

Tuesday, August 18, 2020

Board Meeting Agenda

Board Room #4

2nd Floor Conference Center

9960 Mayland Drive

Henrico, VA 23233

Join by phone

(513) 788-2780 PIN: 751 077 591

- 10 a.m. Call to Order – **D. Brian Carson, CPA, CGMA, Chair**
Security Briefing – **Patti Hambright, Administrative Assistant**
Determination of Quorum
Approval of August 18, 2020, Agenda
Approval of June 23, 2020, Board meeting minutes
Public comment period*
Approval of Consent Agenda:
Consent Orders:
- 2017-117-026U
 - 2019-205-017U
 - 2019-225-019U
 - 2019-230-022U
 - 2019-232-024U
 - 2019-252-027U
 - 2020-002-001U
- 10:15 a.m. 1. Conflict of Interest Training – **G. Stewart Petoe, Executive Director, Virginia Conflict of Interest and Ethics Advisory Council**
- 10:40 a.m. 2. MLO Upgrade – **Mike Ulrey and Nick Cook, Systems Automation**
- 11 a.m. 3. Proposed UAA changes and NASBA overview – **Daniel J. Dustin, CPA, NASBA, Vice President, State Board Relations**
- 11:45 a.m. 4. 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**
- 12 p.m. 5. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - CPE Revised Audit Results – **Nancy Glynn, CPA, Executive Director**
 - Financial and Board Report update – **Renai Reinholtz, Deputy Director**
 - 5-year Financial Forecast
 - Enforcement update– **Amanda E. M. Blount, Enforcement Director**

- Regulatory update – **Elizabeth Marcello, Information and Policy Analyst**
 - Public hearing on proposed regulations

12:30 p.m. 6. Adjourn for lunch

- 1 p.m. 7. Board Discussion Topics – **D. Brian Carson, CPA, CGMA, Chair**
- Ethics course update following Ethics Committee meeting
 - VBOA comment for Model Rules on Education (August 31)
 - Prioritization of enforcement cases
 - Publication of disciplinary action

- 2 p.m. 8. Additional Items for Discussion
- Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates
 - October 8, 2020

- 2:15 p.m. 9. Closed Session
Enforcement – **Amanda E.M. Blount, Enforcement Director**
- OAG and legal updates
 - Final Orders
 - 2019-176-014U (Blount, Glynn, Warwick and Winters)
 - 2020-023-023C (Glynn and Winters)
 - 2020-056-056C (Glynn and Winters)
 - 2020-093-093C (Blount and Glynn)

3:30 p.m. Adjournment

***For those attending the meeting virtually, any public comments must be emailed to boa@boa.virginia.gov with the subject line: Board meeting public comments and received by August 17, 2020.**

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

**Board Meeting
June 23, 2020
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Tuesday, June 23, 2020, in Board Room #4 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: D. Brian Carson, CPA, CGMA, Chair
Matthew P. Boshier, Esq.
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Nadia A. Rogers, CPA
Stephanie S. Saunders, CPA

**MEMBER APPEARING
VIRTUALLY:** Laurie A. Warwick, CPA, Vice Chair

**LEGAL COUNSEL BY
TELECONFERENCE:** James Flaherty, Assistant Attorney General,
Office of the Attorney General

STAFF PRESENT: Nancy Glynn, CPA, Executive Director
Renai Reinholtz, Deputy Director
Amanda E. M. Blount, Enforcement Director
Nicholas R. Tazza, Assistant Manager, Licensing and Examination
Kelli Anderson, Communications Manager
Patti Hambright, CPE Coordinator and Administrative Assistant
Elizabeth Marcello, Information and Policy Advisor
Michelle Strudgeon, Accounting Specialist

**SPEAKING MEMBERS
OF THE PUBLIC:** Tyrone E. Dickerson, CPA, former VBOA Chair and Board Member
DeAnn Compton, CPA, Audit Director, Auditor of Public Accounts
Katherine Collins, CFE, VCO, Audit Supervisor, Auditor of Public
Accounts
Stephanie Peters, CAE, President and CEO, Virginia Society of Certified
Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of
Certified Public Accountants
Vincent C. Lucas, CPA

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CALL TO ORDER

Mr. Carson called the meeting to order at 9:21 a.m.

DETERMINATION OF QUORUM

Mr. Carson determined there was a quorum present.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

APPROVAL OF AGENDA

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the June 23, 2020, agenda as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

APPROVAL OF MINUTES

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the May 21, 2020, Board meeting minutes, as amended. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

PUBLIC COMMENT PERIOD

Mr. Lucas addressed the Board in regards to pending disciplinary action. He provided a summary of the events leading to the pending disciplinary action.

Ms. Peters stated the VSCPA had issued a statement in opposition to racial injustice. She noted the VSCPA Board had met yesterday. Discussion included working to educate members.

In regards to the CPA Evolution Initiative, Ms. Peters noted the AICPA council voted in support of revising the Uniform CPA examination. The VSCPA is committed to assisting colleges and universities with this change.

Ms. Peters and Ms. Walker requested the VBOA to provide clarity regarding the annual Virginia Ethics Course Segment.

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Ms. Walker noted the VSCPA had provided a letter of support for the VBOA's regulatory changes.

APPROVAL OF CONSENT AGENDA

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

APA – FY2019 AUDIT EXIT

Ms. Compton reported the APA has concluded its FY2019 audit and issued an unmodified opinion on the VBOA's FY2019 financial statements with one management recommendation. Ms. Compton and the Board discussed the management recommendation issued for the audit period.

COMMITTEE UPDATES

NASBA Communications Committee

Mr. Carson noted there were no updates for the NASBA Communications Committee at this time.

NASBA Enforcement Resources Committee

Mr. Brown noted there were no updates for the NASBA Enforcement Resources Committee at this time.

NASBA Education Committee and UAA Committee

Ms. Saunders noted the NASBA Education Committee would be meeting on July 7, 2020. She also noted the AICPA council is moving forward with the CPA Evolution Initiative.

NASBA Board of Directors and Regional Conference

Ms. Saunders noted she had attended the NASBA Eastern Virtual Regional meeting on June 10, 2020 and encouraged Board members to participate next year.

EXECUTIVE DIRECTOR'S REPORT

General Updates

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

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- Ms. Glynn noted the VBOA system upgrade continued to move forward. She estimated a six to nine month timeframe for the upgrade. The VBOA has hired a P14 (part-time individual) to assist with the upgrade.
- Ms. Glynn provided an update to the Board containing the approximate number of outstanding CPA license renewals. The annual deadline is June 30. She noted the VBOA mailed postcard reminders to the licenses that had not yet renewed. She also noted licensees would be receiving a friendly renewal reminder phone call this week.
- Although VBOA staff has continued to maintain personnel in the office, all of the staff are gradually transitioning back into the office full time.
- Ms. Glynn noted she would be joining NASBA's Executive Director's Committee.
- Ms. Glynn noted Laurie A. Warwick, CPA, has been reappointed to the VBOA Board for a second term and would be serving as Vice-Chair. Wendy Pace Lewis, CPA, has been appointed as a new member of the VBOA Board.

WELCOME

Mr. Carson introduced and welcomed Mr. Dickerson. Mr. Dickerson served on the VBOA Board and two terms as VBOA chair.

Financial and Board Report update

Ms. Reinholtz presented and fielded questions regarding the May 2020 Financial and Board Report.

FY2021 proposed budget

Ms. Reinholtz presented and fielded questions regarding the proposed FY2021 budget.

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the FY2021 proposed budget as presented. The members voting "AYE" were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

Enforcement update

Ms. Blount led the discussion regarding the enforcement update. She provided the Enforcement Report and Status of Open Cases as of June 12, 2020. An in-depth discussion regarding continuing professional education (CPE) audits were discussed. Ms. Glynn fielded questions regarding the recent issues with the

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NASBA CPE Audit Service. Ms. Blount noted the progression of enforcement cases had slowed due to the COVID-19 virus.

RECESS 10:40 a.m.

RECONVENE 10:50 a.m.

Regulatory update

Ms. Marcello led the discussion regarding regulatory updates. The 60-day public comment period for the currently proposed regulations began on June 22, 2020. The public hearing related to these proposed regulations will be held in early August. Ms. Marcello summarized what the regulatory process looks like from this point forward. She also noted that the VBOA is currently updating forms to include identification of military members and their spouses.

BOARD DISCUSSION TOPICS

Policies #2, 4 and 8

Mr. Carson led the discussion regarding VBOA Policies 2, 4 and 8. The Board reviewed and revised proposed revisions to the policies. An in-depth discussion ensued. The Board discussed the VBOA Ethics Committee's duties and member terms. The required annual CPE VBOA ethics segment was discussed. The board agreed to revisit later in the meeting.

Policy #3

Mr. Carson, Ms. Saunders and Mr. Tazza led the discussion regarding VBOA Policy #3 Substantially Equivalent Jurisdictions. A thorough discussion ensued.

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve VBOA Policy #3 as presented. The members voting "AYE" were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

Ethics Committee

Mr. Carson led the discussion regarding the Ethics Committee. Member terms and nominees were discussed.

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Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to appoint Beth Berk, Kevin Matthews and Matthew Miller as Ethics Committee members. The members voting “AYE” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to reappoint Roy Peters, John Renner and Douglas Ziegenfuss as Ethics Committee members. The members voting “AYE” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

Peer Review Oversight Committee

Ms. Rogers led the discussion regarding the Peer Review Oversight Committee. A discussion ensued.

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to appoint Marco Fernandes to the Peer Review Oversight Committee. The members voting “AYE” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

COVID-19 potential actions

Mr. Carson led the discussion regarding COVID-19 potential actions. After a thorough discussion, the Board agreed no actions were necessary due to COVID-19 for the CPA license renewal date and CPE.

BOARD PLANNING TOPICS

Validation of 2020-21 Focus areas

Ms. Warwick led the discussion regarding the validation of 2020-21 focus areas provided.

Enforcement

Annual goals

The Board discussed CPE audits at length. The number of CPE audits performed annually and CPE deficiency penalties were among the topics.

Management and processes

The Board’s CPE audit selection will remain random.

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Strategies to streamline processes, establish guidelines and reduce backlog

Suggestions for streamlining CPE processes were discussed.

Prioritization

The Board discussion included prioritizing enforcement cases. Members provided scenarios of potential high priority cases and proposed a possible system for making the determination.

Reporting

The Board discussed the realistic number of days for investigating and closing an enforcement case.

BOSHER AND SAUNDERS RECOGNITION DAY

Mr. Carson read a resolution into the record recognizing June 23, 2020, as Mr. Boshier and Ms. Saunders recognition day. The Board members and Ms. Glynn recognized Mr. Boshier and Ms. Saunders for their leadership and commitment to the Board and to the profession.

RECESS FOR LUNCH 12:50 p.m.

RECONVENE 1:15 p.m.

Guidelines for non-CPE penalties

The Board discussed guidelines for non-CPE penalties. The discussion included the disposition of disciplinary cases against CPAs practicing with an expired license versus unlicensed activity.

CPE

CPE guidelines

Members discussed existing CPE guidelines in addition to improving those guidelines. The discussion included earning CPE for passing exams, obtaining certifications, presentations and publications.

Firm experience for signing or authorizing signature on audits

The discussion was tabled.

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CPA LICENSING/EXAM/REQUIREMENTS

Required coursework for CPA examination/licensure

The Board discussion including current educational requirements for the Uniform CPA Examination candidate versus obtaining the Virginia CPA license.

CPA Evolution

Based on the Board's discussion, Ms. Rogers and Ms. Glynn will submit comments for the August 31, 2020, deadline for proposed revisions to the Uniform Accountancy Act (UAA) Model Rules.

Background checks

The discussion was tabled.

Criminal convictions

The Board discussed the current VBOA processes for candidates with criminal convictions.

OTHER TOPICS

- Publication of disciplinary actions
- Fee increases
- Additional policy updates needed
- Board independence

ADDITIONAL ITEMS FOR DISCUSSION

- Sign Conflict of Interest forms
- Sign Travel Expense vouchers

FUTURE MEETING DATE

- August 18, 2020
 - October 8, 2020
-

Begin closed meeting

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Upon a motion by Ms. Saunders, 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 a matter lawfully exempted from open meeting requirements under the 'Legal advice regarding specific legal matters' exemption contained in Virginia Code §2.2-3711 (A)(8).

The following non-member will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: James Flaherty (Mr. Flaherty is by teleconference)

The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and Amanda Blount.

End closed meeting

Upon a motion by Ms. Saunders, and duly seconded, the Virginia Board of Accountancy 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 (D) 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:

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
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

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

Case #2018-468-413C (Glynn and Winters)

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Ms. Glynn and Ms. Winters were not present and did not participate in the closed discussion.

Upon a motion by Ms. Saunders, and duly seconded, members voted unanimously to accept Final Order 2018-468-413C, 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 – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

Case #2018-470-415C (Glynn and Winters)

Ms. Glynn and Ms. Winters were not present and did not participate in the closed discussion.

Upon a motion by Mr. Brown, and duly seconded, members voted to accept Final Order 2018-470-415C, as presented.

CALL FOR VOTE:

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

VOTE:

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

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Nays: None

Case #2018-474-419C (Glynn and Winters)

Ms. Glynn and Ms. Winters were not present and did not participate in the closed discussion.

Upon a motion by Mr. Brown, and duly seconded, members voted to accept Final Order 2018-474-419C, 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 – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

Case #2018-477-422C (Glynn and Winters)

Ms. Glynn and Ms. Winters were not present and did not participate in the closed discussion.

Upon a motion by Mr. Bradshaw, and duly seconded, members voted to accept Final Order 2018-477-422C, 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 – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye

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Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Seven (7)

Nays: None

Case #2018-478-423C (Glynn and Winters)

Ms. Glynn and Ms. Winters were not present and did not participate in the closed discussion.

Upon a motion by Mr. Boshier, and duly seconded, members voted to accept Final Order 2018-478-423C, 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 – Aye

William R. Brown, CPA – Aye

Nadia A. Rogers, CPA – Aye

Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Seven (7)

Nays: None

Case #2019-162-122C (Glynn and Winters)

Ms. Glynn and Ms. Winters were not present and did not participate in the closed discussion.

