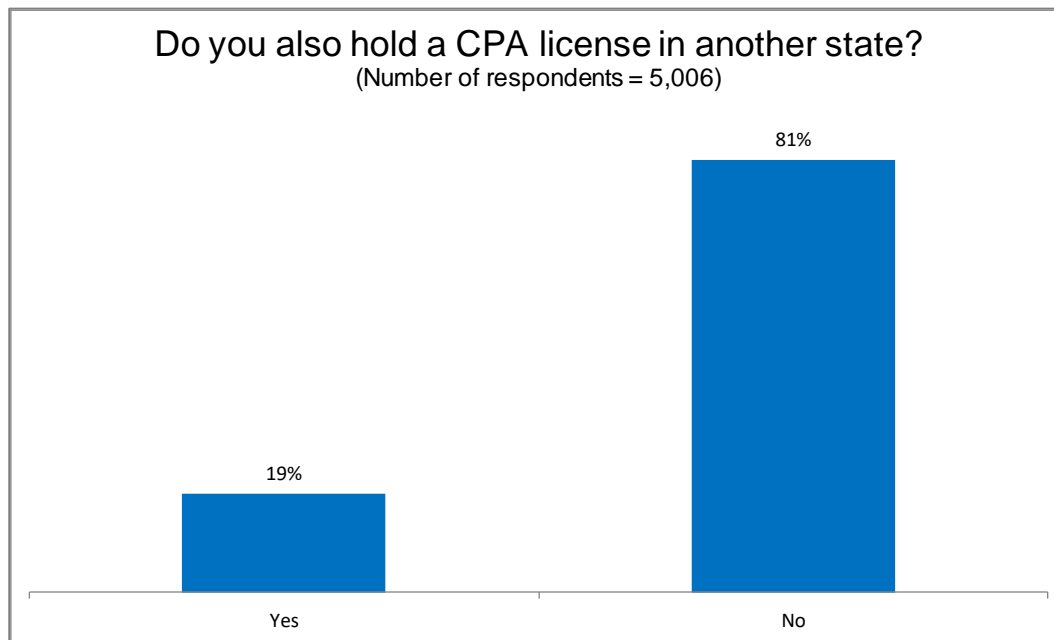
Most respondents work for a **Public accounting firm** or an **Other privately owned company**



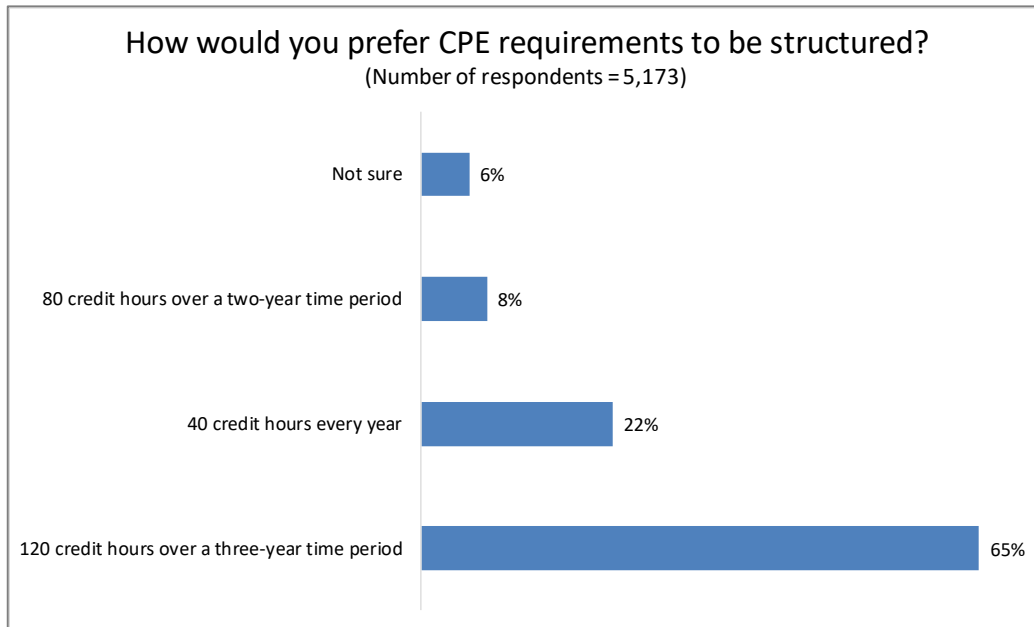
Nearly half of respondents were either **self-employed** or worked in a small organization with **2-100 employees**



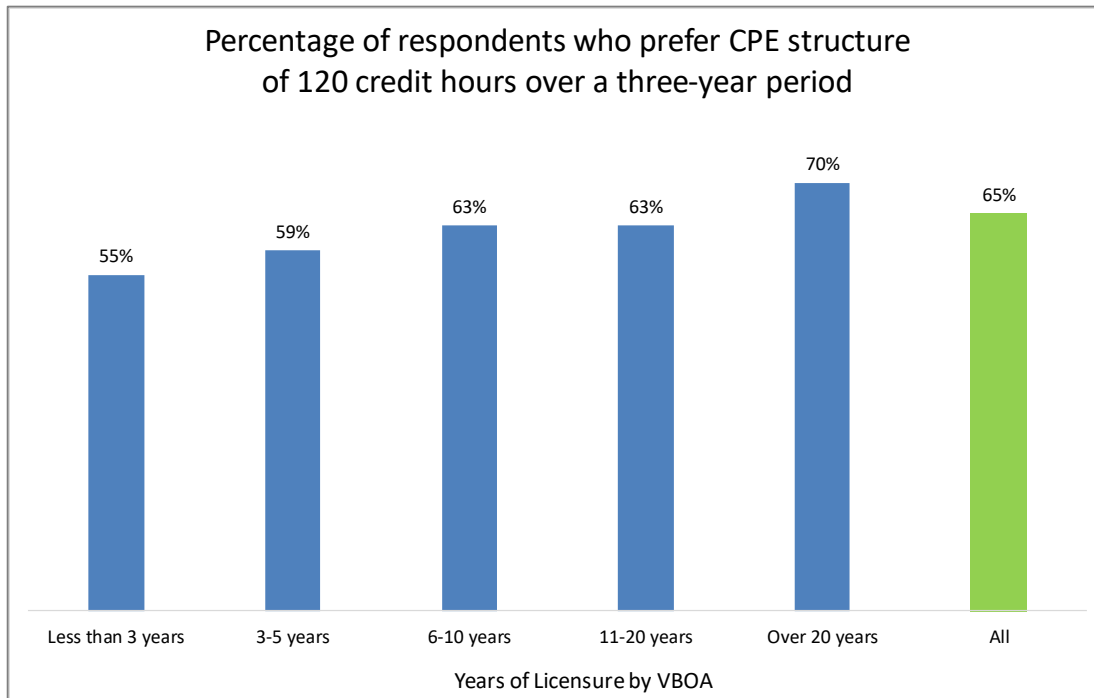
Most respondents **do not hold a CPA license in another state**



