

Tuesday, November 7, 2017
VBOA Board Meeting Agenda
Virginia Tech
150 Kent Street, Owens Hall (0223)
Blacksburg, VA
Owens Banquet Room

- 10:00 a.m. Call to Order – **Matthew P. Boshier, Chair**
Security Briefing – **Patti Hambright, Administrative Assistant**
Determination of Quorum
Approval of November 7, 2017, Agenda
Approval of October 12, 2017, Board meeting minutes
Approval of Consent Agenda:
- Consent Orders:
 - o 2017-389-021E (Jewell and Allen)
 - o 2017-390-022E (Jewell and Allen)
 - o 2017-392-024E (Jewell and Allen)
- Public comment period*
- 10:10 a.m. 1. Welcome – **Kay P. Hunnings, Associate Dean for Administration, Pamplin College of Business, Virginia Tech**
- 10:20 a.m. 2. Board Member/Staff Introductions and VBOA Overview – **Matthew Boshier, Chair**
- Questions from VT students, faculty and other attendees
- 10:40 a.m. 3. Board Discussion Topics – **Wade A. Jewell, Executive Director**
- Proposed 2018 Legislation
 - Regulation changes
 - Proposed changes to Board Policy #10 – Electronic Participation in VBOA Meetings –
Rebekah Allen, Enforcement Director
 - 2018 Virginia-Specific Ethics Course Update – **Linda Newsome-McCurdy, CAE, Senior Director, Learning, Virginia Society of CPAs**
- 11:00 a.m. 4. Ethical Leadership: The True Sustainable Leadership/Ethical Leadership Training Resource – **Alfonzo Alexander, National Association of State Boards of Accountancy Chief Relationship Officer and President of NASBA’s Center for the Public Trust**
- Questions from VT students, faculty and other attendees
- 12:00 p.m. Recess for lunch
- 1 p.m. 5. Executive Director’s Report – **Wade A. Jewell, Executive Director**
- General updates

- September Board Report overview– **Mary T. Charity, Deputy Director for Operations**
- September Financial Report overview– **Renai Reinholtz, Deputy Director for Finance and Administration**

- 1:20 p.m. 6. NASBA Updates
- NASBA Annual Meeting – update from attendees
- 1:40 p.m. 7. Virginia Society of CPAs – Student Programs Overview – **Molly Wash, CAE, Academic Engagement Director, Virginia Society of CPAs**
- 2:00 p.m. 8. Additional Items for Discussion
- Carry over items/potential future topics
 - Adjudication Manual (December)
 - CPE guidelines for publications (December)
 - Use of confidential consent agreements (May)
 - CPE – VBOA/VSCPA discussions (May)
 - Trust Fund Reserve Policy (May)
 - Regulation changes (on-going)
 - Marijuana Laws/Guidance (on-going)
 - North Carolina Dental Case (on-going)
 - Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates –
 - December 12, 2017
 - January 18, 2018
 - February 8, 2018
- 2:15 p.m. 9. Closed Session
Enforcement – **Rebekah Allen, Enforcement Director**
- Status of Open Cases
 - OAG updates
 - Consent Orders:
 - 2017-026-012U (Ferguson and Saunders)
 - 2017-027-013U (Ferguson and Saunders)
- 3:15 p.m. Adjournment

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

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

**Board Meeting
October 12, 2017
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Thursday, October 12, 2017, in Board Room #4 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Matthew P. Boshier, Esq., Chair
Susan Quaintance Ferguson, CPA, Vice Chair
William R. Brown, CPA
D. Brian Carson, CPA
Stephanie S. Saunders, CPA

**MEMBER PRESENT
BY TELECONFERENCE
FOR A PORTION OF
THE MEETING:** Laurie A. Warwick, CPA

MEMBER ABSENT: Andrea M. Kilmer, CPA

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

STAFF PRESENT: Wade A. Jewell, Executive Director
Renai Reinholtz, Deputy Director for Finance and Administration
Rebekah Allen, Enforcement Director
Kelli Anderson, Communications Manager
Patti Hambright, CPE Coordinator and Administrative Assistant
Christine Rappe, CPE Coordinator

**MEMBERS OF THE
PUBLIC PRESENT:** Stephanie Peters, CAE, President and CEO, Virginia Society of Certified
Public Accountants
Maureen Dingus, CAE, Chief Operating Officer, Virginia Society of
Certified Public Accountants
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of
Certified Public Accountants
Amy Mawyer, Vice President of Learning, Virginia Society of Certified
Public Accountants
Linda Newsom-McCurdy, CAE, Senior Director of Member Value,
Virginia Society of Certified Public Accountants
Jason Faulkner, Videographer, Romeo & Associates

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CALL TO ORDER

Mr. Boshier called the meeting to order at 10:12 a.m.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Boshier determined there was a quorum present. Mr. Jewell informed the Board that Ms. Warwick had requested, due to a meeting conflict, per Board Policy #10 (Electronic Participation in Virginia Board of Accountancy Meetings), that she be permitted to participate for a portion of the meeting via telephone. It was determined that she met the qualifications per Board Policy #10. No objections were raised.