Upon a motion by Mr. Boshier, and duly seconded, members voted to accept Final Order 2019-162-122C, as presented.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye

Laurie A. Warwick, CPA – Aye

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Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Seven (7)

Nays: None

Case #2019-170-130C (Glynn and Winters)

Ms. Glynn and Ms. Winters were not present and did not participate in the closed discussion.

Upon a motion by Ms. Rogers, and duly seconded, members voted unanimously to accept Final Order 2019-170-130C to include a modified penalty.

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
Nadia A. Rogers, CPA – Aye
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Seven (7)

Nays: None

Case 2019-171-131C (Glynn and Winters) and Case 2019-176-014U (Blount, Glynn, Warwick and Winters) were tabled.

BOARD DISCUSSION TOPICS (continued)

**Board Meeting
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Policies #2, 4 and 8

A detailed discussed ensued.

Upon a motion by Mr. Brown, and duly seconded, the members voted to accept proposed VBOA Policy #2, as amended. The members voting “AYE” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders. (Ms. Warwick abstained from the vote)

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to accept proposed VBOA Policy #4, as amended. The members voting “AYE” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to accept proposed VBOA Policy #8, as amended. The members voting “AYE” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

ADJOURNMENT

There being no further business before the VBOA, Mr. Carson adjourned the meeting at 3:54 p.m.

APPROVED:

D. Brian Carson, CPA, CGMA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director



VIRGINIA
CONFLICT OF INTEREST AND
ETHICS ADVISORY COUNCIL

Virginia Board of Accountancy Training
August 18, 2020

I. Council Membership

Council membership as of August 12, 2020:

Speaker of the House Appointees

Delegate M. Keith Hodges

Delegate Vivian E. Watts

Senate Committee on Rules Appointees

Senator Jennifer L. McClellan

Senator Thomas K. Norment, Jr.

The Honorable Wilford Taylor, Jr.

Gubernatorial Appointees

Walter C. Erwin

Bernard L. Henderson, Jr.

Sharon E. Pandak

II. Council Duties

The Council shall perform the following duties (pursuant to § 30-356 unless otherwise noted):

1. **Furnish formal and informal guidance to all persons required to comply with the Acts**
2. Conduct training seminars and educational programs and publish educational materials for all persons required to comply with the Acts
3. Approve orientation courses conducted by state agencies and review, upon request, educational materials and training courses conducted for state and local government officers and employees
4. Prescribe the forms required by §§ 2.2-426, 2.2-3117, 2.2-3118, and 30-111
5. Provide disclosure forms to appropriate clerks at least 30 days prior to the filing deadline (§ 2.2-3115)
6. Provide software or electronic method for state filers to submit the required disclosure forms. The Council prescribes the method of execution and certification of electronically filed forms.
7. Review all disclosure forms required to be filed with the Council. The Council may review disclosure forms for completeness, including comparing lobbyist reports with other reports filed by the Council. If a disclosure form has been found to be incomplete, the Council shall notify the filer and direct the filer in writing to file a completed form within a prescribed period of time.
8. Redact personal information from any form prior to making the form available to the public
9. Establish and maintain a searchable database of disclosure forms filed with the Council
10. Notify the Secretary of the Commonwealth and the Attorney General concerning late or failure-to-file penalties (§§ 2.2-431 and 2.2-3124)

11. Accept and review any statement received from a filer disputing the receipt by such filer of a gift that has been disclosed on the form filed by a lobbyist.
12. Receive and review requests for approval of travel submitted by individuals required to file a Statement of Economic Interests (§ 30-356.1)
13. Submit complaints against incumbent legislators to the appropriate ethics panel (§ 30-114)
14. Review actions taken in the General Assembly with respect to the discipline of its members for the purpose of offering nonbinding advice
15. Request assistance, services, and information from any agency in order to effectively carry out its responsibilities
16. Report on or before December 1 of each year on its activities, including recommendations for changes in the laws, to the General Assembly and the Governor. The chair is required to submit the report pursuant to the DLAS procedures for legislative documents.

III. Prohibited Conduct and Personal Interests

A. Prohibited Conduct (§ 2.2-3103)

1. Solicit or accept money or other thing of value for services performed within the scope of your official duties except for compensation paid by your agency
2. Offer or accept any money or other thing of value for obtaining employment, appointment, or promotion of any person with any governmental or advisory agency
3. Offer or accept any money or other thing of value for the use of your public position to obtain a contract for any person or business with any governmental or advisory agency
4. Use confidential information that you have acquired by reason of your public position and that is not available to the public for your or another party's economic benefit
5. Accept any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence you in the performance of your official duties; this does not include political contributions actually used for a political campaign or constituent services and reported as required by campaign finance laws
6. Accept any business or professional opportunity when you know that there is a reasonable likelihood that the opportunity is being given to influence you in the performance of your official duties
7. Accept any honoraria for any appearance, speech, or article in which you provide expertise or opinions related to the performance of your official duties (this only applies to the Governor, Lt. Governor, Attorney General, Governor's Secretaries, and heads of departments of state government)
8. Accept a gift from a person who has interests that may be substantially affected by the performance of your duties under circumstances where the timing and nature of the gift would cause a reasonable person to question your impartiality in the matter affecting the donor
9. Accept gifts from sources on a basis so frequent as to raise an appearance of the use of your public office for private gain

10. Use your public position to retaliate or threaten to retaliate against any person for expressing views on matters of public concern or for exercising any right that is otherwise protected by law, provided, however, that this does not restrict the authority of any public employer to govern conduct of its employees, and to take disciplinary action, in accordance with applicable law, and provided further that this does not limit the authority of a constitutional officer to discipline or discharge an employee with or without cause

B. "Personal interest" is a financial benefit or liability accruing to an officer or employee or to a member of his immediate family. (§ 2.2-3101)

Such interest shall exist by reason of:

1. Ownership in a business if the ownership interest exceeds three percent of the total equity of the business;
2. Annual income that exceeds, or may reasonably be anticipated to exceed, \$5,000 from ownership in real or personal property or a business;
3. Salary, other compensation, fringe benefits, or benefits from the use of property, or any combination thereof, paid or provided by a business or governmental agency that exceeds, or may reasonably be anticipated to exceed, \$5,000 annually;
4. Ownership of real or personal property if the interest exceeds \$5,000 in value and excluding ownership in a business, income, or salary, other compensation, fringe benefits or benefits from the use of property;
5. Personal liability incurred or assumed on behalf of a business if the liability exceeds three percent of the asset value of the business; or
6. An option for ownership of a business or real or personal property if the ownership interest will consist of subdivision (1) or (4) above.

C. Personal Interest in a Contract (§ 2.2-3106)

You may not have a personal interest in a contract with your agency other than your own contract of employment. There are many exceptions to this prohibition. It is recommended that you contact the Council regarding the application of an exception.

D. Personal Interest in a Transaction (§ 2.2-3112)

You must publicly disqualify yourself if the transaction applies solely to the entity in which you have a personal interest, or if you have a personal interest in a transaction and do not qualify for participation.

"Transaction" means any matter considered by any governmental or advisory agency, whether in a committee, subcommittee, or other entity of that agency or before the agency itself, on which official action is taken or contemplated.

It is recommended that you contact the Council if you have a question about a possible personal interest in a transaction.

IV. Financial Disclosure Statement

A. Who must file?

1. Individuals named in § 2.2-3114
2. Individuals named in Executive Order 8

B. With what entity do I file?

Individuals named in § 2.2-3114 and 2.2-3116 and Executive Order 8 file electronically with the Council.

C. When do I file?

Financial Disclosure Statements are filed annually with the Council, every February 1.

Deadlines are moved to the next business day if they fall on a weekend or state holiday.

V. Other Questions

1. How and under what circumstances is individual information released?

ANSWER: All filings submitted after July 1, 2016 are available to the public via the online searchable database on the Council website. All filings submitted prior to July 1, 2016 are available to the public via a Freedom of Information Act request.

2. Are filers notified when their disclosure forms are requested and released?

ANSWER: There is no requirement that the filer be notified that the information has been requested.

3. Is personal information released when a disclosure statement is requested?

ANSWER: Section 30-356 requires the Council to "Redact from any document or form that is to be made available to the public any residential address, personal telephone number, or signature contained on that document or form..."

4. What training is required and available?

ANSWER: State agencies are required to offer training on the State and Local Government Conflicts of Interest Act at least semiannually (§ 2.2-3128). The agency must take attendance to ensure the state filer has taken the training (§ 2.2-3129) as state filers are required to complete it at least once every two years (§ 2.2-3130). New state filers must complete the training within two months after beginning their employment or assuming office.

Contact Information:

Virginia Conflict of Interest and Ethics Advisory Council

Pocahontas Building

900 E Main Street

8th Floor

Richmond, VA 23219

Website: ethics.dls.virginia.gov

Email: ethics@dls.virginia.gov

Stewart Petoe

Executive Director

spetoe@dls.virginia.gov

804.698.1845

Rebekah Stefanski

Attorney

rstefanski@dls.virginia.gov

804.698.1846

Elizabeth Sundberg

Filing Coordinator

esundberg@dls.virginia.gov

804.698.1848

NASBA Update

NASBA

Virginia Board of Accountancy August 18, 2020

Daniel J. Dustin, CPA
VP, State Board Relations

NASBA

1

NASBA OVERVIEW

NASBA

- **NASBA Meetings 2020**
 - Annual Meeting
 - Executive Directors/
Legal Counsel
 - Western Regional
 - Eastern Regional
 - November 2-4, 2020 (**Virtual**)
 - Clearwater Beach, FL April 12-14, 2021
 - Colorado Springs, CO June 8-10, 2021
 - White Sulphur Springs, WV June 21-23, 2021

NASBA

2



The slide features a green header bar at the top. In the top right corner, there is a green square containing the white text 'NASBA'. The main title 'NASBA Tools & Services' is centered in a large, black, sans-serif font. Below the title is a bulleted list of services. The background is white with a faint, abstract graphic of overlapping circles and lines. In the bottom right corner, there is a green square with the white text 'NASBA' and a small number '3' below it.

NASBA Tools & Services

- Accountancy Licensee Database (ALD)/ CPAVerify
- Accountancy Licensing Library (ALL)
- CPE Audit Tool
- Legislative Tracking
- NASBA International Evaluation Services (NIES)
- Communications
 - Newsletters
 - Renewal Reminders
 - Social Media
- Strategic Planning
- Candidate Exam Performance Books

3

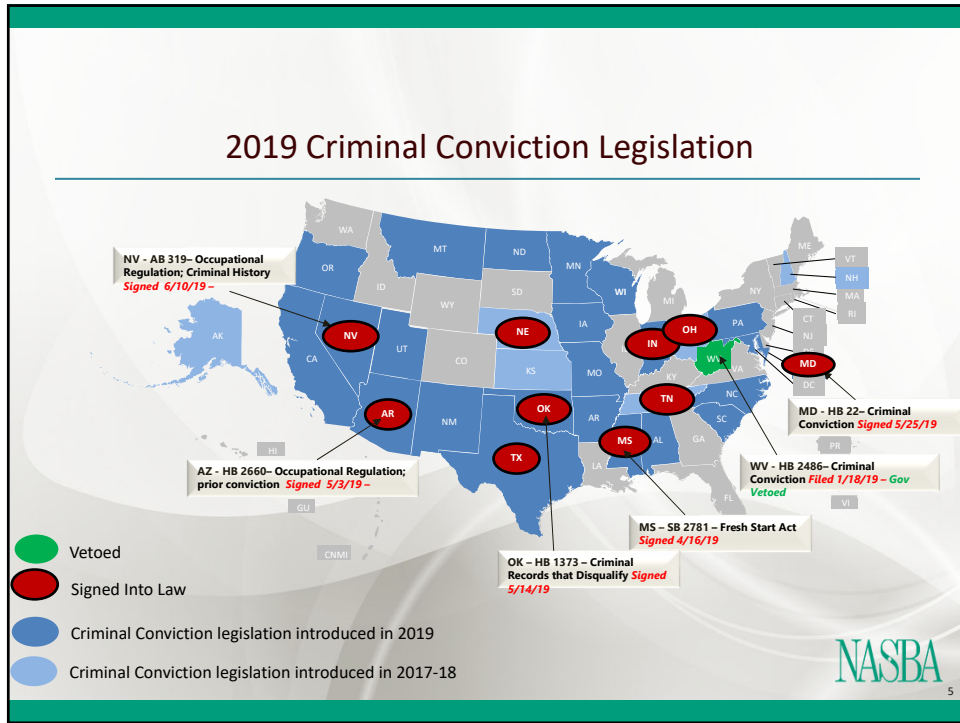


The slide features a green header bar at the top. In the top right corner, there is a green square containing the white text 'NASBA'. The main title 'Diversity' is centered in a large, black, sans-serif font. Below the title is a bulleted list of diversity initiatives. The background is white with a faint, abstract graphic of overlapping circles and lines. In the bottom right corner, there is a green square with the white text 'NASBA' and a small number '4' below it.