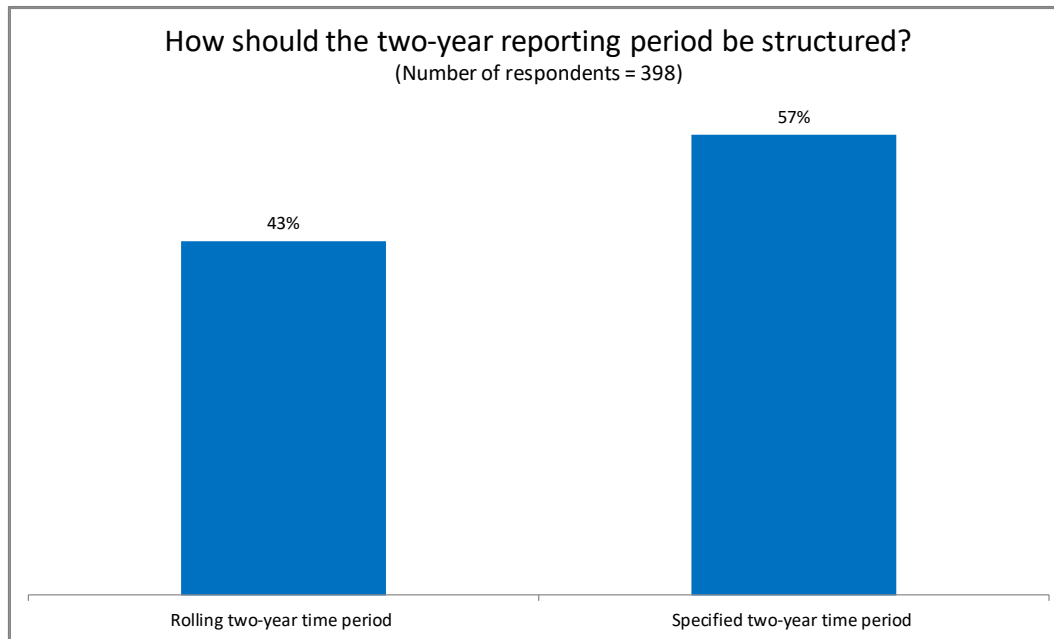
Most respondents prefer VBOA's current structure of CPE requirements: 120 credit hours over a three-year time period



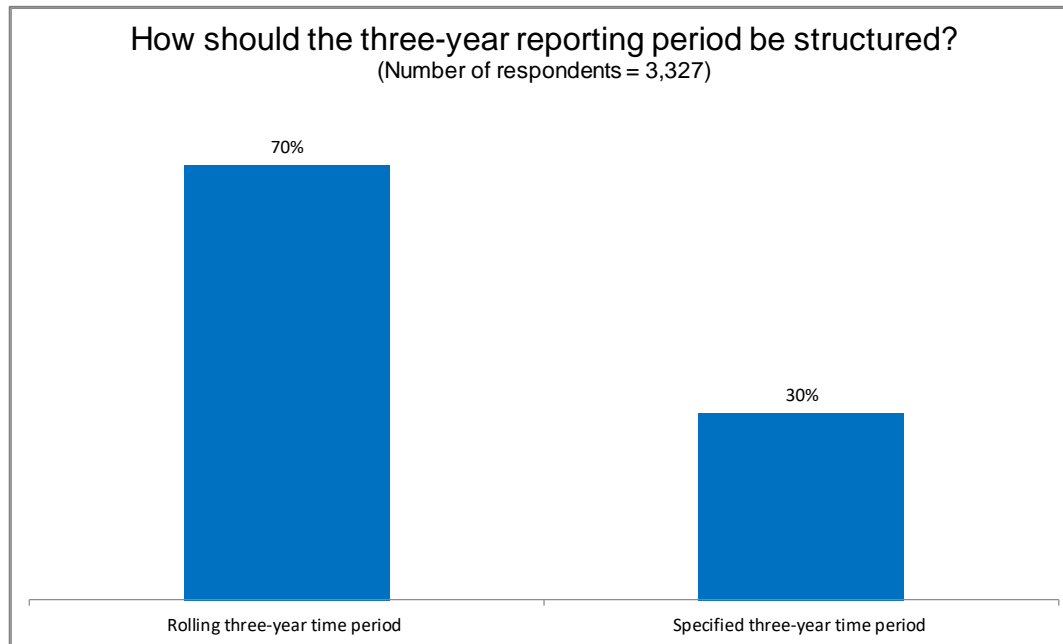
Majority prefer VBOA's **current structure of CPE requirements**, regardless of how many years they have been licensed



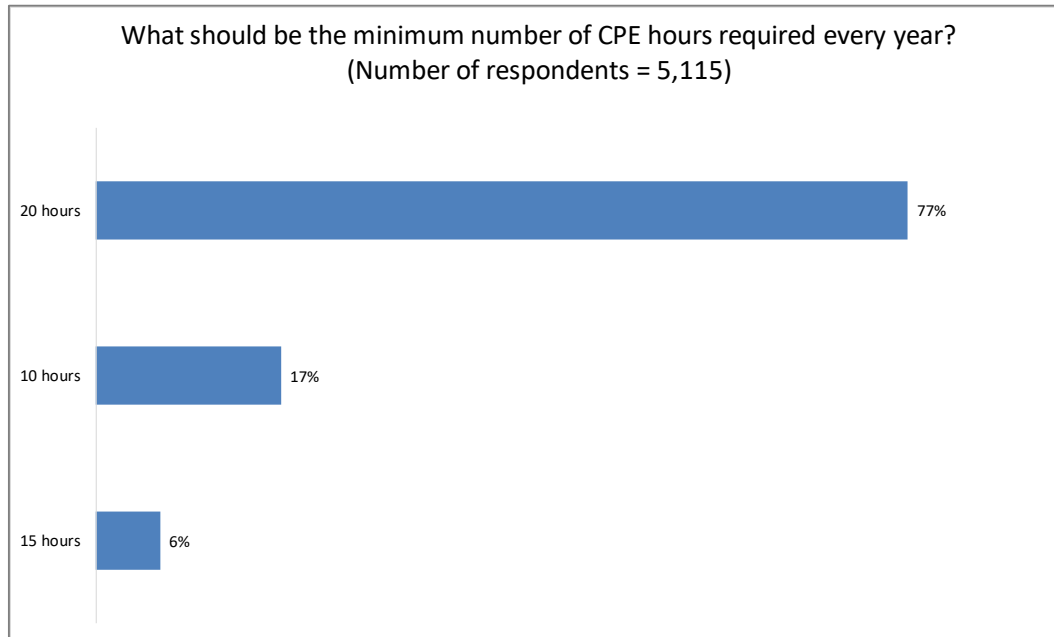
Among respondents who preferred a two-year reporting period, a slight majority favored a specified 2-year period rather than a rolling 2-year period



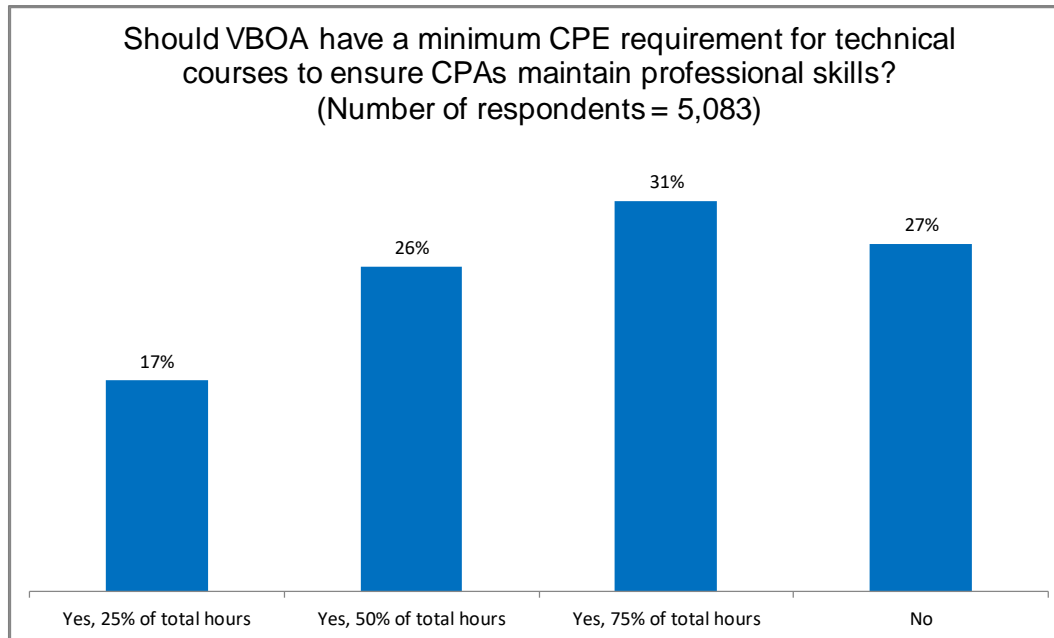
Among respondents who preferred a three-year reporting period, a majority favored a rolling 3-year period rather than a specified 3-year period