APPROVAL OF AGENDA

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to approve the October 12, 2017, agenda as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

APPROVAL OF MINUTES

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

APPROVAL OF CONSENT AGENDA

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

PUBLIC COMMENT PERIOD

There were no public comments at this time.

BOARD DISCUSSION TOPICS

Approval of 2018 Virginia-Specific Ethics Course Outline

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Mr. Carson led the discussion regarding the 2018 Virginia-Specific ethics course outline. He noted the committee reviewed comments provided by the VSCPA and other CPE providers regarding the 2017 Virginia-Specific ethics course.

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the 2018 Virginia-Specific Ethics Course Outline as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

Proposed 2018 Legislation

Mr. Jewell led the discussion regarding proposed 2018 legislation. Mr. Jewell and Ms. Walker discussed the VSCPA’s proposed statute change to allow for a single renewal date for all licensees. The Board members agreed to continue the discussion and review any proposed legislation changes at a future meeting.

Proposed changes to Board Policy #10 (Electronic Participation in VBOA Meetings)

Ms. Allen led the discussion regarding the proposed changes to Board Policy #10, which are needed to sync to recent and relevant statute changes. The proposed changes to Board Policy #10 will be posted to the VBOA website for public comment.

Marijuana Laws/Guidance Update

Ms. Allen led the discussion regarding the marijuana laws/guidance update. Ms. Allen provided Board members with an updated chart detailing marijuana legalization and laws of each of the State Boards of Accountancy.

EXECUTIVE DIRECTOR’S REPORT

General Updates

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

- The new VBOA licensing/database project continues to move forward.
- Mr. Jewell provided an update regarding letters, emails and phone calls made by Board staff regarding license renewals.
- Mr. Jewell provided an update regarding the numerous fast track packages.

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- Ms. Anderson provided an update regarding the recent mass email to licensees pertaining to new CPE retention guidelines.
- Ms. Ferguson and Ms. Charity attended the 47th Annual Virginia Accounting & Auditing Conference held in Roanoke, VA in September, while Mr. Boshier, Ms. Warwick and Mr. Jewell attended the conference held in Falls Church, VA. Mr. Boshier encouraged participation in the November conference held in Virginia Beach.

September Board Report

Mr. Jewell presented and fielded questions regarding the September 2017 Board Report.

September Financial Report with Proposed Budget for FY18

Mr. Jewell and Ms. Reinholtz presented and fielded questions regarding the September Financial Report with the proposed budget for FY18.

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the FY18 Proposed Budget as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Saunders and Ms. Warwick.

COMMITTEE/NASBA UPDATES

NASBA Standard-Setting Advisory Committee

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

NASBA Education Committee

There were no updates to the NASBA Education Committee.

NASBA Communication Committee

There were no updates to the NASBA Communication Committee.

NASBA Diversity Committee

There were no updates to the NASBA Diversity Committee.

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NASBA UAA Committee

Ms. Saunders led the discussion regarding the NASBA UAA Committee. She noted a meeting scheduled for Monday, October 16. The committee plans to vote on the issue of non-CPA CGMA title users as previously discussed.

In addition, the committee plans to look at the proposed interpretation of the AICPA Professional Ethics Executive Committee's proposed interpretation regarding Responding to Non-compliance with Laws and Regulations ("NOCLAR").

NASBA Middle Atlantic Regional Director

Ms. Saunders led the discussion regarding her role as NASBA's Middle Atlantic Regional Director. She noted Boards would meet later this month for NASBA's Annual Meeting.

NASBA Executive Director's Committee

Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. He noted he would be attending a NASBA/AICPA/Prometric meeting in Ewing, NJ next week. In addition, he would be attending the NASBA Board Meeting/NASBA Annual Meeting the following week in New York City. Mr. Jewell noted it would be his final meeting as Chair of the 2017 Executive Director's Committee. He has very much enjoyed the experience. Oklahoma Board Executive Director Randy Ross is slated to serve as Chair of the 2018 Executive Director's Committee.