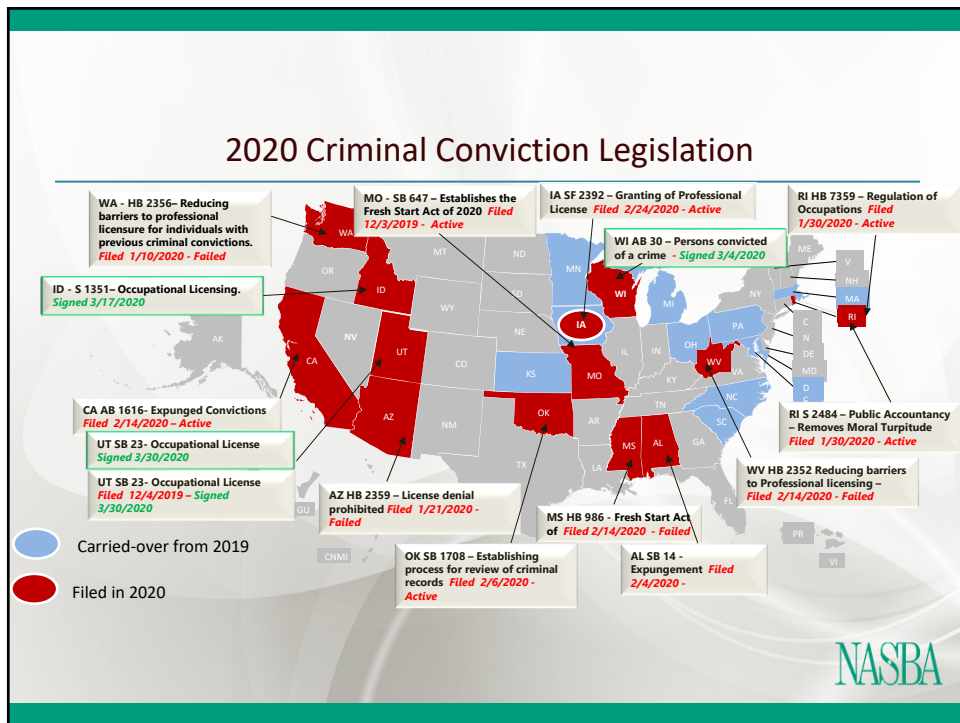
Diversity

- NASBA's Strategic Plan 2018-2021
- Increasing women and minority representation
- Engaging professional societies and associations – meeting attendance and participation
- Encourage State Board communication with State Societies

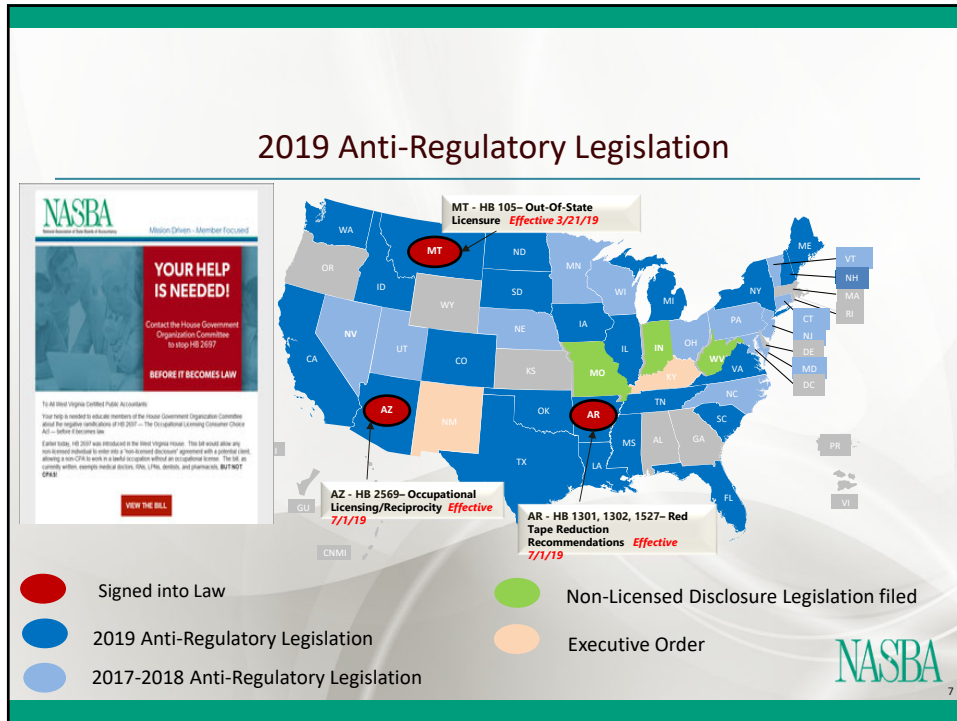
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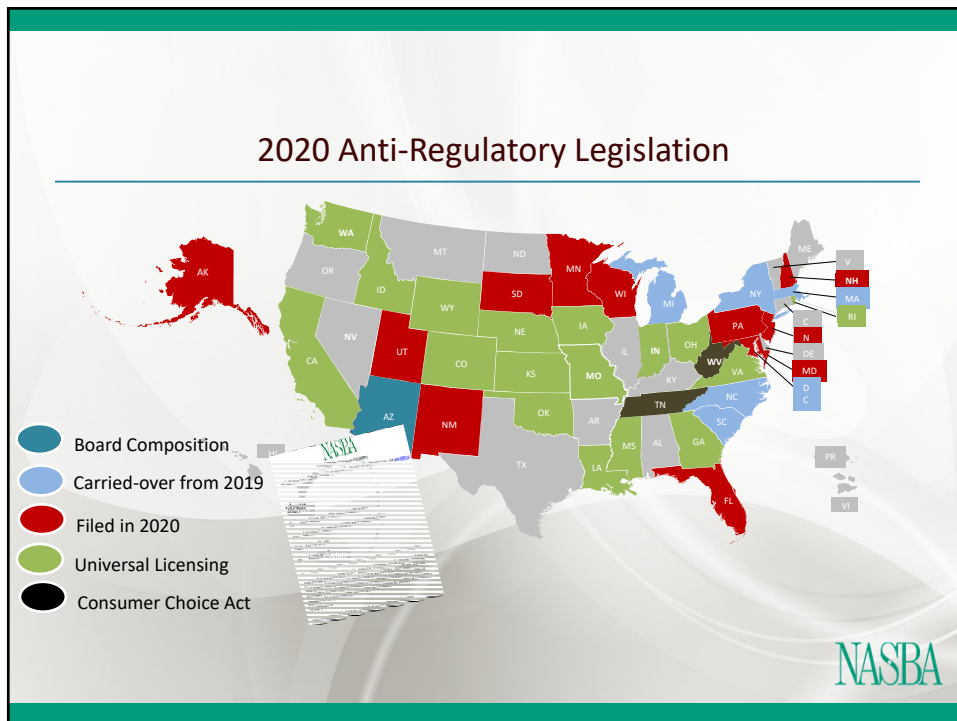
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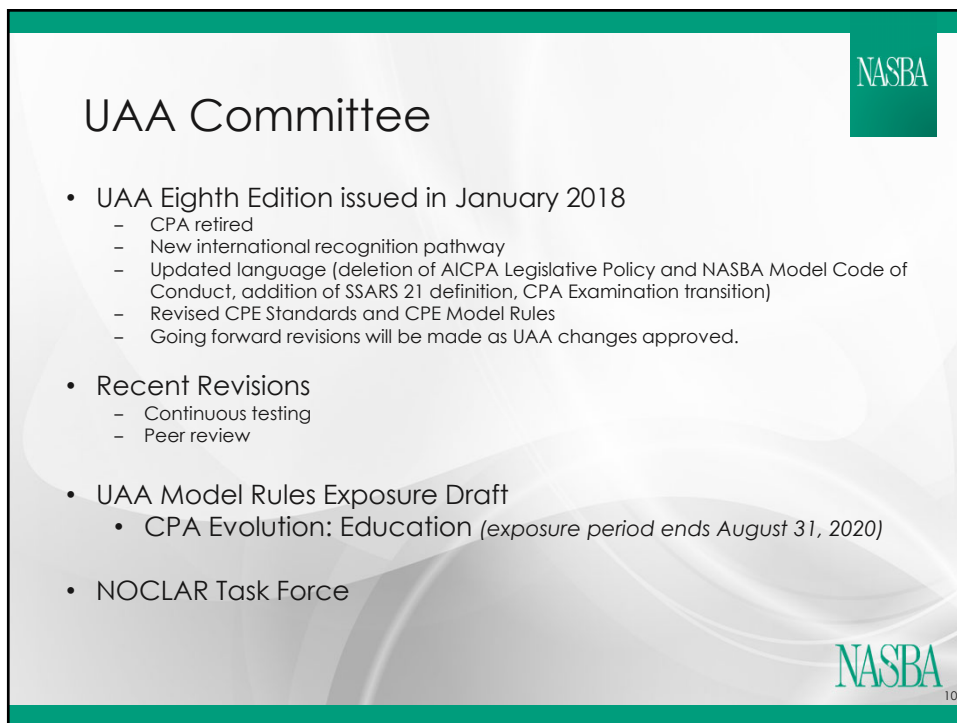



ARPL Alliance for Responsible Professional Licensing 

- 2020 PRIORITIES AND PROGRESS
 - Bring new arguments to reinforce our position
 - Engage as ARPL and equip state partners to help expand reach
 - Inject ARPL messaging into legislative battles and debate around the country




9



UAA Committee 

- UAA Eighth Edition issued in January 2018
 - CPA retired
 - New international recognition pathway
 - Updated language (deletion of AICPA Legislative Policy and NASBA Model Code of Conduct, addition of SSARS 21 definition, CPA Examination transition)
 - Revised CPE Standards and CPE Model Rules
 - Going forward revisions will be made as UAA changes approved.
- Recent Revisions
 - Continuous testing
 - Peer review
- UAA Model Rules Exposure Draft
 - CPA Evolution: Education (*exposure period ends August 31, 2020*)
- NOCLAR Task Force



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NASBA

NOCLAR (Noncompliance with Laws and Regulations)

Confidential client information

Timeline of initiatives:

- 2012: UAA Committee
- 2016: International Regulators (IESBA)
- 2017: AICPA PEEC Exposure Draft
- 2018: AICPA PEEC Task Force
- 2019: Joint PEEC-UAA Task Force

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NASBA

AICPA-NASBA Joint Projects

- Evolution of CPA
- Code of Conduct
- CPE Reciprocity

NASBA

12

12



13

NASBA

NEW MODEL

CPA CORE
ACCT : AUDIT : TAX : TECH

- Strong core with accounting, auditing, tax and technology
- Deeper knowledge in three primary disciplines
- Reflects reality of practice
- Adaptive and flexible
- One CPA license
- Enhances public protection

NASBA

14


Overarching Themes


“Shrink the Change”

Align Model Rules with BOAs

Update Accrediting Organizations


- AACSB
- Regional Accrediting Organizations





15

How might the UAA be revised to transform education?

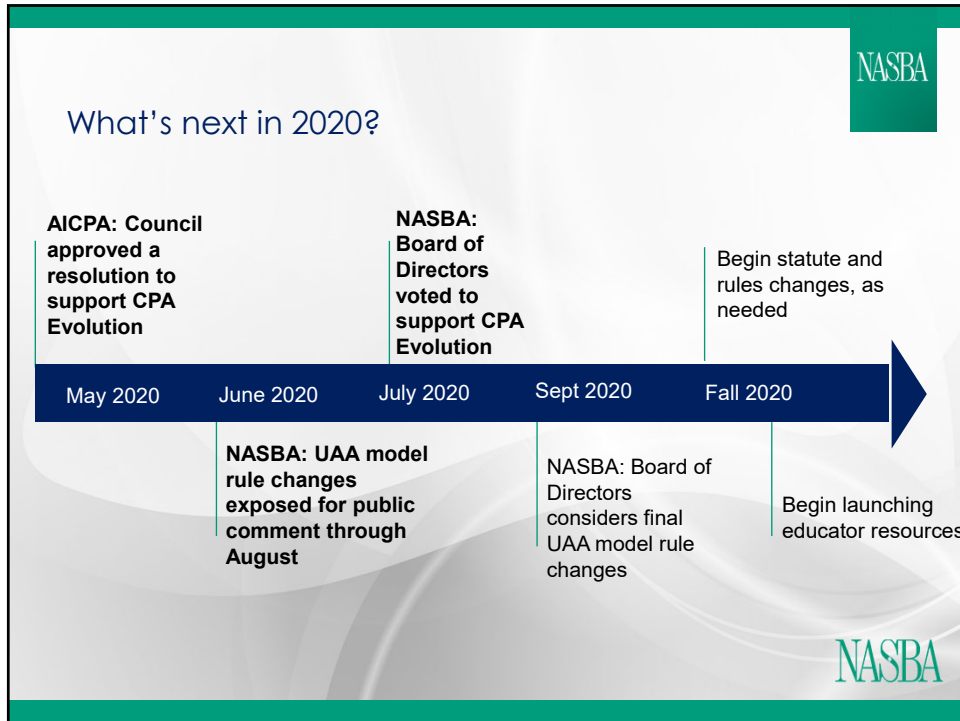


Required areas of study	Required semester credit hours
Principles of accounting	3 – 6
<u>Specified accounting subject matter content (audit, financial accounting, information systems, tax)*</u>	<u>12*</u>
<u>Other accounting subject matter content, including relevant subject matter content in technology*</u>	<u>12*</u>
Business subject matter content, <u>including relevant subject matter content in technology*</u>	24
Total requirement	51 – 54
Maximum # of <u>elective</u> internship hours (University only)	<u>9*</u>

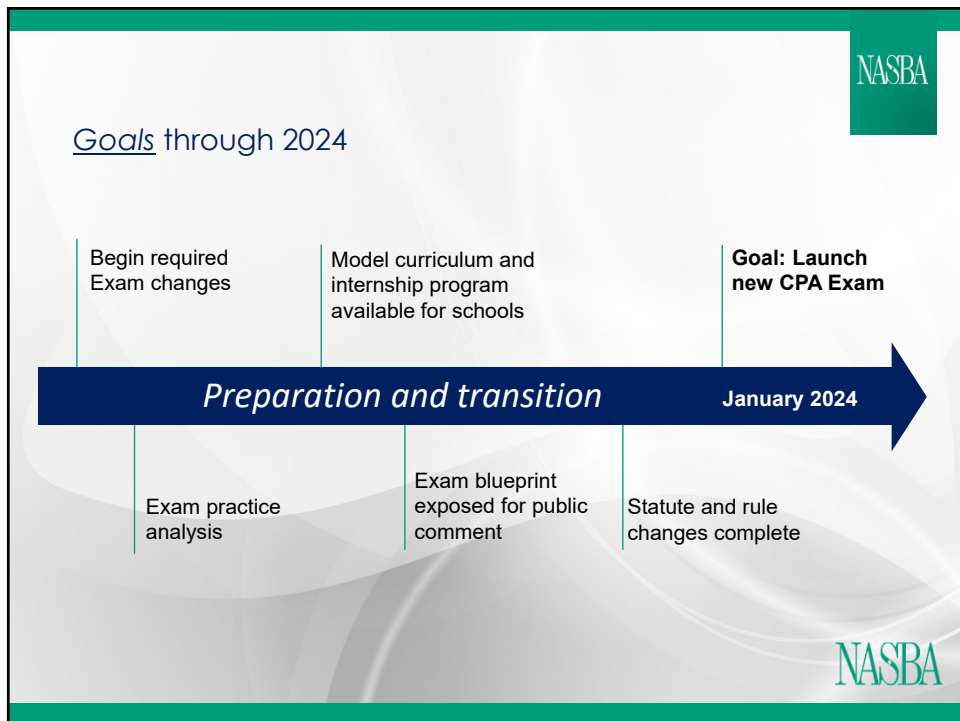
*These changes would ultimately be proposed by the Uniform Accountancy Act Committee and exposed for public comment