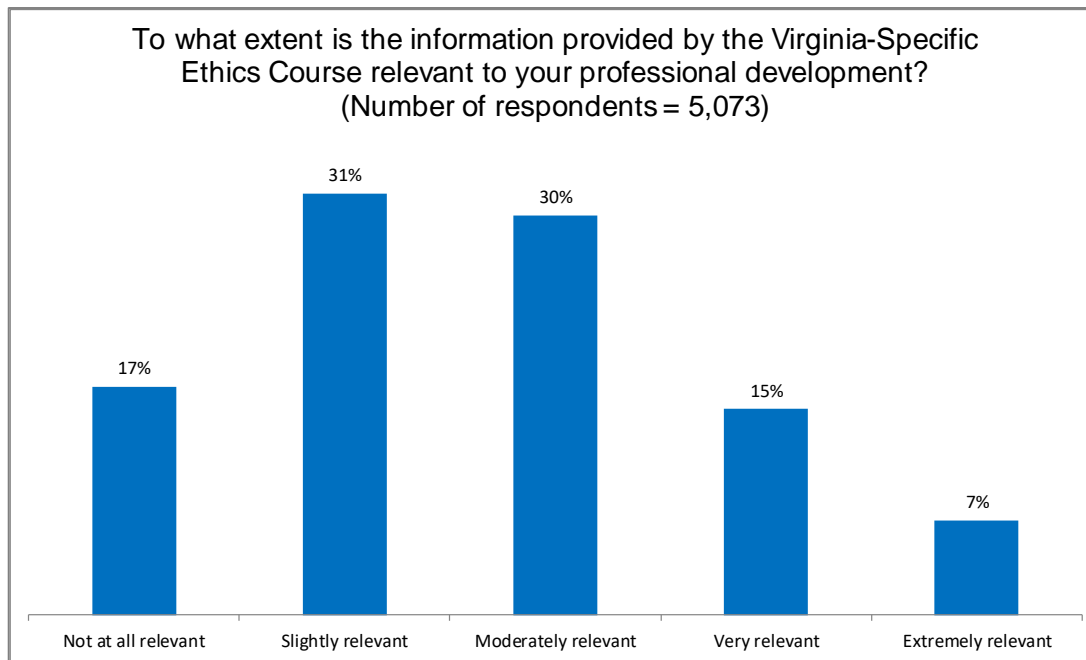
Majority of respondents indicated VBOA should continue to require a **minimum of 20 CPE hours per year**



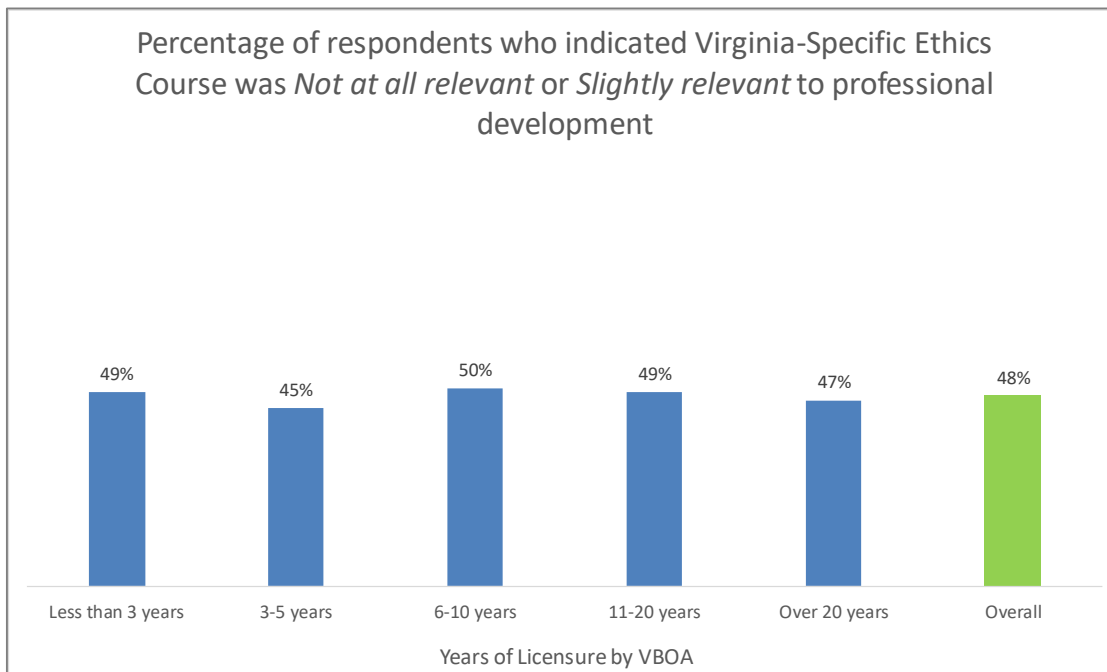
Most respondents indicated VBOA **should have minimum CPE requirements for technical courses** (e.g., *Accounting, Business Law*) as opposed to non-technical courses (e.g., *Sports, Recreation*)



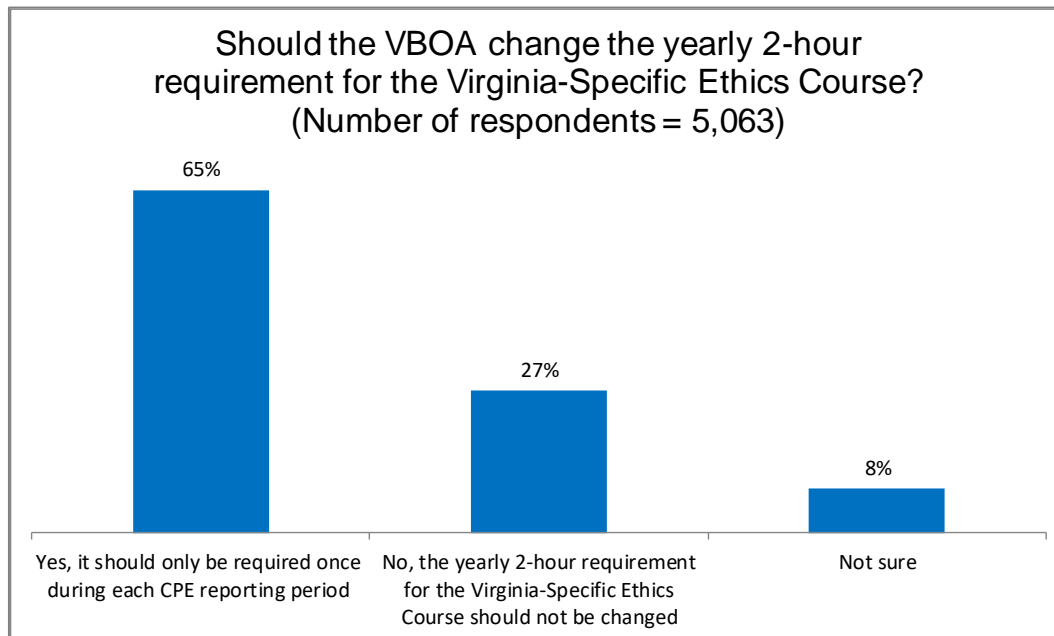
Nearly half of respondents indicated the Virginia-Specific Ethics Course was **Not at all relevant** or **Slightly relevant**