Mr. Jewell led the discussion regarding the NASBA 2018 Committee Assignments. The recently named NASBA Committee assignments beginning November 1, 2017 are:

- Stephanie S. Saunders – Middle Atlantic Regional Director, Chair of the Relations with Member Boards Committee and Uniform Accountancy Act (UAA) Committee
- Laurie Warwick – Audit Committee
- Susan Quaintance Ferguson – Education Committee
- Andrea M. Kilmer – Diversity Committee
- D. Brian Carson – Communications Committee

Former Board member assignments:

- Marc Moyers – Nominating Committee and UAA Committee
- Tyrone Dickerson – CPE Committee, Chair

Ms. Warwick is no longer participating by teleconference.

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ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items/Potential Future Topics

- CPE guidelines for publications (December)
- Adjudication Manual (December)
- Use of confidential consent agreements (May)
- CPE – VBOA/VSCPA discussions (May)
- Trust Fund Reserve Policy (May)
- Regulation changes (on-going)
- Marijuana Laws/Guidance (on-going)
- North Carolina Dental Case (on-going)

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- Tuesday, November 7, 2017, at Virginia Tech
- December 12, 2017
- January 18, 2017
- February 8, 2018

RECESS FOR LUNCH 12:00 p.m.

RECONVENE 12:30 p.m.

ENFORCEMENT

Begin closed meeting

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

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End closed meeting

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

CALL FOR VOTE:

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

VOTE:

Ayes: Five (5)
Nays: None

Begin closed meeting

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

End closed meeting

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

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

CALL FOR VOTE:

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

VOTE:

Ayes: Five (5)
Nays: None

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Boshier, and duly seconded, the meeting was adjourned by unanimous vote at 1:32p.m. The members voting **AYE** were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson and Ms. Saunders.

APPROVED:

Matthew P. Boshier, Esq., Chair

COPY TESTE:

Wade A. Jewell, Executive Director

**PROPOSED REGULATIONS (FAST TRACK)
DPB-recommended changes (Nov. 1, 2017)**

Regulations
18VAC5-22
Effective August 9, 2017

18VAC5-22-20. Fees.

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

- Processing an initial application to take one or more sections of the CPA examination \$120
- Processing additional applications to take one or more sections of the CPA examination \$20
- ~~Preliminary evaluation of whether a person has met the requirements to take the CPA examination~~ ~~\$25~~
- Processing an application for issuance of a Virginia license to a person \$75
- Processing an application for issuance of a Virginia license to a firm \$100
- Processing an application for the timely renewal of a person's Virginia license \$60
- Processing an application for the timely renewal of a firm's Virginia license \$75
- Additional fee for processing an application for the renewal of a person's Virginia license that is not timely \$100
- Additional fee for processing an application for the renewal of a firm's Virginia license that is not timely \$100
- Processing an application for reinstatement of a person's Virginia license \$350
- Processing an application for reinstatement of a firm's Virginia license \$500
- Processing an application for lifting the suspension of the privilege of using the CPA title in Virginia \$350
- Processing an application for lifting the suspension of the privilege of providing attest services, ~~or~~ compilation services, ~~or~~ financial statement preparation services for persons or entities located in Virginia \$500
- Providing or obtaining information about a person's grades on sections of the CPA examination \$25
- Processing requests for verification that a person or firm holds a Virginia license:
 - 1. Online request \$25
 - 2. Manual request \$50
- Providing an additional CPA wall certificate \$25
- Additional fee for not responding within 30 calendar days to any request for information by the board under subsection A of 18VAC5-22-170 \$100
- Additional fee for not using the online payment option for any service provided by the board \$25

Commented [AR(1)]: DPB recommended any changes to this fee be part of a standard rulemaking process.
All other changes to 18VAC5-22-20 were acceptable to DPB for fast-track.

Regulations 18VAC5-22 Effective August 9, 2017

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

18VAC5-22-90. Continuing professional education.

A. If during the current calendar year a person ~~who~~ holds a Virginia license ~~provides services to the public~~, he shall have obtained at least 120 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including an ethics course of at least two hours.