This presentation reflects current directional thinking

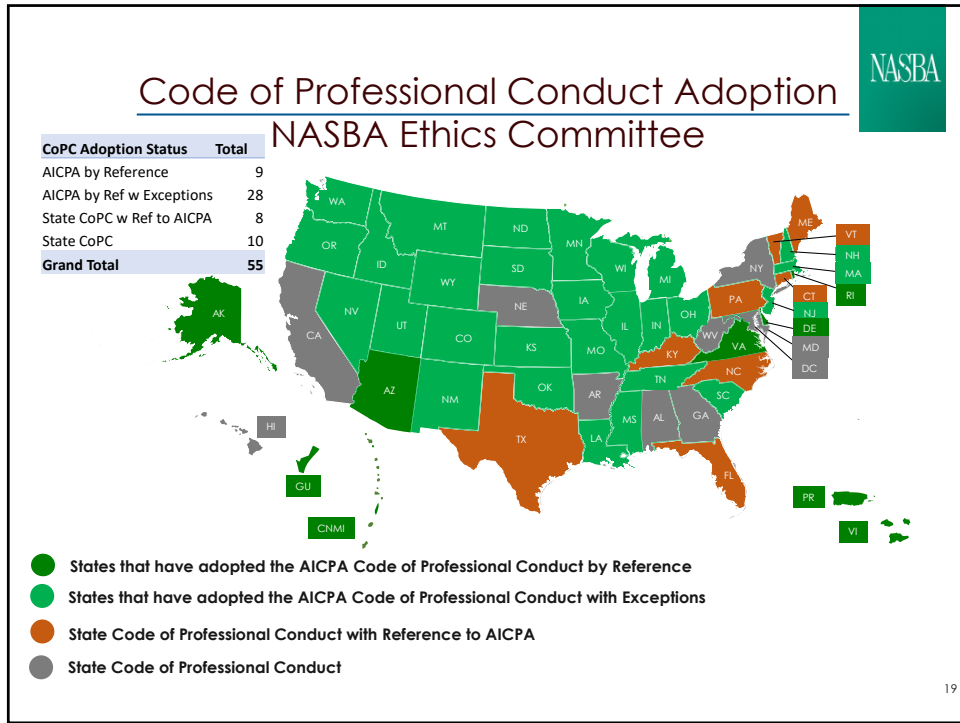
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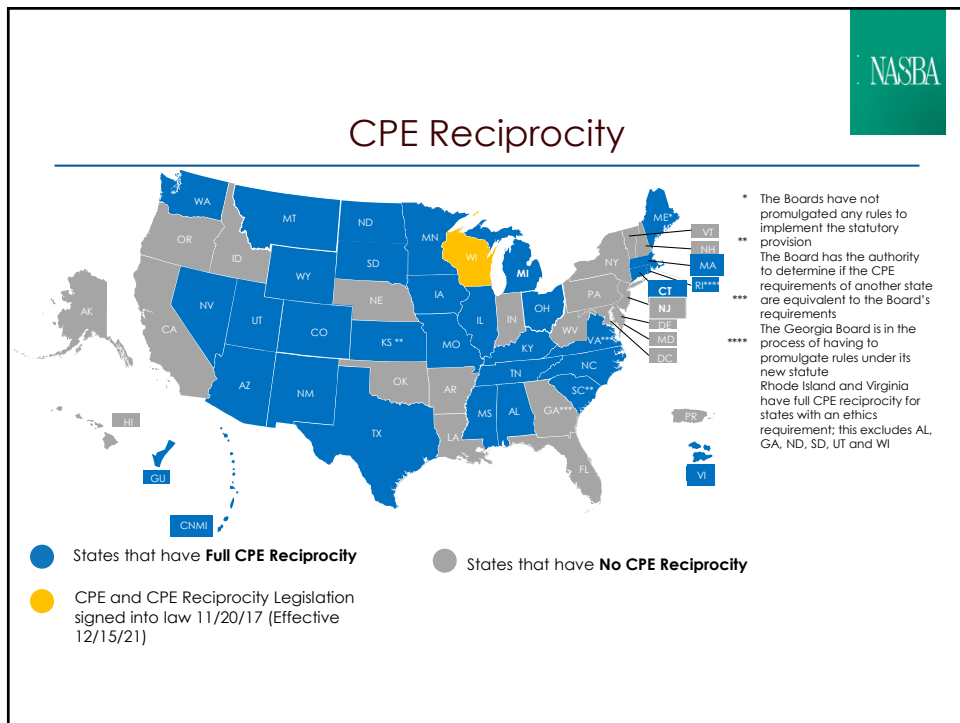
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19



20



QUESTIONS?

2021 Board Meeting Discussion Topics

Topics

- Non-CPE penalty guidelines
- Prioritization of complaints
- CPE awarded for publications, presentations – formula.
- CPE awarded for professional designations/exams – formula.
- Required coursework to take CPA exam
- Required coursework for CPA licensure
- VBOA comment for Model Rules on Education (August 31)
- Criminal convictions
- Background checks
- Publication of disciplinary actions
- Fee increases

Proposed meeting assignments

- August:
 - o VBOA comment for Model Rules on Education (August 31)
 - o Prioritization of complaints
 - o Publication of disciplinary actions
- October
 - o Criminal convictions
 - o Background checks
- November
 - o Fee increases
 - o Non-CPE penalty guidelines
- January
 - o Required coursework to take CPA exam
 - o Required coursework for CPA licensure
- April
 - o CPE awarded for publications, presentations – formula.
 - o CPE awarded for professional designations/exams – formula.

ENFORCEMENT REPORT
As of July 31, 2020

	As of 7/31/20	Year Ending 6/30/20	Year ending 6/30/19	Year ending 6/30/18	Year ending 6/30/17
ENFORCEMENT					
Number of new enforcement cases	3	61	49	85	82
<i>Types of Complaints</i>					
Unlicensed activity	2	27	14	20	45
Other disciplinary matters	1	34	35	65	37
CPE COMPLIANCE					
REVIEWS RESTATED					
Number of CPE audits requested initially reported		700	1699	2402	2022
Number of actual audits to be completed		699	1366	1938	1742
<i>Status of CPE</i>					
<i>Compliance Reviews</i>					
Audits resulting in compliance		439	1134	1938	1294
Audits resulting in deficiency		126	232	412	448
Audits open/pending review		134	9	0	0
Restated CPE Audit Deficiency Rate					
		22%	17%	21%	26%
<hr/>					
Previously reported Deficiency rate		14%	11%	17%	21%

Individual and firm license activity July 31, 2020				
<i>Fiscal Period</i>	Period ending 7/31/20	Year ending 6/30/2020	Year ending 6/30/2019	Year ending 6/30/2018
REGULANTS				
Individuals				
Active, licensed CPAs	26,823	26,666	26,282	26,318
Inactive, licensed CPAs	1,927	1,915	1,784	1,585
Total Licensed CPAs	28,750	28,581	28,066	27,903
Out-of-state licensees	8,690	8,935	8,435	8,330
Reinstatements - Individuals	35	170	162	178
New CPA licenses issued	91	1,241	1,133	1,227
Expired/voluntarily surrendered licenses	4	861	871	1,177
Exam Candidates				
Number of first time exam candidates	101	1,673	1,624	1,675
Firms				
Total active, licensed CPA firms	1,159	1,157	1,126	1,177
Reinstatements - Firms	1	10	10	10
New CPA firm licenses issued	5	37	38	74
Expired/voluntarily surrendered licenses	2	81	79	74

Financial Report
FY20 Budget vs. Actual Expenses
As of July 31, 2020

<u>Expenditure Type</u>	<u>FY21 Operating Budget</u>	<u>FY21 YTD Expenditures</u>	<u>% Expended</u>	<u>FY20 YTD Expenditures</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,424,635	161,264	11.3%	1,308,884	1,175,925	1,174,172
Total Salaries & Benefits	\$ 1,424,635	\$ 161,264	11.3%	\$ 1,308,884	\$ 1,175,925	\$ 1,174,172
<u>Contractual Services</u>						
1211 Express Services	150	-	0.0%	84	134	722
1214 Postal Services	14,000	6,168	44.1%	12,011	9,984	12,886
1215 Printing Services	7,500	-	0.0%	6,459	4,537	5,487
1216 Telecommunications - VITA	9,432	786	8.3%	9,609	12,539	11,613
1217 Telecommunications - Nonstate (CallFire)	6,000	-	0.0%	2,495	100	100
1219 Inbound Freight	300	-	0.0%	260	56	160
1221 Organization Memberships (primarily NASBA)	8,217	-	0.0%	8,327	7,625	7,255
1222 Publication Subscriptions	3,570	-	0.0%	3,655	1,271	1,266
1224 Training - Courses, Workshops, Conferences	5,500	-	0.0%	7,563	4,822	11,459
1225 Employee Tuition Reimbursement	-	-	---	-	1,618	-
1227 Training-Transportation, Lodging, Meals, Incidentals	9,000	-	0.0%	9,511	4,567	23,825
1228 Employee IT Training Courses/Workshops and Conferences	-	-	---	-	91	-
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	2,638	4.8%	68,818	34,498	48,558
1243 Attorney Services (Including OAG)	25,000	-	0.0%	48,624	62,020	51,736
1244 Mgmt. Services - NASBA/special accommodations - IT Support	30,000	-	0.0%	28,061	33,808	21,736
1245 Personnel Management Services	-	-	---	-	79	-
1246 Public Info/Public Relations (subscriptions)	1,100	-	0.0%	4,484	3,470	3,538
1247 Legal Services (Includes court reporting services)	2,000	-	0.0%	2,688	10,834	19,562
1253 Equipment Repair/Maintenance	850	-	0.0%	440	823	-
1263 Clerical / Temp Services	-	-	---	-	-	2,754
1264 Food and Dietary Services	3,500	-	0.0%	2,377	3,585	3,236
1265 Laundry & Linen Services	-	-	---	-	13	-
1266 Manual Labor Services (Includes shredding services)	4,500	-	0.0%	1,757	320	394
1268 Skilled Services	1,200	-	0.0%	600	1,138	-
1272 VITA Pass Thru Charges	381,505	-	0.0%	135,675	133,466	135,170
1273 Info Mgmt Design and Development Services (Project Manager and Website)	129,000	7,800	6.0%	108,689	108,923	94,600
1275 Computer Software Maintenance	6,830	-	0.0%	6,435	-	-
1278 VITA Information Technology Infrastructure Services	132,000	-	0.0%	148,216	146,380	119,126
1279 Computer Software Development Services	-	-	---	-	234,015	346,155
1282 Travel - Personal Vehicle	7,500	-	0.0%	6,318	6,603	8,099
1283 Travel - Public Carriers	-	-	---	-	77	-
1284 Travel - State Vehicles	1,000	-	0.0%	243	200	652
1285 Travel - Subsistence and Lodging	1,500	-	0.0%	1,221	1,612	2,182
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	-	0.0%	723	824	1,423
Total Contractual Services	\$ 847,154	\$ 17,392	2.1%	\$ 625,343	\$ 830,032	\$ 933,694
<u>Supplies and Materials</u>						
1312 Office Supplies	3,500	-	0.0%	1,191	3,783	5,023
1313 Stationery and Forms	1,800	-	0.0%	997	1,844	2,028
1323 Gasoline (Enterprise vehicles)	250	-	0.0%	87	103	221
1335 Packaging and Shipping Supplies	800	-	0.0%	351	1,237	485
1342 Medical & Dental Supplies	50	-	0.0%	-	5	-

<u>Expenditure Type</u>	<u>FY21 Operating Budget</u>	<u>FY21 YTD Expenditures</u>	<u>% Expended</u>	<u>FY20 YTD Expenditures</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	-	---	728	-	389
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	-
1362 Food & Dietary Supplies	525	-	0.0%	442	365	498
1363 Food Service Supplies	50	-	0.0%	16	56	62
1364 Laundry & Linen Supplies	-	-	---	-	-	-
1373 Computer Operating Supplies	2,500	-	0.0%	823	3,989	3,194
Total Supplies & Materials	\$ 9,475	\$ -	0.0%	\$ 4,634	\$ 11,382	\$ 11,900
<u>Transfer Payments</u>						
1413 Awards & Recognition	150	-	0.0%	-	1,033	848
1418 Incentives	1,200	-	0.0%	725	325	-
Total Transfer Payments	\$ 1,350	\$ -	0.0%	\$ 725	\$ 1,358	\$ 848
<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	12,100	-	0.0%	8,133	8,507	8,645
1539 Building Rentals - Non-State Owned Facilities	95,440	7,465	7.8%	95,161	93,416	90,982
1541 Agency Service Charges (DOA, PSB, DHRM, & eVA)	53,383	-	0.0%	37,675	37,335	38,169
1551 General Liability Insurance	328	-	0.0%	328	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,044	-	0.0%	1,023	1,044	978
Total Continuous Charges	\$ 163,790	\$ 7,465	4.6%	\$ 143,815	\$ 141,985	\$ 140,457
<u>Equipment</u>						
2216 Network Components	1,500	-	0.0%	1,357	452	341
2217 Other Computer Equipment	150	-	0.0%	97	1,590	685
2218 Computer Software Purchases	-	-	---	428	419	540
2224 Reference Equipment	-	-	---	-	32	80
2232 Photographic Equipment	-	-	---	-	-	552
2233 Voice and Data Transmission Equipment	-	-	---	23	511	164
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	-	---	-	3,791	6,125
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	-	0.0%	687	348	94
2262 Office Furniture	-	-	---	385	5,666	555
2263 Office Incidentals	500	-	0.0%	658	109	969
2264 Office Machines	-	-	---	-	412	65
2283 Mechanical Equipment	-	-	---	2,338	-	-
2328 Contruction, Building Improvements	-	-	---	44,209	-	-
Total Equipment	\$ 2,300	\$ -	0.0%	\$ 50,182	\$ 13,330	\$ 10,170
Total Expenses	\$ 2,448,704	\$ 186,121	8.0%	\$ 2,133,583	\$ 2,174,012	\$ 2,271,240
Chapter 1289 Appropriation	\$ 2,328,158					
Additional Appropriation Request	\$ 120,546					
Total Projected Appropriation	\$ 2,448,704					