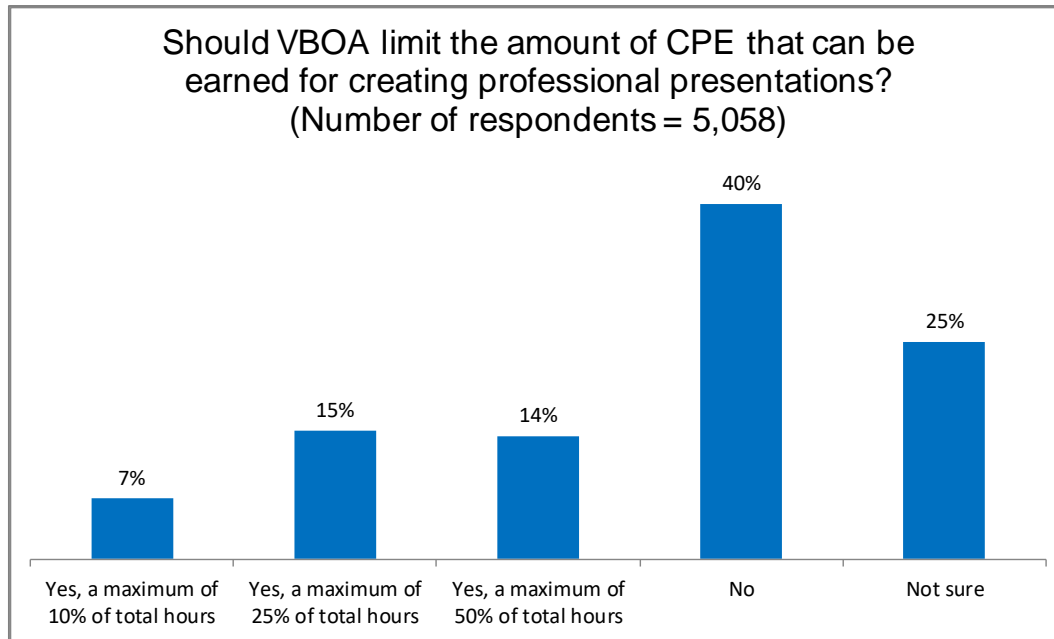
Percentage of respondents who indicated the Virginia-Specific Ethics Course was *Not at all relevant* or *Slightly relevant* does not appear to be related to number of years respondent has been licensed



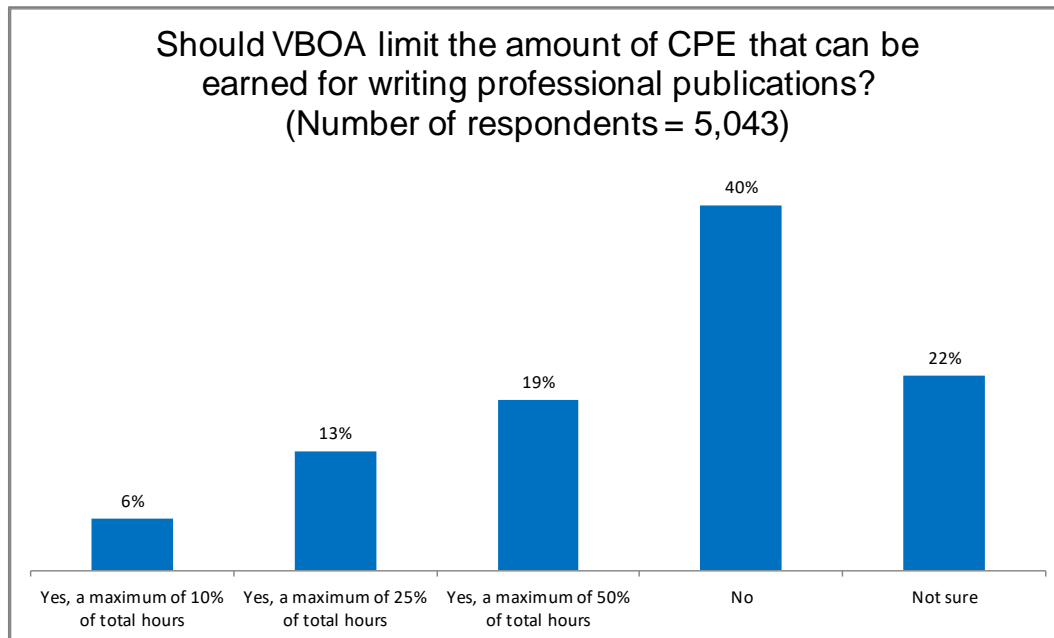
Most respondents indicated the yearly two-hour requirement for the Virginia-Specific Ethics Course should be changed to **once during each CPE reporting period** (i.e., once every three years for a three-year reporting period)



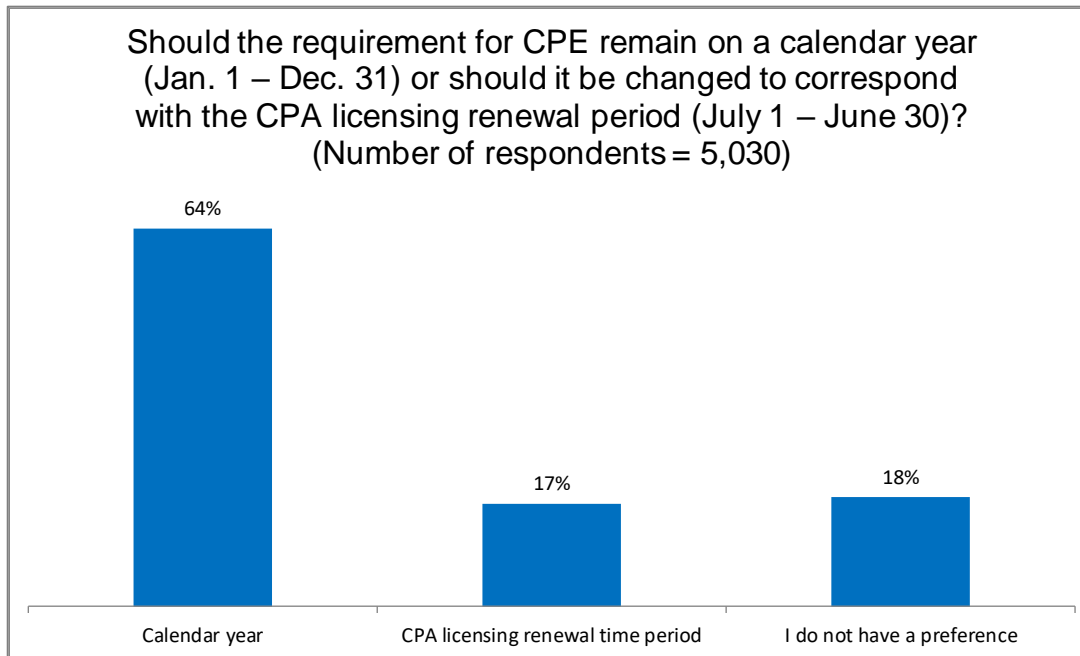
Although CPE earned by creating professional presentations is limited to 30 hours (or about 25% of total hours), over half of all respondents indicated the limit should be raised to 50% of total hours or eliminated altogether