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

~~B. If during the current calendar year a person who holds a Virginia license provided services to an employer using the CPA title and did not provide services to the public using the CPA title, he shall have obtained a minimum number of hours of continuing professional education determined as follows:~~

- ~~1. If the current calendar year is 2009 or 2010, the person shall have obtained at least 90 hours of continuing professional education during the three calendar year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 15 hours of continuing professional education, including an ethics course of at least two hours.~~
- ~~2. If the current calendar year is 2011 or later, the person shall have obtained at least 120 hours of continuing professional education during the three calendar year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including an ethics course of at least two hours.~~

~~The ethics course taken to comply with this subsection either shall conform with the requirements prescribed by the board or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.~~

Regulations
18VAC5-22
Effective August 9, 2017

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

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

~~DC.~~ If during the current calendar year a person who holds a Virginia license did not provide services to the public or to or on behalf of an employer ~~and has been granted an exemption by the board pursuant to this subsection and has demonstrated to the board that he does not provide those services~~, he is not required to have obtained continuing professional education during the three-calendar-year period ending with the current calendar year. ~~Any person who holds a Virginia license to whom an exemption has been granted shall annually affirm and certify to the board his continued eligibility for the exemption in that he does not provide services to the public or to or on behalf of an employer.~~ However, in order to begin providing those services:

1. He is required to have obtained at least 120 hours of continuing professional education prior to providing the services, including an ethics course of at least two hours.
2. The ethics course shall conform ~~with to~~ the requirements prescribed by the board for the calendar year in which the person begins providing the services.

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

Commented [AR(2)]: DPB recommended this change in order for the proposed changes to 18VAC5-22-90 to be eligible for fast-track.
All other changes to 18VAC5-22-90 were acceptable to DPB for fast-track.

Regulations 18VAC5-22 Effective August 9, 2017

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

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

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

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

1. ~~Attendance at~~Attending seminars and educational conferences, provided that the instructors have appropriate knowledge of the subject matter and use appropriate teaching materials and that attendance is monitored in a manner that can be verified by the board;
2. Taking courses at an accredited institution for credit;
3. ~~Self~~Completing self-study courses, provided there is a method for determining that the person met the learning objectives;
4. Making a presentation at a professional seminar, educational conference, or in a classroom setting, provided the person has appropriate knowledge of the subject matter and uses appropriate teaching materials;
5. Writing material that is relevant to providing services to or on behalf of an employer or to the public, that is formally reviewed by an independent party, and that is published in a book, magazine, or similar publication ~~that is used by persons who provide services to the public using the CPA title or to an employer using the CPA title;~~ and
6. Passing examinations and obtaining certifications that have been approved by the board.

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

Regulations
18VAC5-22
Effective August 9, 2017

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

1. Repeat presentations shall not be considered.
2. No more than 30 hours from preparing for and making presentations shall be considered during each three-calendar-year period.
3. One semester-hour of credit for courses at an accredited institution constitutes 15 hours of continuing professional education, and one quarter-hour of credit constitutes 10 hours of continuing professional education.
4. Credit for examination and certification shall be awarded for the calendar year in which the exam was passed and certification was received. If passage of the examination and certification occur in different calendar years, credit shall be awarded for the calendar year in which the examination was passed. The board shall determine how many hours are credited per certification.
- 4.5. No more than 60 hours from examination and certification shall be considered during each three-calendar-year period.

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

PROPOSED REGULATIONS (FAST TRACK)

as of Nov. 1, 2017

Regulations

18VAC5-22

Effective August 9, 2017

18VAC5-22-80. Examination.

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

1. Each section of the CPA examination must be passed by attaining a uniform passing grade established through a psychometrically acceptable standard-setting procedure approved by the board.
- ~~2. Persons may take sections of the CPA examination in any order.~~
- ~~3.2. A person who fails a section of the CPA examination may not retake that section until the next quarter of the calendar year. Each section of the CPA examination shall be taken in accordance with the rules and procedures prescribed by the organization charged with administering and overseeing the CPA examination; and~~
- 4.3. When a person first passes a section of the CPA examination, he has 18 months to pass the remaining sections. If the remaining sections are not passed within the 18-month period, the person loses credit for the first section passed, and a new 18-month period starts with the next section passed.

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

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

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

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

Board Policy #10

Electronic Participation in Virginia Board of Accountancy Meetings

TITLE:

EFFECTIVE DATE:

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

AUTHORITY:

§ 2.2-3708.1 of the Code of Virginia

POLICY STATEMENT:

It is the policy of the Virginia Board of Accountancy that individual Board members may participate in meetings of the Board by electronic communication means as permitted by Virginia Code § 2.2-3708.1. This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

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

1. A quorum of the Board must be physically assembled at the primary or central meeting location.
2. There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
3. The individual participation must be in an event of ~~emergency or a~~ personal matter ~~or a temporary or permanent disability or other medical condition.~~
4. The reason that the member is unable to attend the meeting and the remote location from which the member participates must be recorded in the meeting minutes.