**Virginia Board of Accountancy
Financial Report
Cash Balance
As of July 31, 2020**

	Operating Fund (09226)		Special Fund (02020)	
	FY2021 - YTD as of 7/31/20	FY2020 - YTD as of 7/31/19	FY2021 - YTD as of 7/31/20	FY2020 - YTD as of 7/31/19
Beginning Fund Balance July 1:	\$ 1,915,719	\$ 681,659	\$ 3,617,922	\$ 4,405,230
YTD Revenue Collected *	43,245	44,590	-	-
Accounts Payable **	7,800	19,235	-	-
Cash Transfers In per Board Policy #1	-	-	-	-
Cash Transfers Out per Board Policy #1	-	-	-	-
YTD Expenditures	(186,121)	(203,868)	-	-
Cash Balance before required transfers	<u>\$ 1,780,643</u>	<u>\$ 541,616</u>	<u>\$ 3,617,922</u>	<u>\$ 4,405,230</u>
Required Cash Transfers:				
Transfers to Central Service Agencies ***	\$ (13,366)	\$ (11,302)	-	-
Cash Balance after required transfers	<u>\$ 1,767,277</u>	<u>\$ 530,314</u>	<u>\$ 3,617,922</u>	<u>\$ 4,405,230</u>

* 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
Revenue by Fee Type
Source: VBOA Licensing System (MLO)

Fee Type	FY2021 - YTD as of 7/31/20	FY2020 - YTD as of 7/31/19	Fiscal Year Ending 6/30/20	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18
Application Fee	\$ 19,730	\$ 21,545	\$ 271,705	\$ 300,895	\$ 309,965
(a) Re-Exam Application	\$ 5,540	\$ 6,980	\$ 80,240	\$ 95,420	\$ 90,580
(b) Renewal Fee	\$ 32,745	\$ 71,440	\$ 1,824,475	\$ 2,328,986	\$ 1,859,054
Reinstatement Fee	\$ 12,750	\$ 11,300	\$ 63,500	\$ 63,600	\$ 64,570
Duplicate Wall Certificate Fee	\$ 50	\$ 125	\$ 1,800	\$ 1,850	\$ 1,950
License Verification Fee	\$ 1,275	\$ 1,900	\$ 16,175	\$ 18,950	\$ 20,025
CPA Exam Score Transfers	\$ 100	\$ 175	\$ 1,750	\$ 1,950	\$ 2,325
Administrative Fee	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Bad Check Fee	\$ -	\$ 50	\$ 313	\$ 50	\$ 150
Total Revenue	\$ 72,190	\$ 113,515	\$ 2,259,958	\$ 2,811,701	\$ 2,349,619
(c) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 43,245	\$ 44,590	\$ 2,220,553	\$ 2,870,760	\$ 2,338,729
(d) Difference	\$ 28,945	\$ 68,925	\$ 39,405	\$ (59,059)	\$ 10,890

NOTES:

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

**Virginia Board of Accountancy
Financial Report
Accounts Receivable
As of July 31, 2020**

	FY2021 - YTD as of 7/31/20	FY2020 - YTD as of 7/31/19	Fiscal Year Ending 6/30/20	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Fines levied	\$ 5,000	\$ 3,050	\$ 107,725	\$ 221,273	\$ 326,285	\$ 187,925
Fines collected	\$ 6,202	\$ 5,433	\$ 112,760	\$ 191,199	\$ 258,879	\$ 198,771
OAG Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 38,382	\$ 54,909	\$ 49,975	\$ 60,230	\$ 92,026	\$ 25,442
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 669,703	\$ 657,030	\$ 659,313	\$ 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.

Financial Report
FY20 Budget vs. Actual Expenses
As of June 30, 2020

<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	1,308,884	94.4%	1,175,925	1,174,172	1,103,143
Total Salaries & Benefits	\$ 1,386,575	\$ 1,308,884	94.4%	\$ 1,175,925	\$ 1,174,172	\$ 1,103,143
<u>Contractual Services</u>						
1209 Charge Card Purchases (not distributed)	-	-	---	-	-	-
1211 Express Services	150	84	56.2%	134	722	-
1214 Postal Services	12,000	12,011	100.1%	9,984	12,886	7,975
1215 Printing Services	5,500	6,459	117.4%	4,537	5,487	5,245
1216 Telecommunications - VITA	13,500	9,609	71.2%	12,539	11,613	12,272
1217 Telecommunications - Nonstate (CallFire)	300	2,495	831.7%	100	100	600
1219 Inbound Freight	150	260	173.2%	56	160	418
1221 Organization Memberships (primarily NASBA)	8,090	8,327	102.9%	7,625	7,255	7,250
1222 Publication Subscriptions	1,271	3,655	287.6%	1,271	1,266	4,730
1224 Training - Courses, Workshops, Conferences	7,290	7,563	103.7%	4,822	11,459	8,914
1225 Employee Tuition Reimbursement	-	-	---	1,618	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	11,000	9,511	86.5%	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	68,818	125.1%	34,498	48,558	53,790
1243 Attorney Services (Including OAG)	77,315	48,624	62.9%	62,020	51,736	24,844
1244 Mgmt. Services - NASBA/special accommodations - IT Support	34,000	28,061	82.5%	33,808	21,736	75,641
1245 Personnel Management Services	-	-	---	79	-	-
1246 Public Info/Public Relations (subscriptions)	3,470	4,484	129.2%	3,470	3,538	5,015
1247 Legal Services (Includes court reporting services)	1,500	2,688	179.2%	10,834	19,562	12,977
1252 Electrical Repair/Maintenance	-	-	---	-	-	90
1253 Equipment Repair/Maintenance	850	440	51.8%	823	-	-
1263 Clerical / Temp Services	-	-	---	-	2,754	2,475
1264 Food and Dietary Services	3,600	2,377	66.0%	3,585	3,236	2,156
1265 Laundry & Linen Services	25	-	0.0%	13	-	25
1266 Manual Labor Services (Includes shredding services)	3,720	1,757	47.2%	320	394	1,122
1268 Skilled Services	1,200	600	50.0%	1,138	-	-
1272 VITA Pass Thru Charges	133,205	135,675	101.9%	133,466	135,170	122,620
1273 Info Mgmt Design and Development Services (Project Manager and Website)	92,936	108,689	117.0%	108,923	94,600	-
1275 Computer Software Maintenance	74,800	6,435	8.6%	-	-	-
1278 VITA Information Technology Infrastructure Services	185,240	148,216	80.0%	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	6,318	84.2%	6,603	8,099	6,980
1283 Travel - Public Carriers	-	-	---	77	-	589
1284 Travel - State Vehicles	1,000	243	24.3%	200	652	619
1285 Travel - Subsistence and Lodging	1,500	1,221	81.4%	1,612	2,182	1,250
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	723	72.3%	824	1,423	730
Total Contractual Services	\$ 886,612	\$ 625,343	70.5%	\$ 830,032	\$ 933,694	\$ 459,834
<u>Supplies and Materials</u>						
1311 Apparel Supplies	-	-	---	-	-	248
1312 Office Supplies	4,500	1,191	26.5%	3,783	5,023	4,338
1313 Stationery and Forms	2,300	997	43.4%	1,844	2,028	2,214
1323 Gasoline (Enterprise vehicles)	250	87	34.7%	103	221	155
1335 Packaging and Shipping Supplies	800	351	43.8%	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	-	728	---	-	389	41
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	8
1362 Food & Dietary Supplies	525	442	84.2%	365	498	561
1363 Food Service Supplies	50	16	31.8%	56	62	107
1364 Laundry & Linen Supplies	-	-	---	-	-	24
1373 Computer Operating Supplies	4,100	823	20.1%	3,989	3,194	7,004
Total Supplies & Materials	\$ 12,575	\$ 4,634	36.9%	\$ 11,382	\$ 11,900	\$ 15,919
<u>Transfer Payments</u>						
1413 Awards & Recognition	150	-	0.0%	1,033	848	863
1418 Incentives	1,200	725	60.4%	325	-	410
Total Transfer Payments	\$ 1,350	\$ 725	53.7%	\$ 1,358	\$ 848	\$ 1,273
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	231	100.0%	231	231	231
1516 Property Insurance	1,224	1,224	100.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,112	8,133	100.3%	8,507	8,645	8,460
1539 Building Rentals - Non-State Owned Facilities	95,918	95,161	99.2%	93,416	90,982	88,126
1541 Agency Service Charges (DOA, PSB, DHRM, & eVA)	36,434	37,675	103.4%	37,335	38,169	36,071
1551 General Liability Insurance	188	328	174.5%	188	188	188
1554 Surety Bonds	40	40	100.0%	40	40	40
1555 Worker's Compensation	1,044	1,023	98.0%	1,044	978	968
Total Continuous Charges	\$ 143,191	\$ 143,815	100.4%	\$ 141,985	\$ 140,457	\$ 135,308
<u>Equipment</u>						
2216 Network Components	1,500	1,357	90.4%	452	341	1,117
2217 Other Computer Equipment	500	97	19.4%	1,590	685	300
2218 Computer Software Purchases	-	428	---	419	540	2,157
2223 Exhibit Equipment	-	-	---	-	-	-
2224 Reference Equipment	50	-	0.0%	32	80	26
2231 Electronic Equipment	-	-	---	-	-	164
2232 Photographic Equipment	-	-	---	-	552	845
2233 Voice and Data Transmission Equipment	-	23	---	511	164	-
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	-	---	3,791	6,125	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	687	457.9%	348	94	-
2262 Office Furniture	5,000	385	7.7%	5,666	555	3,375
2263 Office Incidentals	500	658	131.7%	109	969	2,646
2264 Office Machines	-	-	---	412	65	928
2268 Office Equipment Improvements	-	-	---	-	-	129
2271 Household Equipment	-	-	---	-	-	342
2283 Mechanical Equipment	-	2,338	---	-	-	-
2328 Contruction, Building Improvements	-	44,209	---	-	-	-
Total Equipment	\$ 7,700	\$ 50,182	651.7%	\$ 13,330	\$ 10,170	\$ 12,029
Total Expenses	\$ 2,438,003	\$ 2,133,583	92.4%	\$ 2,174,012	\$ 2,271,240	\$ 1,727,506
Chapter 854 Appropriation	\$ 2,104,195					
Additional Appropriation Approved	204,300					
Total FY20 Appropriation	\$ 2,308,495					

**Cash Flow and Trust Fund Balance
Projections FY21 - FY25**

	FYE 6/30/20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FYE 6/30/21	FYE 6/30/22	FYE 6/30/23	FYE 6/30/24	FYE 6/30/25	
Operating Account Balance																			
(Forecasted)																			
Beginning Balance	\$ 681,659	\$ 1,941,587	\$ 2,262,644	\$ 2,098,302	\$ 1,933,960	\$ 1,769,618	\$ 1,605,276	\$ 1,440,934	\$ 1,276,592	\$ 1,112,250	\$ 1,202,805	\$ 1,378,326	\$ 1,808,744	\$ 1,941,587	\$ 2,154,197	\$ 2,501,319	\$ 2,509,085	\$ 2,519,378	
Deposits																			
Renewal Fees	1,785,070	-	-	-	-	-	-	-	-	254,897	339,863	594,760	509,795	1,699,315	1,699,315	1,656,670	1,640,217	1,607,299	
Other Fees	435,483	43,245	39,705	39,705	39,705	39,705	39,705	39,705	39,705	39,705	39,705	39,705	39,705	480,000	480,000	470,000	465,000	460,000	
Miscellaneous	275,000																		
Interest	14,414																		
Total Deposits	2,509,967	43,245	39,705	39,705	39,705	39,705	39,705	39,705	39,705	294,602	379,568	634,465	549,500	2,179,315	2,126,670	2,105,217	2,067,299	2,035,124	
Expenditures	(2,107,716)	(204,188)	(204,047)	(204,047)	(204,047)	(204,047)	(204,047)	(204,047)	(204,047)	(204,047)	(204,047)	(204,047)	(204,047)	(2,448,705)	(2,491,444)	(2,501,319)	(2,509,085)	(2,519,378)	
Increase (Decrease) in Cash	1,083,910	1,780,644	2,098,302	1,933,960	1,769,618	1,605,276	1,440,934	1,276,592	1,112,250	1,202,805	1,378,326	1,808,744	2,154,197	1,672,197	1,789,423	2,105,217	2,067,299	2,035,124	
Transfers From (To) Trust Account	868,979	482,000												482,000	711,896	403,868	452,079	484,254	
Transfers To General Fund	(11,302)																		
Ending Balance	\$ 1,941,587	\$ 2,262,644	\$ 2,098,302	\$ 1,933,960	\$ 1,769,618	\$ 1,605,276	\$ 1,440,934	\$ 1,276,592	\$ 1,112,250	\$ 1,202,805	\$ 1,378,326	\$ 1,808,744	\$ 2,154,197	\$ 2,154,197	\$ 2,501,319	\$ 2,509,085	\$ 2,519,378	\$ 2,519,378	
Trust Account Balance																			
(Forecasted)																			
Beginning Balance	\$ 4,405,230	\$ 3,617,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,617,993	\$ 3,135,993	\$ 2,424,097	\$ 2,020,229	\$ 1,568,150	
Interest	81,742																		
Transfers From (To) Operating Account	(868,979)	(482,000)												(482,000)	(711,896)	(403,868)	(452,079)	(484,254)	
Ending Balance	\$ 3,617,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 3,135,993	\$ 2,424,097	\$ 2,020,229	\$ 1,568,150	\$ 1,083,896	