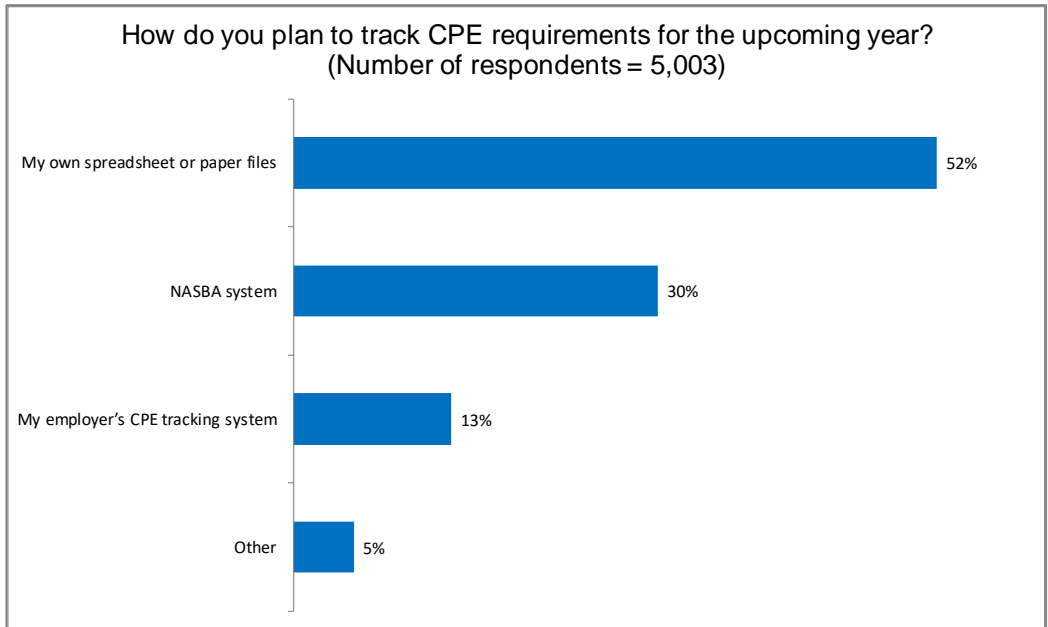
Only **one-third** of respondents indicated that VBOA should implement a new policy to limit the amount of CPE earned through professional publications



Most respondents indicated that CPE reporting requirements should continue to be tracked by **calendar year**



About half of respondents plan to use **their own spreadsheet or paper files** to track CPE requirements for the upcoming year



Summary and Recommendations

- Majority of respondents agree with current structure of CPE reporting requirements:
 - A minimum of **120 CPE credits** over a rolling 3-year period
 - A minimum of **20 CPE credits** per year
 - CPE tracking by **calendar year**
- VBOA may wish to consider making the following changes to CPE requirements, based on feedback from the licensees:
 - Creating a minimum number of **technical courses** to maintain professional skills
 - Reducing the **yearly ethics requirement** to once per reporting period
 - Increasing amount of CPE that may be earned for **professional presentations**



**FY20 Board Report
August 31, 2019**

<i>Period Ending</i>	08/31/19	08/31/18	06/30/19	6/30/18
REGULANTS				
Individuals				
Active, licensed CPAs	26,532	26,388	26,282	26,318
Active-CPE Exempt, licensed CPAs	1,824	1,620	1,784	1,585
Other licensed CPAs				
Total Licensed CPAs	28,356	28,008	28,066	27,903
Out-of-state licensees	8,527	8,387	8,435	8,330
Reinstatements - Individuals	39	25	162	178
New CPA licenses issued	265	238	1,133	1,227
Expired/Voluntary surrendered licenses	9	158	778	1,177
Exam Candidates				
Number of first time exam candidates	218	271	1,624	1,675
Firms				
Total active, licensed CPA firms	1,144	1,173	1,126	1,177
Reinstatements - Firms	3	-	10	10
New CPA firm licenses issued	16	9	38	74
Expired/Voluntary surrendered firm licenses	1	13	79	74
ENFORCEMENT				
Number of new enforcement cases ¹	3	19	49	85
<i>Types of Complaints</i>				
Unlicensed activity	2	5	14	20
Other disciplinary matters	1	14	35	65
CPE COMPLIANCE REVIEWS				
Number of CPE audits requested ²	-	440	1,699	2,402
<i>Status of CPE Compliance Reviews</i>				
Audits resulting in compliance	-	131	1,116	2,001
Audits resulting in deficiency	-	1	145	401
Audits resulting in surrender of license	-	-	9	32
Audits resulting in suspension of license	-	-	5	23
Audits open/pending review	431	308	438	-
CPE Audit Deficiency Rate		1%	11%	17%

¹ Numbers do not include cases resulting from CPE Deficiencies

² CPE audits selected through March 2019 - NASBA Implementation

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

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,386,575	270,132	19.5%	1,175,925	1,174,172	1,103,143
Total Salaries & Benefits	\$ 1,386,575	\$ 270,132	19.5%	\$ 1,175,925	\$ 1,174,172	\$ 1,103,143
<u>Contractual Services</u>						
1211 Express Services	150	-	0.0%	134	722	-
1214 Postal Services	12,000	3,904	32.5%	9,984	12,886	7,975
1215 Printing Services	5,500	278	5.1%	4,537	5,487	5,245
1216 Telecommunications - VITA	13,500	1,784	13.2%	12,539	11,613	12,272
1217 Telecommunications - Nonstate (CallFire)	300	350	116.7%	100	100	600
1219 Inbound Freight	150	-	0.0%	56	160	418
1221 Organization Memberships (primarily NASBA)	8,090	7,175	88.7%	7,625	7,255	7,250
1222 Publication Subscriptions	1,271	72	5.7%	1,271	1,266	4,730
1224 Training - Courses, Workshops, Conferences	7,290	199	2.7%	4,822	11,459	8,914
1225 Employee Tuition Reimbursement	-	-	---	1,618	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	11,000	3,048	27.7%	4,567	23,825	10,933
1228 Employee IT Training Courses/Workshops and Conferences	-	-	---	91	-	91
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	32,731	59.5%	34,498	48,558	53,790
1243 Attorney Services (Including OAG)	77,315	-	0.0%	62,020	51,736	24,844
1244 Mgmt. Services - NASBA/special accommodations - IT Support	34,000	3,485	10.2%	33,808	21,736	75,641
1245 Personnel Management Services	-	-	---	79	-	-
1246 Public Info/Public Relations (subscriptions)	3,470	-	0.0%	3,470	3,538	5,015
1247 Legal Services (Includes court reporting services)	1,500	276	18.4%	10,834	19,562	12,977
1252 Electrical Repair/Maintenance	-	-	---	-	-	90
1253 Equipment Repair/Maintenance	850	-	---	823	-	-
1263 Clerical / Temp Services	-	-	---	-	2,754	2,475
1264 Food and Dietary Services	3,600	248	6.9%	3,585	3,236	2,156
1265 Laundry & Linen Services	25	-	---	13	-	25
1266 Manual Labor Services (Includes shredding services)	3,720	-	0.0%	320	394	1,122
1268 Skilled Services	1,200	-	---	1,138	-	-
1272 VITA Pass Thru Charges	133,205	-	0.0%	133,466	135,170	122,620
1273 Info Mgmt Design and Development Services (Project Manager and Website)	92,936	2,315	2.5%	108,923	94,600	-
1275 Computer Software Maintenance	74,800	-	---	-	-	-
1278 VITA Information Technology Infrastructure Services	185,240	-	0.0%	146,380	119,126	90,483
1279 Computer Software Development Services	149,500	-	0.0%	234,015	346,155	-
1282 Travel - Personal Vehicle	7,500	896	11.9%	6,603	8,099	6,980
1283 Travel - Public Carriers	-	-	---	77	-	589
1284 Travel - State Vehicles	1,000	-	0.0%	200	652	619
1285 Travel - Subsistence and Lodging	1,500	121	8.0%	1,612	2,182	1,250
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	95	9.5%	824	1,423	730
Total Contractual Services	\$ 886,612	\$ 56,975	6.4%	\$ 830,032	\$ 933,694	\$ 459,834
<u>Supplies and Materials</u>						
1311 Apparel Supplies	-	-	---	-	-	248
1312 Office Supplies	4,500	107	2.4%	3,783	5,023	4,338
1313 Stationery and Forms	2,300	481	20.9%	1,844	2,028	2,214
1323 Gasoline (Enterprise vehicles)	250	-	0.0%	103	221	155
1335 Packaging and Shipping Supplies	800	-	0.0%	1,237	485	958
1342 Medical & Dental Supplies	50	-	0.0%	5	-	260