Minimum Trust Fund Balance					
	FYE 6/30/21	FYE 6/30/22	FYE 6/30/23	FYE 6/30/24	FYE 6/30/25
Projected Expenditures	\$ 2,448,700	\$ 2,491,444	\$ 2,501,319	\$ 2,509,085	\$ 2,493,243
Contingency	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Minimum balance to maintain	3,448,700	3,491,444	3,501,319	3,509,085	3,493,243
Trust Fund Balance	\$ 3,135,993	\$ 2,424,097	\$ 2,424,097	\$ 2,020,229	\$ 1,568,150
Operating Fund Balance	2,154,197	2,501,319	2,509,085	2,519,378	2,519,378
Less minimum balance	(3,448,700)	(3,491,444)	(3,501,319)	(3,509,085)	(3,493,243)
Total	\$ 1,841,490	\$ 1,433,972	\$ 1,431,863	\$ 1,030,522	\$ 594,285

Enforcement Report - August 18, 2020 Board Meeting

Case Statistics	As of July 31, 2020	As of June 12, 2020	Open Case Status for Non-CPE Cases	As of July 31, 2020	As of June 12, 2020
All Cases	190	158	1 Investigation Ongoing	32	30
Open Cases (Non-CPE)	82	82	2 Pending Investigative Report	8	15
≥ 160 Days	47	43	3 Pending Probable Cause Review	17	9
Source of Referrals			4 Pending IFF	12	8
Internal	126	95	5 Pending Presiding Officer's Recommendation/Consent Order	0	1
Licensing			6 Pending Signed Consent Order from Respondent	1	11
» Self-Report	2	2	7 Pending Board Approval	11	6
» Failure to Disclose	7	7	8 Pending Board Request for Add'l Info	1	2
» Eligibility	0	0	9 Deferred (Pending Trial, Litigation, Regulatory Review, etc.)	0	0
Enforcement	9	9			
CPE Division	108	76	Types of Open Cases		
Interagency	8	10	PR Peer Review	1	2
AICPA	4	3	CPE CPE Deficiency	108	76
FSBA	0	1	D Disciplinary	44	47
DOL	1	1	E Eligibility	0	0
NASBA	0	1	U Unlicensed Activity	37	33
SEC	1	1	» Firms	12	12
Other State BOA	1	2	» Individuals	25	21
State of Hawaii	1	1			
			Closed Cases FY 2020 (through June 30, 2020)		
Public	56	54	Consent Order		202
Anonymous	9	8	Board Order		15
Named	47	46	Order Permitting Reinstatement		14
			Voluntary Surrender		10
			Closed Following Informal Fact-Finding Conference		1
			Closed by ED or Probable Cause Review		15
			Other (Deceased)		1
			Total Closed Cases FY 2020		258

* Note the cases assigned for probable cause review were assigned on August 12, 2020

Status of Open Cases as of July 31, 2020**By Days Open**

Case No.	Case Summary	Next Action	Days Open
2015-D0012	Due Professional Care	Investigation Ongoing	1275
2016-0005D	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending IFF	1135
2016-0013D	Due Professional Care	Pending IFF	1098
2017-117-026U	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Board Approval (Aug. Board Mtg.)	836
2019-108-019D	False, Misleading or Deceptive Acts in Promoting or Marketing Professional Services	Pending IFF	662
2019-109-005U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending IFF	662
2018-243-010D	Due Professional Care	Investigation Ongoing	587
2019-041-003D	Due Professional Care	Pending IFF	587
2018-425-005U	Unlicensed Use of CPA Title	Pending IFF	566
2018-371-014D	Due Professional Care	Assigned for Probable Cause Review	545
2018-436-024D	Due Professional Care	Pending Closure	524
2019-037-001U	Unlicensed Use of CPA Title	Pending IFF	449
2019-246-021D	Due Professional Care	Assigned for Probable Cause Review	412
2019-099-004U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Investigation Ongoing	397
2019-247-022D	Due Professional Care	Investigation Ongoing	397
2019-085-018D	Due Professional Care	Assigned for Probable Cause Review	387
2019-117-008U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	385
2019-118-009U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Assigned for Probable Cause Review	385
2019-179-015U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending IFF	363
2019-044-020D	Due Professional Care	Assigned for Probable Cause Review	343
2019-131-010U	Unlicensed Use of CPA Title	Pending IFF	321

Status of Open Cases as of July 31, 2020

By Days Open

Case No.	Case Summary	Next Action	Days Open
2019-046-008U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	296
2019-134-100D	Embezzlement during the course of practice	Assigned for Probable Cause Review	289
2019-177-014U	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending IFF	288
2019-129-009U	Unlicensed Use of CPA Title	Pending IFF	274
2019-211-103D	Due Professional Care	Pending Board Request for Add'tl Info.	255
2019-193-015U	Unlicensed Use of CPA Title	Pending Investigative Report	239
2019-212-016U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Investigative Report	239
2019-176-014U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Closure	238
2019-249-026U	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Closure	225
2019-213-017D	Due Professional Care	Pending Investigative Report	222
2019-221-018D	Embezzlement during the course of practice	Assigned for Probable Cause Review	209
2019-205-017U	Unlicensed Use of CPA Title	Pending Board Approval (Aug. Board Mtg.)	206
2019-223-019D	Due Professional Care	Pending Investigative Report	205
2019-225-019U	Unlicensed Use of CPA Title	Pending Board Approval (Aug. Board Mtg.)	199
2019-224-018U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Investigative Report	193
2019-226-001PR	Offering, Advertising or Performing Services Restricted to CPA Firm Licensure without peer review enrollment	Pending Investigative Report	191
2019-251-024D	Due Professional Care	Assigned for Probable Cause Review	189
2019-248-025U	Unlicensed Use of CPA Title	Pending Signed Consent Order	187
2019-227-020D	Due Professional Care	Assigned for Probable Cause Review	182
2019-229-021U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	178
2019-252-027U	Unlicensed Use of CPA Title	Pending Board Approval (Aug. Board Mtg.)	175

Status of Open Cases as of July 31, 2020

By Days Open

Case No.	Case Summary	Next Action	Days Open
2019-228-020U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Investigative Report	169
2019-230-022U	Unlicensed Use of CPA Title	Pending Board Approval (Aug. Board Mtg.)	168
2019-232-024U	Unlicensed Use of CPA Title	Pending Board Approval (Aug. Board Mtg.)	164
2019-231-023U	Unlicensed Use of CPA Title	Pending IFF	163
2019-250-023D	Due Professional Care	Investigation Ongoing	160
2020-002-001U	Unlicensed Use of CPA Title	Pending Board Approval (Aug. Board Mtg.)	146
2020-001-001D	Due Professional Care	Assigned for Probable Cause Review	139
2020-003-002D	Due Professional Care	Investigation Ongoing	134
2020-004-003D	Due Professional Care	Investigation Ongoing	133
2020-005-002U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	132
2020-028-015D	Due Professional Care	Pending Investigative Report	125
2020-010-003U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a CPA firm license	Investigation Ongoing	124
2020-011-004U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a CPA firm license	Investigation Ongoing	124
2020-027-014D	Due Professional Care	Investigation Ongoing	122
2020-012-005U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	115
2020-013-004D	Due Professional Care	Investigation Ongoing	114
2020-014-005D	Embezzlement during the course of practice	Investigation Ongoing	113
2020-015-006D	Due Professional Care	Investigation Ongoing	110
2020-016-007D	Due Professional Care	Investigation Ongoing	110
2020-017-008D	Due Professional Care	Investigation Ongoing	110
2020-018-009D	Due Professional Care	Investigation Ongoing	107
2020-019-010D	Due Professional Care	Investigation Ongoing	85
2020-020-006U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a CPA firm license	Investigation Ongoing	83
2020-021-010D	Due Professional Care	Investigation Ongoing	82
2020-022-011D	Due Professional Care	Investigation Ongoing	81

Status of Open Cases as of July 31, 2020

By Days Open

Case No.	Case Summary	Next Action	Days Open
2020-023-012D	Due Professional Care	Investigation Ongoing	76
2020-024-013D	Due Professional Care	Investigation Ongoing	73
2020-025-007U	Unlicensed Use of CPA Title	Pending Closure	67
2020-026-008U	Unlicensed Use of CPA Title	Investigation Ongoing	67
2020-029-016D	Due Professional Care	Investigation Ongoing	59
2020-030-017D	Due Professional Care	Investigation Ongoing	50
2020-031-018D	Due Professional Care	Investigation Ongoing	38
2020-032-019D	Due Professional Care	Investigation Ongoing	37
2020-033-020D	Due Professional Care	Investigation Ongoing	34
2020-034-009U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	30
2020-035-010U	Unlicensed Use of CPA Title	Investigation Ongoing	25
2020-036-011U	Unlicensed Use of CPA Title	Investigation Ongoing	24
2020-037-021D	Due Professional Care	Investigation Ongoing	8
2020-038-012U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	11
2020-039-013U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Investigation Ongoing	8

ENFORCEMENT REPORT

	As of 7/31/2020	Year ending 6/30/20	Year ending 6/30/19	Year ending 6/30/18
ENFORCEMENT				
Number of new enforcement cases	3	61	49	85
<i>Types of Complaints</i>				
Unlicensed activity	2	27	14	20
Other disciplinary matters	1	34	35	65

VBOA Segment 2021

Outline of video script

- Open with 2021 changes and new format
- Display new VBOA website and show where you renew and find information easily (ex. How do I dropdown).
- Inactive status
 - Include the requirements to apply
- CPE guidelines and requirements
 - Include timeframe to enter hours: calendar year not fiscal year
- Discuss the importance and value of earning and holding the CPA title (integrity/trust/importance)
 - Include following the AICPA Code of Conduct

Welcome to the 2021 Virginia Board of Accountancy Segment.

This 2021 VBOA Segment will include the following topics:

- Information about the VBOA website
- Inactive status guidelines
- Overall CPE requirements
- Importance of CPA title

Website redesign

- Recently, the VBOA redesigned their website to be more user- and mobile-friendly. You can find how to annually renew a license easily in a number of places online.
- The latest feature, the 'How Do I' drop down provides information on renewing, reinstating, applying, tracking CPE, and submitting an enforcement complaint. You can also find links to our statutes, regulations and VBOA policies on the website.
- One of the biggest functional changes is the mobile capacities available on the website. The website design and content responds appropriately to every size device from a cell phone, tablet, laptop and desktop computer.

Inactive status, the formally Active – CPE Exempt status

- The VBOA has the Inactive status for licensees who have retired, are no longer actively employed or who have changed jobs outside the accounting or accounting-related profession.
- Audit, financial analysis, and even consultants involved in IT accounting and finance solutions would not qualify for the Inactive status. Holding a CPA is often a requirement or preferred requirement for these types of position.
- As of January 1, 2020, the previous Active – CPE Exempt status was renamed Inactive status but the requirements to apply remain the same.
- If the licensee is not currently providing services that require a substantial use of accounting, financial, tax or other skills that are relevant, including on a volunteer basis, to the public or to or on behalf of an employer, they may not be required to meet the VBOA's CPE requirements.
- But remember, licensees must be pre-approved by the VBOA for the Inactive status first before ceasing to take CPE and be exempt from the requirements.

- Licensees apply for this status on the VBOA website and must provide a copy of their official job title and description, as necessary. Job duties and current services must be complete. Being deceptive or misleading may result in disciplinary action by the VBOA.
- Licensees also cannot apply for the Inactive status when they have been selected for a CPE audit. If a licensee has not been approved for the status at the time of CPE audit selection and notification, the licensee is responsible for meeting all the VBOA's CPE requirements.
- Furthermore, all licensees, including those holding the Inactive status, must continue to annually renew their license. Failing to renew, even if Inactive, will result in an Expired license and require reinstatement.
- The VBOA encourages CPAs to serve their communities as volunteers by providing their knowledge and financial expertise. Licensees who hold the Inactive status can still volunteer but need to follow a few guidelines.
- If you have questions about volunteering as an Active or Inactive CPA, please check the Volunteer Services guidelines on our website at <https://boa.virginia.gov/individual-cpas/>.

Overall CPE requirements

- An individual who applies for an initial license, holds a Virginia individual CPA license, or applies to have their license reinstated is required to obtain CPE. It is the intent of the VBOA that all CPE meet the requirements of VBOA regulations and assist the licensee in becoming a better overall professional.
- Active CPAs must complete the required 120 CPE hours over a rolling three-year period, with a minimum of 20 hours annually. The CPE requirement also includes completing a two-hour VBOA-approved ethics course annually, just as you are doing right now, and eight hours of A&A ethics courses, if releasing or authorizing the release of reports.
- The VBOA accepts CPE obtained through a variety of forums, provided the licensee is able to demonstrate that learning objectives were met.
- In addition, courses do not have to cover accounting topics to be eligible CPE. A licensee can take CPE on professional development, leadership and more.
- CPAs should not submit CPE documentation during the annual license renewal process unless specifically asked to by the VBOA. However, CPE documentation must be retained and available to the CPA easily for the four calendar years preceding the current calendar year.

- Remember that CPE is tracked and documented by calendar year, not fiscal year like the license renewal deadline.
- On a monthly basis, the VBOA randomly selects licensed CPAs in Virginia for a CPE audit. Licensees will be required to visit the NASBA-sponsored CPE Audit Service to complete the CPE audit.
- In addition to the random selection process, CPAs will also be selected for a CPE audit as a component of any open investigation, enforcement case or in situations where the VBOA believes a CPE audit is warranted.
- Introduce the idea and differences of reciprocity vs. mobility, how this might affect your CPE requirements and where to find the information on the website

Importance of CPA title

- CPA stands for certified public accountant and is a credential that is synonymous with trust, integrity, high-level thinking and sound advice. While all CPAs are accountants, not all accountants are CPAs. You have to go the extra distance to earn and maintain the CPA credential. It is one of the most respected designations and professions in the world.
- Today's CPAs are CFOs (chief financial officers), managing partners, presidents and more. They work with professional athletes; track down criminals; finance the movies you watch and make sure organizations of every kind stay in business. Having the CPA credential opens doors to influential jobs that put you in control of your career and your life.
- All CPAs are tasked with following the AICPA Code of Professional Conduct. This code requires CPAs to act with integrity, objectivity, due care and competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.