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	-	---	-	389	41
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	8
1362 Food & Dietary Supplies	525	17	3.2%	365	498	561
1363 Food Service Supplies	50	-	0.0%	56	62	107
1364 Laundry & Linen Supplies	-	-	---	-	-	24
1373 Computer Operating Supplies	4,100	-	0.0%	3,989	3,194	7,004
Total Supplies & Materials	\$ 12,575	\$ 605	4.8%	\$ 11,382	\$ 11,900	\$ 15,919
<u>Transfer Payments</u>						
1413 Awards & Recognition	150	-	0.0%	1,033	848	863
1418 Incentives	1,200	-	---	325	-	410
Total Transfer Payments	\$ 1,350	\$ -	0.0%	\$ 1,358	\$ 848	\$ 1,273
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,112	679	8.4%	8,507	8,645	8,460
1539 Building Rentals - Non-State Owned Facilities	95,918	15,880	16.6%	93,416	90,982	88,126
1541 Agency Service Charges (DOA, PSB, DHRM, & eVA)	36,434	-	0.0%	37,335	38,169	36,071
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,044	-	0.0%	1,044	978	968
Total Continuous Charges	\$ 143,191	\$ 16,559	11.6%	\$ 141,985	\$ 140,457	\$ 135,308
<u>Equipment</u>						
2216 Network Components	1,500	64	4.3%	452	341	1,117
2217 Other Computer Equipment	500	-	0.0%	1,590	685	300
2218 Computer Software Purchases	-	-	---	419	540	2,157
2224 Reference Equipment	50	-	0.0%	32	80	26
2231 Electronic Equipment	-	-	---	-	-	164
2232 Photographic Equipment	-	-	---	-	552	845
2233 Voice and Data Transmission Equipment	-	-	---	511	164	-
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	-	---	3,791	6,125	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	177	117.9%	348	94	-
2262 Office Furniture	5,000	-	0.0%	5,666	555	3,375
2263 Office Incidentals	500	114	22.7%	109	969	2,646
2264 Office Machines	-	-	---	412	65	928
2268 Office Equipment Improvements	-	-	---	-	-	129
2271 Household Equipment	-	-	---	-	-	342
Total Equipment	\$ 7,700	\$ 354	4.6%	\$ 13,330	\$ 10,170	\$ 12,029
Total Expenses	\$ 2,438,003	\$ 344,626	16.4%	\$ 2,174,012	\$ 2,271,240	\$ 1,727,506
Chapter 854 Appropriation	\$ 2,104,195					
Additional Appropriation Request	\$ 333,808					
Total Projected Appropriation	\$ 2,438,003					

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

	Operating Fund (09226)		Special Fund (02020)	
	FY2020 - YTD as of 8/31/19	FY2019 - YTD as of 8/31/18	FY2020 - YTD as of 8/31/19	FY2019 - YTD as of 8/31/18
Beginning Fund Balance July 1:	\$ 681,659	\$ 614,003	\$ 4,405,230	\$ 3,700,807
YTD Revenue Collected *	83,940	302,186	-	-
Accounts Payable **	672	30,484	-	-
Cash Transfers In per Board Policy #1	284,552	-	-	-
Cash Transfers Out per Board Policy #1	-	-	(284,552)	-
YTD Expenditures	(344,626)	(369,835)	-	-
Cash Balance before required transfers	\$ 706,197	\$ 576,839	\$ 4,120,678	\$ 3,700,807
Required Cash Transfers:				
Transfers to Central Service Agencies ***	\$ (11,302)	\$ (11,302)	-	-
Cash Balance after required transfers	\$ 694,895	\$ 565,537	\$ 4,120,678	\$ 3,700,807

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

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

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

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

Fee Type	FY2020 - YTD as of 8/31/19	FY2019 - YTD as of 8/31/18	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Application Fee	\$ 45,815	\$ 51,545	\$ 300,895	\$ 309,965	\$ 333,960
(a) Re-Exam Application	\$ 15,140	\$ 14,180	\$ 95,420	\$ 90,580	\$ 115,480
(b) Renewal Fee	\$ 71,440	\$ 230,991	\$ 2,328,986	\$ 1,859,054	\$ 2,086,540
Reinstatement Fee	\$ 15,850	\$ 8,200	\$ 63,600	\$ 64,570	\$ 45,775
Duplicate Wall Certificate Fee	\$ 325	\$ 275	\$ 1,850	\$ 1,950	\$ 1,775
License Verification Fee	\$ 3,700	\$ 3,575	\$ 18,950	\$ 20,025	\$ 20,487
CPA Exam Score Transfers	\$ 425	\$ 450	\$ 1,950	\$ 2,325	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ -	\$ 5,100
Administrative Fee	\$ -	\$ -	\$ -	\$ 1,000	\$ 5,100
Bad Check Fee	\$ 50	\$ -	\$ 50	\$ 150	\$ 50
Total Revenue	\$ 152,745	\$ 309,216	\$ 2,811,701	\$ 2,349,619	\$ 2,616,342
(c) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 83,940	\$ 302,186	\$ 2,870,760	\$ 2,338,729	\$ 2,604,132
(d) Difference	\$ 68,805	\$ 7,030	\$ (59,059)	\$ 10,890	\$ 12,210

NOTES:

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

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

	FY2020 - YTD as of 8/31/19	FY2019 - YTD as of 8/31/18	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Fines levied	\$ 11,750	\$ 30,150	\$ 221,523	\$ 326,285	\$ 187,925
Fines collected	\$ 13,663	\$ 48,527	\$ 191,199	\$ 258,879	\$ 198,771
Fines on appeal	\$ 25,000	\$ -	\$ 250	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 30,630	\$ 73,666	\$ 60,230	\$ 92,026	\$ 25,442
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 656,780	\$ 592,206	\$ 654,093	\$ 592,222	\$ 591,400

NOTE:

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

Cash Flow and Trust Fund Balance
Projections FY20 - FY24
Fiscal Year 2020

	FYE 6/30/19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	FYE 6/30/20	FYE 6/30/21	FYE 6/30/22	FYE 6/30/23	FYE 6/30/24
Operating Account Balance (Forecasted)																		
Beginning Balance	\$ 614,003	\$ 723,562	\$ 541,615	\$ 706,196	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 723,562	\$ 609,501	\$ 594,002	\$ 605,954	\$ 608,422
Deposits																		
Renewal Fees	2,388,045	-	-	-	-	-	-	-	-	257,474	343,298	600,772	514,947	1,716,490	1,699,315	1,656,670	1,640,217	1,607,299
Other Fees	482,715	44,590	39,350	40,250	40,250	40,250	40,250	40,250	40,250	40,250	40,250	40,250	40,250	486,440	480,000	470,000	465,000	460,000
Interest	13,481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Deposits	2,884,241	44,590	39,350	40,250	40,250	40,250	40,250	40,250	40,250	297,724	383,548	641,022	555,197	2,202,930	2,179,315	2,126,670	2,105,217	2,067,299
Expenditures	(2,132,110)	(226,537)	(159,321)	(173,512)	(185,741)	(315,897)	(231,347)	(208,155)	(181,250)	(180,659)	(185,987)	(204,097)	(185,500)	(2,438,003)	(2,376,009)	(2,423,814)	(2,433,688)	(2,482,949)
Increase (Decrease) in Cash	1,366,134	541,615	421,644	572,934	464,010	333,854	418,404	441,596	468,501	726,566	807,062	1,046,426	979,198	488,489	412,807	296,858	277,483	192,772
Transfers From (To) Trust Account	(631,270)	-	284,552	36,567	145,491	275,647	191,097	167,905	141,000	(117,065)	(197,561)	(436,925)	(369,697)	121,012	181,195	309,095	330,940	427,965.25
Transfers To General Fund	(11,302)																	
Ending Balance	\$ 723,562	\$ 541,615	\$ 706,196	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 609,501	\$ 594,002	\$ 605,954	\$ 608,422	\$ 620,737
Trust Account Balance (Forecasted)																		
Beginning Balance	\$ 3,700,807	\$ 4,405,229	\$ 4,405,229	\$ 4,120,677	\$ 4,084,110	\$ 3,938,619	\$ 3,662,972	\$ 3,471,875	\$ 3,303,970	\$ 3,162,970	\$ 3,280,035	\$ 3,477,596	\$ 3,914,520	\$ 4,405,229	\$ 4,284,217	\$ 4,103,022	\$ 3,793,927	\$ 3,462,987
Interest	73,152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers From (To) Operating Account	631,270	-	(284,552)	(36,567)	(145,491)	(275,647)	(191,097)	(167,905)	(141,000)	117,065	197,561	436,925	369,697	(121,012)	(181,195)	(309,095)	(330,940)	(427,965)
Ending Balance	\$ 4,405,229	\$ 4,405,229	\$ 4,120,677	\$ 4,084,110	\$ 3,938,619	\$ 3,662,972	\$ 3,471,875	\$ 3,303,970	\$ 3,162,970	\$ 3,280,035	\$ 3,477,596	\$ 3,914,520	\$ 4,284,217	\$ 4,284,217	\$ 4,103,022	\$ 3,793,927	\$ 3,462,987	\$ 3,035,022
Renewals for 6/30/20	1,720,892																	
Pro-rated renewals	677,414																	

Minimum Trust Fund Balance					
	FYE 6/30/20	FYE 6/30/21	FYE 6/30/22	FYE 6/30/23	FYE 6/30/24
Projected Expenditures	\$ 2,376,009	\$ 2,423,814	\$ 2,433,688	\$ 2,482,949	\$ 2,493,243
Contingency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Minimum balance to maintain	3,376,009	3,423,814	3,433,688	3,482,949	3,493,243
Trust Fund Balance	\$ 4,284,217	\$ 4,103,022	\$ 3,793,927	\$ 3,462,987	\$ 3,035,022
Operating Fund Balance	609,501	594,002	605,954	608,422	620,737
Less minimum balance	(3,376,009)	(3,423,814)	(3,433,688)	(3,482,949)	(3,493,243)
	\$ 1,517,709	\$ 1,273,210	\$ 966,192	\$ 588,460	\$ 162,516

VBOA Policy #1

Trust Account

TITLE:**EFFECTIVE DATE:**

September 30, 2019

AUTHORITY:

Code of Virginia § 54.1-4405.1

POLICY STATEMENT:

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

Annually, as part of the operating budget approval process, the VBOA shall approve the balance and minimal level of funding required in the Trust Account. This annual evaluation shall consider the VBOA's needs as it relates to forecasted activities, and on the national climate and experiences of the other state boards of accountancy. VBOA will approve the minimum level of funding and evaluate the Trust Account balance to determine if a fee adjustment is necessary..

Funds shall be transferred to and from the Trust Account in accordance with § 54.1-4405.1 to support the operating budget.

APPROVAL AND REVIEW: This VBOA policy was reviewed on September 30, 2019.

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

SUPPRESSION:**VBOA CHAIR AT
LAST REVIEW:**

D. Brian Carson, CPA, CGMA

**VBOA MEMBERS AT
LAST REVIEW:**

Laurie A. Warwick, CPA, Vice Chair
Matthew P. Boshier
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Nadia A. Rogers, CPA
Stephanie S. Saunders, CPA

EXECUTIVE DIRECTOR:

Nancy J. Glynn, CPA

VBOA Policy #1

Trust Account

TITLE:

EFFECTIVE DATE:

~~December 31, 2018~~ September 30, 2019

AUTHORITY:

Code of Virginia § 54.1-4405.1

POLICY STATEMENT:

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

~~Annually, as part of the operating budget approval process, the VBOA shall approve the balance and minimal level of funding required in the Trust Account. As part of the operating budget approval process This annual evaluation shall consider the VBOA's needs as it relates to forecasted activities, and on the national climate and experiences of the other state boards of accountancy. VBOA will approve the minimum level of funding and evaluate the Trust Account balance to determine . The VBOA shall evaluate the balance in the Trust Account to determine if a fee adjustment is necessary. The annual evaluation shall consider the VBOA's needs as it relates to the purpose for the Trust Account, and on the national climate and experiences of the other state boards of accountancy.~~

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

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

APPROVAL AND REVIEW:

This VBOA policy was reviewed on ~~December 4, 2018~~ September 30, 2019.

SUPPRESSION:

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

**VBOA CHAIR AT
LAST REVIEW:**

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

**VBOA MEMBERS AT
LAST REVIEW:**

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

EXECUTIVE DIRECTOR:

W. Barclay Bradshaw, CPA

William R. Brown, CPA

[Nadia A. Rogers, CPA](#)

Stephanie S. Saunders, CPA

[Laurie A. Warwick, CPA](#)

Nancy J. Glynn, CPA



Requested and new changes to proposed regulations

September 30, 2019

Requested changes from August 22, 2019 board meeting

- Removed language RE limiting the number of exam attempts to 40 in 80(A) (*we will be pursuing this change through exempt rulemaking*)
- 170(B) specifies the 30 day notice period for changes in legal name as well as disclosure of sanctions
 - 170(B)6) adds the peer review language from UAA 11(2)
- 180(B) specifies that the window for renewal begins on March 1 of each calendar year

New changes to proposed regulations

- 90(B) adds language to clarify how many CPEs an individual will be responsible for upon initial licensure based on when he/she submits the complete contents of the application package
 - 90(B)(1) removes the ethics requirement for someone who submits their full application package in the same calendar year they pass the CPA exam (as they would be taking no other CPEs for that year)
- 90(C) proposes a rule that limits how long someone can wait to apply for CPA licensure after passing the CPA exam
- 90(D)(2) addresses the need to take ethics in Virginia for a licensed individual from another state

Board of Accountancy Regulations with Potential Changes

September 30, 2019

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

Chapter 22. Board of Accountancy Regulations

18VAC5-22-10. Definitions.

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

Statutory Authority

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

Historical Notes

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

18VAC5-22-20. Fees.