National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel: 615/880/4200

May 26, 2020

TO: State Boards of Accountancy and other interested parties
FROM: J. Coalter Baker, Chair – NASBA Uniform Accountancy Act Committee

As approved by the NASBA Board of Directors, we are releasing for a 90-day comment period proposed revisions to the Uniform Accountancy Act's Model Rules that pertain to education. These revisions were developed by the AICPA/NASBA CPA Evolution Initiative and reviewed by the NASBA Uniform Accountancy Act Committee, which recommended them to the NASBA Board for public comment.

The changes being proposed cover several areas related to the education requirements for those wishing to enter the CPA profession. A guiding principle was to suggest Model Rules that aligned with those already implemented in a majority of states, and in that way to encourage uniformity among the states. The CPA Evolution Initiative limited their recommendations to those they believed to be most relevant to their charge.

Briefly, some of the more significant changes being proposed include:

- A revision is being proposed to Rule 5-1 that would remove the requirement that an accounting program must be recognized by the Council for Higher Education Accreditation (CHEA); instead the program must be recognized by the Board of Accountancy. Only a few States have adopted the language in the current Model Rules that calls for CHEA recognition. Many excellent accounting programs are recognized by the Association to Advance Collegiate Schools of Business-International (AACSB), which is no longer listed by CHEA. This issue arises again in Rule 5-2 (d)(7).
- Rule 5-2(a) has proposed additions of developing skills in “critical thinking” and “professional skepticism,” as has been advocated by accounting educators worldwide.
- Consistent with the proposed revised model of the Uniform CPA Examination, establish required accounting content that is core to the accounting profession as defined in Rule 5-2(d)(2).
- Pre-approval of internship programs and independent study is being advised in proposed Rule 5-1 (f) and (g), to help ensure students receive valuable educational experiences.
- Boards are being urged to complete transcript reviews in Rule 5-2(c), as accrediting organizations are focused on the overall quality of educational institutions, and not verifying that the content of the accounting programs meets Boards of Accountancy licensing requirements. The issue of coverage is also raised in Rule 5-2(d)(6).
- Changes to align requirements among states and to add data analytics and related courses to basic subject matter to be covered are found in Rule 5-2(d). Also in Rule 5-2(d), you will note reference to areas “included in the Uniform CPA Examination Blueprints” to allow for updating topics as needed.
- To cover situations where pertinent courses are not being offered inside the business school, but are available in another college or university program, changes are being suggested to Rules 5-2(c) and (d).
- Currently, states have rules that permit three, or six, or an undetermined number of credits to be earned through internships and independent study. Changes are being proposed to Rule 5-2 (d)(7) to set the maximum number at nine credits and describe the content. This can help with education costs and add flexibility to the curriculum.

We believe these changes will provide guidance for students, educators and regulators on the education needed to enter the evolving CPA profession in the years ahead. We encourage the State Boards and other interested parties to consider these proposed changes and send any comments or recommendations to the UAA Committee via uaacomment@nasba.org by August 31, 2020.

Sincerely,

J. Coalter Baker

J. Coalter Baker, CPA
Chair, NASBA Uniform Accountancy Act Committee

UAA Model Rule Requirements – Education

Rule 5-1 - Education requirements – definitions.

- (a) “Semester credit hour” (SCH) means the conventional college semester credit hour. “Quarter credit hours” may be converted to semester credit hours by multiplying them by two-thirds; i.e., one quarter credit hour equals two-thirds of a semester credit hour.
- (b) “College(s) or university(s)” means Board-recognized institution(s) of higher education accredited by Board recognized accrediting organizations.
- (c) “Accredited” or “Accreditation” reflects the quality control of the education process provided by Board-recognized regional, national or international accreditation organizations. In determining acceptable accreditation organizations, the Board may recognize a Council for Higher Education Accreditation (CHEA) recognized regional and/or national accreditation organization. These Rules refer to three levels of accreditation. Level 1 represents the most comprehensive review at the accounting program level and Level 3 is the least comprehensive review at the college or university level. Colleges or universities without accreditation, as defined below, would generally lack any level of accreditation including the college or university, the business school or program (“business school”), and/or the accounting department or program (“accounting program”).
 - 1. Level 1 accreditation – the accounting program. In a Level 1 accreditation, the college or university, business school, and the accounting program are separately accredited. This level applies to an accounting program that is accredited by an organization recognized by the Board as a specialized or professional accrediting organization, such as the Association to Advance Collegiate Schools of Business-International (AACSB). Accredited accounting programs have met standards substantially higher and much more specific than those required for Level 2 or Level 3 accreditation.
 - 2. Level 2 accreditation – the business school. In a Level 2 accreditation, the college or university and the business school are accredited, but the accounting program is not separately accredited. This level applies to a business school that is accredited by an organization recognized by the Board as a specialized or professional accrediting organization, such as the AACSB or the Association of Collegiate Business Schools and Programs (ACBSP).
 - 3. Level 3 accreditation – the college or university. In a Level 3 accreditation, the college or university is accredited, but neither the business school nor the accounting program meet Level 1 or Level 2 accreditation requirements. This level applies to a degree-granting college or university that is not accredited at Level 1 or Level 2, but is accredited by an organization currently recognized by the Board as a regional, national or international accrediting organization, such as Higher Learning Commission, Middle States Commission on Higher Education, New England Commission on Higher Education, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools Commission on Colleges, and WASC Senior College and University Commission.
 - 4. College or university without accreditation – an educational institution or entity that does not have an accreditation of either the college or university, business school, or accounting program; or a college or university accredited by organizations not recognized by the Board.

- (d) "Integration of subject matter" means a program of learning where certain subjects, which may be discrete courses in some colleges or universities, are integrated or embedded within related courses. Colleges or universities that use an integrated approach to cover such multiple course subjects should provide evidence of the required coverage pursuant to Rule 5-2(d). Acceptance of integration of any subject matter requires Board approval.
- (e) "Ethics" means a program of learning that provides students with a framework of ethical reasoning, professional values and attitudes for exercising professional skepticism and other behavior that is in the best interest of the public and profession. At a minimum, an ethics program should provide a foundation for ethical reasoning and the core values of integrity, objectivity and independence.
- (f) "Internship" means faculty pre-approved and appropriately supervised short-term work experience, usually related to a student's major field of study, for which the student earns academic credit.
- (g) "Independent study" means academic work selected or designed by the student with the pre-approval of the appropriate department of a college or university under faculty supervision. This work typically occurs outside of the regular classroom structure.

Rule 5-2 - Education requirements - determining compliance of the applicant's education.

- (a) These requirements are intended to provide a foundation in accounting and business course subjects. The program should:
 - 1. Develop the skills required to apply the knowledge attained (including skills in communications, critical thinking, research and analysis).
 - 2. Include and emphasize ethical behavior, professional skepticism and judgment, and professional responsibility.
 - 3. Provide the highest quality instruction in subjects that clearly contribute to the knowledge, skills and abilities necessary to meet the public's expectations of a CPA.
- (b) For purposes of Section 5(c) of the Uniform Accountancy Act, an applicant will be deemed to have met the education requirement(s) if the Board has determined the applicant has met the requirements of Rule 5-2(c) and Rule 5-2(d), together with appropriate consideration of Rule 5-2(a).
- (c) Determining compliance of the applicant's education shall be accomplished through the Board's use of the following procedures:
 - 1. Reliance on accreditation, as defined in Rule 5-1(c), of the college or university, from which the candidate has obtained the necessary degree and hours as defined in Rule 5-2(d) for purposes of determining the acceptability of the degree and the amount of detailed review required for compliance with the accounting and business content. The Board may place significant reliance on the quality, of accounting and business courses included in accounting degrees from Level 1 colleges or universities, however, the Board should complete a transcript review to ascertain appropriate coverage of accounting and business content in accordance with Rule 5-2(d). The Board may place reliance on the quality of the business courses included in business degrees from colleges or universities with Level 2 accreditation, however, the Board should complete a transcript review to ascertain appropriate coverage of accounting and business content in accordance with Rule 5-2(d), including a more thorough review of the accounting content than from Level 1 colleges or universities. Transcripts from a Level 3 college or university require more detailed review by the Board for compliance

with the accounting and business content. Degrees from colleges or universities without accreditation or with accreditation by an organization not recognized by the Board would generally not be acceptable.

2. Reliance on other procedures and information where the degree and/or courses were obtained from a college or university(s) not meeting the accreditation requirements of Rule 5-2(c)(1). Accepting degrees or courses under Rule 5-2(d) should only be based on evidence of acceptable course content, instruction and quality as would be expected by accreditation and as approved by the Board.
 3. Reliance on other procedures and information where the requirements of Rule 5-2(d) are met by integration of subject matter. The requirements set forth in Rule 5-2(e) should be used to determine compliance.
- (d) An applicant shall be deemed to have satisfied the education requirements if the following conditions are met:
1. Earned a graduate degree and/or a baccalaureate degree at a college or university that is accredited, as described in Rule 5-1(c);
 2. Earned a minimum of six SCH at the undergraduate level or three SCH at the graduate level of principles or introductory accounting content and a minimum of 24 SCH (or the equivalent) of accounting content at the undergraduate or graduate level requiring a minimum of three SCH in each of the subject-matter content areas listed in Rule 5-2(d)(2)i. through iv below, and a minimum of twelve SCH in some or all of the subject-matter content areas listed in Rule 5-2(d)(2)v through xvii below:
 - i. Financial accounting and reporting for business organizations
 - ii. Financial statement auditing
 - iii. Taxation
 - iv. Accounting information systems
 - v. Financial accounting and reporting for government and not-for-profit entities
 - vi. Attestation engagements
 - vii. Managerial or cost accounting
 - viii. Mergers and acquisitions
 - ix. Tax and financial planning
 - x. Fraud examination
 - xi. Internal controls and risk assessment
 - xii. Financial statement analysis
 - xiii. Accounting research and analysis
 - xiv. Tax research and analysis
 - xv. Data analytics, data interrogation techniques, and/or digital acumen in an accounting context, whether taken in the business school or in another college or university program, such as the engineering, computer science, or math programs
 - xvi. Ethics (accounting course)
 - xvii. Other accounting-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.
 3. Earned a minimum of two SCH in research and analysis relevant to the course content described in 5-2(d)(2) through a discrete undergraduate and/or graduate accounting course, or two SCH integrated throughout the undergraduate and/or graduate accounting curriculum. Colleges or universities must provide evidence of coverage under integration as specified in Rule 5-2(e). The SCH earned through a discrete course in research and analysis in accounting may fulfill two of the SCH of the accounting subject matter requirements in Rule 5-2(d)(2).

4. Earned a minimum of 24 SCH (or the equivalent) of business content, other than accounting, at the undergraduate and/or graduate level, covering some or all of the following subject-matter content:
 - i. Business law
 - ii. Economics
 - iii. Management
 - iv. Marketing
 - v. Finance
 - vi. Business communications
 - vii. Statistics
 - viii. Quantitative methods
 - ix. Information systems or technology
 - x. Data analytics, data interrogation techniques, and/or digital acumen, whether taken in the business school or in another college or university program, such as the engineering, computer science, or math programs.
 - xi. Ethics (business course)
 - xii. Other business-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.
 5. Earned a minimum of two SCH in communications in an undergraduate and/or a graduate course listed or cross-listed as an accounting or business course or two SCH integrated throughout the undergraduate or graduate accounting or business curriculum. Colleges or universities must provide evidence of coverage under integration as specified in 5-2(e). The SCH earned through a discrete course in communications may fulfill two SCH of the subject matter requirements of Rule 5-2(d)(4).
 6. Earned a minimum of three SCH in an undergraduate and/or a graduate course listed or cross listed as an accounting or business course in ethics as defined in Rule 5-1(e). A discrete three SCH course in ethics may count towards meeting the accounting or business course requirements of Rule 5-2(d)(2) or Rule 5-2(d)(4). As an alternative, colleges or universities may choose to integrate the course throughout the undergraduate and/or graduate accounting or business curriculum. Universities must provide evidence of coverage under integration as specified in Rule 5-2(e). Proof of coverage may be provided through specific evaluation by a specialized or professional accrediting organization recognized by the Board, in which evidence is provided to assure the Board that the program of learning defined in Rule 5-1(e) has been adequately covered and at the equivalent of the three SCH minimum. Alternate methods for proof of ethics coverage may be determined and approved by the Board following careful scrutiny.
 7. A maximum of nine SCH for internships and independent study, as defined in Rule 5-1(f) and Rule 5-1(g), may count towards the education requirement of Section 5(c) of the Uniform Accountancy Act. However, of the nine SCH, a maximum of three SCH may apply to accounting content required under Rule 5-2(d)(2) and a maximum of three SCH may apply to business content required under Rule 5-2(d)(4).
- (e) Colleges or universities that use an integrated approach to meet the requirements of Rule 5-2(d)(3, 5 or 6) must provide evidence that the respective subjects adequately cover the desired content, with acceptable instruction and quality to attain the objectives. Proof of coverage may be provided through specific evaluation by a specialized or professional accrediting organization recognized by the Board. Alternate methods for

proof of coverage may be determined and approved by the Board following careful scrutiny.