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

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

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

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

Statutory Authority

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

Historical Notes

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

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

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

Statutory Authority

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

Historical Notes

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



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

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

Statutory Authority

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

Historical Notes

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

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

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

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

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

Statutory Authority

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

Historical Notes

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

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

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

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

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

Statutory Authority

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


Historical Notes

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

18VAC5-22-70. Education.

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

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

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

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

Statutory Authority

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


Historical Notes

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

18VAC5-22-80. Examination. **NOTE: SECTION 80 WILL BE PURSUED VIA THE EXEMPT RULEMAKING PROCESS**

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

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



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

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

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

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

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

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

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

Statutory Authority

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



18VAC5-22-90. Continuing professional education.

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

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

1. If he applies in the same calendar year in which he passed the CPA examination, and submits the entire completed application package by the end of the same calendar year, he will not have to complete additional continuing professional education hours unless he meets the condition in subsection C.

2. If he applies in the calendar year after the calendar year in which he passed the CPA examination or does not submit the entire completed application package until the calendar year after the calendar year in which he passed the CPA examination, he must complete a minimum of 40 continuing professional education hours, which must include the current ethics course of at least two hours prescribed by the board;

3. If he applies two calendar years after the calendar year in which he passed the CPA examination or does not submit the entire completed application package until two calendar years after the calendar year in which he passed the CPA examination, he must complete a minimum of 80 continuing professional education hours, which must include the current ethics course of at least two hours prescribed by the board; or

4. If he applies three or more calendar years after the calendar year in which he passed the CPA examination or does not submit the entire completed application package until three or more calendar years after the calendar year in which he passed the CPA examination, he must complete a minimum of 120 continuing professional hours, which must include the current ethics course of at least two hours prescribed by the board.

C. If more than five years has elapsed since a person successfully passes the CPA examination and the person has not yet applied for the issuance of an initial Virginia license, he must complete 120 continuing professional education hours prior to submitting the application for licensure. In determining whether a person has met the requirements subsections B and C, the board will only accept continuing professional education hours earned during the current calendar year and the three calendar years prior to the current calendar year.

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

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

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

2. ~~Otherwise~~ If the state which the individual holds an active license does not have an ethics requirement, then the ethics course shall conform to the requirements prescribed by the board in order to satisfy the continuing professional education requirements in Virginia.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Historical Notes

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



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

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

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

2. Completing courses at an accredited institution for credit;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18VAC5-22-100. Experience.

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

Statutory Authority

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

Historical Notes

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

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

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

Statutory Authority

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



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

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

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

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

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

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

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

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

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

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

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

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

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

18VAC5-22-160. Confidential consent agreements.

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

Statutory Authority

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

Historical Notes

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

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

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

B. Each holder of a Virginia license shall notify the board in writing within 30 calendar days of:

1. ~~any~~ Any change in the holder's legal name or in the postal and electronic addresses where the person or firm may be reached;

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

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

4. Any guilty plea or plea of nolo contendere;

5. Any judgment rendered against the holder in a civil court of law; or

6. Any receipt of a peer review report or a PCAOB firm inspection report containing criticisms of or identifying potential defects in the firm's quality control systems.

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

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

Statutory Authority

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

Historical Notes

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

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

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

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

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

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

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

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

May 31, 2019	\$75	June 30, 2020
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~~C. Any Virginia license issued or reinstated from July 1, 2018, to on or before March 31, 2019, shall expire on June 30, 2019, and its holder shall pay the fee prescribed in 18VAC5-22-20 upon submission of a completed license application. Beginning April 1, 2019, any Virginia license issued or reinstated during the months of April, May, or June shall expire on June 30 of the succeeding calendar year, and its holder shall pay the fee prescribed in 18VAC5-22-20 upon submission of a completed license application.~~

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



B. If a person or entity applies for an initial license or reinstatement on or after March 1 of a calendar year, the license will not expire until June 30 of the following calendar year.

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

Statutory Authority
 §§ 54.1-4402 and 54.1-4403 of the Code of Virginia.
Historical Notes
 Derived from Virginia Register Volume 34, Issue 19, eff. June 13, 2018.

VBOA Policy #4

Continuing Professional Education Guidelines for CPAs

TITLE:**EFFECTIVE DATE:**

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

AUTHORITY:

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

POLICY STATEMENT:

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

General guidelines

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

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

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

Virginia-Specific Ethics Course

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

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

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

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

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

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

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

Qualifying CPE other than the Virginia-Specific Ethics Course

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

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

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

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

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

CPE reporting period

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

CPE compliance reviews

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

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

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

CPE documentation requirements

Required documentation can generally be satisfied by providing:

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

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

Retention requirements for CPE documentation

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

CPE violations

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

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

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

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

APPROVAL AND REVIEW:

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

SUPPRESSION:

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

VBOA CHAIR AT LAST REVIEW:

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

VBOA MEMBERS AT LAST REVIEW:

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

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EXECUTIVE DIRECTOR:

Nancy J. Glynn, CPA

VBOA Policy #9

TITLE:

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

EFFECTIVE DATE:

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

AUTHORITY:

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

POLICY STATEMENT:

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

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

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

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

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

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

APPROVAL AND REVIEW:

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

SUPPRESSION:

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

**VBOA CHAIR AT
LAST REVIEW:**

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

**VBOA MEMBERS AT
LAST REVIEW:**

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~~Laurie A. Warwick, CPA~~

EXECUTIVE DIRECTOR:

Nancy J. Glynn, CPA

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

Alternative descriptors for Inactive:

- Interim
- Hiatus
- On pause
- Conditional
- Lapsed

Virginia-Specific Ethics Course 2020 Draft Outline

1. Introduction Video

- Brief video explaining the objectives for the 2020 VA Specific Ethics course (Brian and Laurie).

2. Enforcement

- Prior year's enforcement cases and statistics – making ethical decisions on a daily basis.

3. Complaint Process

- Explain the VBOA enforcement complaint process to include the extensive enforcement and investigative process (include vignettes, video or storyboard).

4. Virginia Regulatory Updates

- Discuss the annual June 30 license renewal date for all individual licensees and firms and the responsibility of the licensee to renew. VBOA provides courtesy reminders.
- Discuss the “no grace” period for license renewal. There are no late renewal fees. If the license is not renewed on or before June 30, the license will go into expired status. Reinstatement of the license is required once the license is in expired status.
- Discuss the license reinstatement requirements once the license has expired.
- Discuss continuous testing for the Uniform CPA Examination
- Discuss CPE, at a high level -
 - Include an explanation of what the VBOA CPE requirements are.
 - Include an explanation of what documents are acceptable forms of CPE.
 - Include an explanation of the rolling 3-year CPE reporting period.
 - Discuss the NASBA CPE Audit Service and benefits to using the system.
 - Explain the new June 30 renewal date will not have an impact on the CPE reporting period.
- Hold a place for Active - CPE Exempt status possible updates.
- AICPA Code of Professional Conduct
- Discuss PEEC (Professional Ethics Executive Committee) updates
- Volunteering
 - Focus on what the CPA can do while including what the CPA cannot do as a volunteer (Perhaps with updated guidelines)

5. Ethical Decision Making

- Presentation of ethical dilemmas – present vignettes, discuss, present outcome of vignette. Provide “What would you do?” scenarios.
 - Some potential topics
 - How to say no to an employer or client.
 - Better communication to avoid ethical lapses
 - Professional skepticism

- Fraud triangle scenarios – rational, opportunity and pressure- generally starts small and develops.
- Client confidentiality/cybersecurity
- Social media as it relates to the profession (acts discreditable).
- Examples of ethical decision-making.

6. Complete standard evaluation form (to be developed)

7. Instructor criteria, approval, and evaluation (to be developed)