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- (c) “Accredited” or “Accreditation” reflects the quality control of the education process provided by ~~generally Board-~~recognized regional, ~~and/or national or international~~ accreditation organizations. In determining acceptable accreditation organizations, the Board may recognize a Council for Higher Education Accreditation (CHEA) recognized regional and/or national accreditation organization. These Rules refer to three levels of accreditation. Level 1 represents the most comprehensive review at the accounting program level and Level 3 is the least comprehensive review at the college or university level. Colleges or universities without accreditation, as defined below, would generally lack any level of accreditation including the college or university, the business school or program (“business school”), and/or the accounting department or program (“accounting program”).
1. Level 1 accreditation – the accounting program. In a Level 1 accreditation, the college or university, business school, and the accounting program are separately accredited. This level applies to an accounting program that is accredited by an organization recognized by the ~~Board~~ Council for Higher Education Accreditation (CHEA) as a specialized or professional accrediting organization, such as the Association to Advance Collegiate Schools of Business-International (AACSB). Accredited accounting programs have met standards substantially higher and much more specific than those required for Level 2 or Level 3 accreditation.
 2. Level 2 accreditation – the business school. In a Level 2 accreditation, the college or university and the business school are accredited, but the accounting program is not separately accredited. This level applies to a business school that is accredited by an organization recognized by the ~~Council for Higher Education Accreditation (CHEA)~~ Board as a specialized or professional accrediting organization, such as the AACSB or the Association of Collegiate Business Schools and Programs (ACBSP).
 3. Level 3 accreditation – the college or university. In a Level 3 accreditation, the college or university is accredited, but neither the business school nor the accounting program meet Level 1 or Level 2 accreditation requirements. This level applies to a degree-granting college or university that is not accredited at Level 1 or Level 2, but is accredited by an organization currently recognized by the ~~Council for Higher Education Accreditation~~ Board as a regional, national or international accrediting organization, such as Higher Learning Commission, Middle States Commission on Higher Education, New England Association of Schools and Colleges-Commission on Colleges or Universities of Higher Education, Northwest Commission on Colleges and Universities, North Central Association of Colleges and Schools-The Higher Learning Commission, Southern Association of Colleges and Schools Commission on Colleges, and WASC Senior College and University Commission.

4. College or university without accreditation – an educational institution or entity that does not have an accreditation of either the college or university, business school, or accounting program; or a college or university accredited by organizations not recognized by the Board.
- (d) “Integration of subject matter” means a program of learning where certain subjects, which may be discrete courses in some colleges or universities, are integrated or embedded within related courses. Colleges or universities that use an integrated approach to cover such multiple course subjects should provide evidence of the required coverage pursuant to Rule 5-2(d). Acceptance of integration of any subject matter requires Board approval.
 - (e) “Ethics” means a program of learning that provides students with a framework of ethical reasoning, professional values and attitudes for exercising professional skepticism and other behavior that is in the best interest of the public and profession. At a minimum, an ethics program should provide a foundation for ethical reasoning and the core values of integrity, objectivity and independence.
 - (f) “Internship” means faculty pre-approved and appropriately supervised short-term work experience, usually related to a student’s major field of study, for which the student earns academic credit.
 - (g) “Independent study” means academic work selected or designed by the student with the pre-approval of the appropriate department of a college or university under faculty supervision. This work typically occurs outside of the regular classroom structure.

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 2. Include and emphasize ethical behavior, professional skepticism and judgment, and professional responsibility.
 3. Provide the highest quality instruction in subjects that clearly contribute to the knowledge, skills and abilities necessary to meet the public’s expectations of a CPA.
- (b) For purposes of Section 5(c) of the Uniform Accountancy Act, an applicant will be deemed to have met the education requirement(s) if the Board has determined the applicant has met the requirements of Rule 5-2(c) and Rule 5-2(d), together with appropriate consideration of Rule 5-2(a).
- (c) Determining compliance of the applicant’s education shall be accomplished through the Board’s use of the following procedures:
 1. Reliance on accreditation, as defined in Rule 5-1(c), of the college or university, from which the candidate has obtained the necessary degree and hours as defined in Rule 5-2(d) for purposes of determining the acceptability of the degree and the amount of detailed review required for compliance with the accounting and business content. ~~State~~ The Boards may place significant reliance on the quality, content and delivery method of accounting and business courses included in accounting degrees from Level 1 colleges or universities, however, and as such, the Board should complete a transcript review to ascertain appropriate coverage of accounting and business content in accordance with Rule 5-2(d). transcripts from such colleges or universities would require minimal or no Board review. The Board may place reliance on the quality of the business

~~courses included in business degrees from colleges or universities with Level 2 accreditation would require little or no Board review of transcripts in terms of the business content, but, however, the Board should complete a transcript review to ascertain appropriate coverage of accounting and business content in accordance with Rule 5-2(d), including a more thorough review of the accounting content would require more review than from Level 1 colleges or universities.~~ Transcripts from a Level 3 college or university would require more detailed review by the Board for compliance with the accounting and business content. Degrees from colleges or universities without accreditation or with accreditation by an organization not recognized by the Board would generally not be acceptable.

2. Reliance on other procedures and information where the degree and/or courses were obtained from a college or university(s) not meeting the accreditation requirements of Rule 5-2(c)(1). Accepting degrees or courses under Rule 5-2(d) should only be based on evidence of acceptable course content, instruction and quality as would be expected by accreditation and as approved by the Board.
 3. Reliance on other procedures and information where the requirements of Rule 5-2(d) are met by integration of subject matter. The requirements set forth in Rule 5-2(e) should be used to determine compliance.
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1. Earned a graduate degree and/or a baccalaureate degree at a college or university that is accredited, as described in Rule 5-1(c);
 2. Earned a minimum of six SCH at the undergraduate level or three SCH at the graduate level of principles or introductory accounting content and a minimum of 24 SCH (or the equivalent) of accounting courses content at the undergraduate or graduate level, excluding principles or introductory accounting courses, covering requiring a minimum of three SCH in each of the subject-matter content areas listed in Rule 5-2(d)(2)i. through iv below, and a minimum of twelve SCH in some or all of the following subject-matter content areas listed in Rule 5-2(d)(2)v. through xvii below, which are to be contemporaneously derived from the Uniform CPA Examination Blueprints:
 - i. Financial accounting and reporting for business organizations
 - ii. Financial statement auditing ~~Financial accounting and reporting for government and not-for-profit entities~~
 - iii. Taxation ~~Auditing and attestation services~~
 - iv. Accounting information systems ~~Managerial or cost accounting~~
 - v. Financial accounting and reporting for government and not-for-profit entities ~~Taxation~~
 - vi. Attestation engagements
 - vii. Managerial or cost accounting
 - viii. Mergers and acquisitions
 - ~~v~~-ix. Tax and financial planning
 - ~~vi~~-x. Fraud examination
 - ~~vii~~-xi. Internal controls and risk assessment
 - ~~viii~~-xii. Financial statement analysis
 - ~~ix~~-xiii. Accounting research and analysis
 - ~~x~~-xiv. Tax research and analysis
 - ~~xi~~-xv. Accounting information systems Data analytics, data interrogation techniques, and/or digital acumen in an accounting context, whether

- taken in the business school or in another college or university program, such as the engineering, computer science, or math programs
- ~~xii-xvi.~~ Ethics (accounting course), as described in Rule 5-2 (d) (6)
 - ~~xiii-xvii.~~ Other accounting-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.
3. Earned a minimum of two SCH in research and analysis relevant to the course content described in 5-2(d)(2) through a discrete undergraduate and/or graduate accounting course, or two SCH integrated throughout the undergraduate and/or graduate accounting curriculum. Colleges or universities must provide evidence of coverage under integration as specified in Rule 5-2(e). The SCH earned through a discrete course in research and analysis in accounting may fulfill two of the SCH of the accounting subject matter requirements in Rule 5-2(d)(2).
 4. Earned a minimum of 24 SCH (or the equivalent) of business courses content, other than accounting, at the undergraduate and/or graduate level, covering some or all of the following subject-matter content:
 - i. Business law
 - ii. Economics
 - iii. Management
 - iv. Marketing
 - v. Finance
 - vi. Business communications
 - vii. Statistics
 - viii. Quantitative methods
 - ~~ix.~~ Information systems or technology
 - ~~x.~~ Data analytics, data interrogation techniques, and/or digital acumen, whether taken in the business school or in another college or university program, such as the engineering, computer science, or math programs.
 - ~~ix-xi.~~ Ethics (business course), as described in Rule 5-2 (d) (6)
 - ~~x-xii.~~ Other business-related content areas included in the Uniform CPA Examination Blueprints or as may be approved by the Board.
 5. Earned a minimum of two SCH in communications in an undergraduate and/or a graduate course listed or cross-listed as an accounting or business course or two SCH integrated throughout the undergraduate or graduate accounting or business curriculum. Colleges or universities must provide evidence of coverage under integration as specified in 5-2(e). The SCH earned through a discrete course in communications may fulfill two SCH of the subject matter requirements of Rule 5-2(d)(4).
 6. Earned a minimum of three SCH in an undergraduate and/or a graduate course listed or cross listed as an accounting or business course in ethics as defined in Rule 5-1(e). A discrete three SCH course in ethics may count towards meeting the accounting or business course requirements of Rule 5-2(d)(2) or Rule 5-2(d)(4). As an alternative, colleges or universities may choose to integrate the course throughout the undergraduate and/or graduate accounting or business curriculum. Universities must provide evidence of coverage under integration as specified in Rule 5-2(e). Proof of coverage may be provided through specific evaluation by a national specialized or professional accrediting agency organization recognized by CHEA the Board, such as AACSB or ACBSP, in which evidence is provided to assure the Board that the program of learning defined in Rule 5-1(e) has been adequately covered and at the equivalent of the

three SCH minimum. Alternate methods for proof of ethics coverage may be determined and approved by the Board following careful scrutiny.

7. A maximum of ~~ninesix~~ SCH for internships and independent study, as defined in Rule 5-1(f) and Rule 5-1(g), may count towards the education requirement of Section 5(c) of the Uniform Accountancy Act ~~subject matter requirements of Rule 5-2(d)(2) or Rule 5-2(d)(4)~~. However, of the ~~ninesix~~ SCH, a maximum of three SCH may apply to accounting ~~courses~~ content required under Rule 5-2(d)(2) and a maximum of three SCH may apply to business ~~courses~~ content required under Rule 5-2(d)(4).
- (e) Colleges or universities that use an integrated approach to meet the requirements of Rule 5-2(d)(3, 5 or 6) must provide evidence that the respective subjects adequately cover the desired content, with acceptable instruction and quality to attain the objectives. Proof of coverage may be provided through specific evaluation by a specialized or professional ~~national~~ accrediting organization ~~agency~~ recognized by ~~CHEA~~ the Board, ~~such as AACSB or ACBSP~~. Alternate methods for proof of coverage may be determined and approved by the Board following careful scrutiny.

California

- CPE deficiencies treated on case-by-case basis
- Most are administrative; work with individual to correct deficiency
- Failure to rectify deficiency could result in enforcement action

Kansas

- If more than an 8 hour deficiency, it becomes a disciplinary matter

Indiana

- CPE deficiencies handled with a Notice of Noncompliance = administrative
- If deficiency is not corrected within timeframe, becomes disciplinary with an immediate Suspension

Louisiana

- CPA can request an extension to Jan 31 by executing an administrative agreement (no fine)
- OR an extension to March 31 by executing a consent order which is public record and disciplinary (with fine)

Maryland

- Depends on number credits deficient and reasoning for deficiency
- Typically come up with a fine if only a few credits short; if significantly deficient, a hearing is held

Minnesota

- An audit situation is disciplinary, but if person remains responsive and corrects deficiency, it is administrative

Nevada

- Begins as administrative matter but can become disciplinary if licensee fails to comply

Ohio

- Depending on the infraction and ability to rectify the deficiency, can result in an administrative fine or disciplinary action

Missouri

- Deficient hours made up within 4-5 months = administrative matter
- All other violations = disciplinary

Tennessee

- Notified of deficiency, given a time frame to rectify
- Only becomes disciplinary if they fail to rectify the deficiency within the timeframe

Oregon

- Administrative penalty if CPE is deficient; given chance to correct
- If not corrected, reviewed for disciplinary action

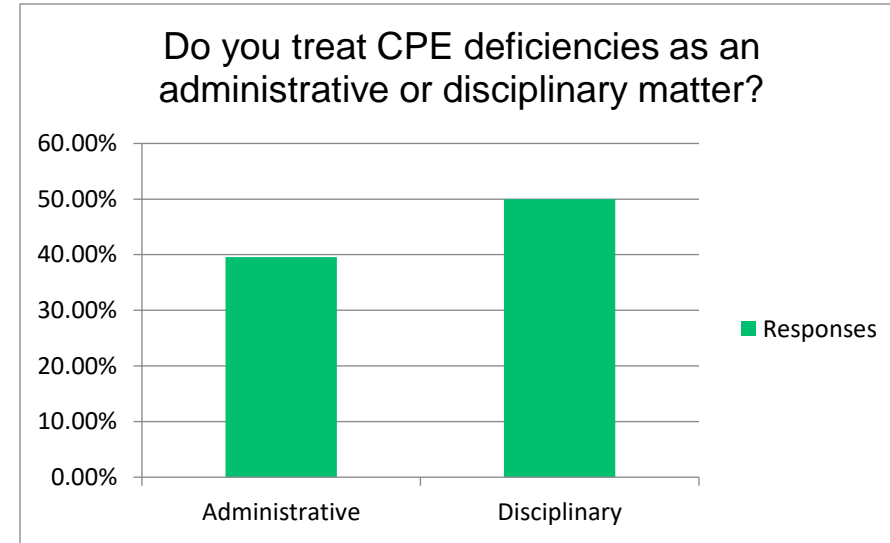
Texas

- Given 30 days to correct a CPE deficiency before license is marked "Expired"
- License stays expired until they come into compliance or is ultimately suspended after 5 months of noncompliance
- License is administratively revoked after 3 years of noncompliance

West Virginia

- Administrative; listed as "CPE Noncompliance" on web page
- If CPE deficiency not corrected and they continue to practice, then could become disciplinary

Answer Choices	Responses	
Administrative	39.58%	19
Disciplinary	50.00%	24
Answered		48



Answer Choices	Responses	
Yes, the deficiency is published/reported	34.04%	16
No, the deficiency is not published/reported	53.19%	25
Answered		47