In the event that a board member participates electronically due to ~~a~~ an emergency or personal matter, such electronic participation is limited by law to two meetings each calendar year or 25 percent of the meetings of the public body per member each calendar year, whichever is fewer.

Automatic approval with vote if challenged

Individual participation from a remote location shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act. If a member's participation from a remote location is challenged, then the Board shall vote whether to allow such participation and the results of such vote shall be recorded in the minutes with specificity.

APPROVAL AND REVIEW:

This Board policy was reviewed and approved on ~~April 30, 2015~~ [INSERT DATE].

SUPERSESSION:

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

**BOARD CHAIR AT
LAST REVIEW:**

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

**BOARD MEMBERS AT
LAST REVIEW:**

~~Susan Quaintance Ferguson~~~~Robert J. Cochran,~~

~~Ph.D., CPA, Vice Chair~~

~~William R. Brown, CPA, MBA~~

~~D. Brian Carson, CPA, CGMA~~

~~Matthew P. Boshier~~

~~James M. "Jim" Holland, CPA~~

Andrea M. Kilmer, CPA, CFF, CGMA

~~Marc B. Moyers, CPA~~

Stephanie S. Saunders, CPA

Laurie A. Warwick, CPA

EXECUTIVE DIRECTOR:

Wade A. Jewell

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

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

NOTES:

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

(b) CPE audits selected through September 2017.

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

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

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

<u>Expenditure Type</u>	FY18 Operating Budget	FY18 YTD Expenditures	%	FY17 YTD Expenditures	FY16 YTD Expenditures	FY15 YTD Expenditures
			Expended			
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	-	---	41	48	-
1353 Electrical Repair/Maintenance Materials	-	-	---	8	22	-
1362 Food & Dietary Supplies	575	32	5.6%	561	260	395
1363 Food Service Supplies	150	-	0.0%	107	15	7
1364 Laundry & Linen Supplies	-	-	---	24	-	18
1373 Computer Operating Supplies	7,100	935	13.2%	7,004	3,402	3,963
Total Supplies & Materials	\$ 16,745	\$ 3,473	20.7%	\$ 15,919	\$ 14,635	\$ 10,951
<u>Transfer Payments</u>						
1413 Awards & Recognition	1,000	-	0.0%	863	717	575
1415 Unemployment Compensation	-	-	---	-	-	4,512
1418 Incentives	300	-	---	410	-	-
Total Transfer Payments	\$ 1,300	\$ -	0.0%	\$ 1,273	\$ 717	\$ 5,087
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,500	1,441	17.0%	8,460	4,865	5,277
1539 Building Rentals - Non-State Owned Facilities	90,400	22,594	25.0%	88,126	76,350	77,951
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	36,326	30	0.1%	36,071	32,411	31,893
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,000	-	0.0%	968	978	857
Total Continuous Charges	\$ 137,909	\$ 24,065	17.4%	\$ 135,308	\$ 116,287	\$ 117,661
<u>Equipment</u>						
2216 Network Components	1,200	236	19.6%	1,117	530	-
2217 Other Computer Equipment	500	102	20.4%	300	744	1,830
2218 Computer Software Purchases (new system software licenses)	149,050	-	0.0%	2,157	3,556	140
2223 Exhibit Equipment	-	-	---	-	-	698
2224 Reference Equipment	50	-	0.0%	26	181	-
2231 Electronic Equipment	175	-	0.0%	164	-	-
2232 Photographic Equipment	552	552	100.0%	845	-	-
2233 Voice and Data Transmission Equipment	-	-	---	-	1,691	120
2261 Office Appurtenances (Blinds, Carpet, etc.)	500	-	0.0%	-	880	331
2262 Office Furniture	15,000	-	0.0%	3,375	14,385	2,068
2263 Office Incidentals	2,750	50	1.8%	2,646	1,627	792
2264 Office Machines	-	-	---	928	821	10
2268 Office Equipment Improvements	150	-	0.0%	129	129	445
2271 Household Equipment	-	-	---	342	-	-
Total Equipment	\$ 169,927	\$ 940	0.6%	\$ 12,030	\$ 24,543	\$ 6,433
TOTAL ALL EXPENSE TYPES	\$ 2,799,421	\$ 477,939	17.1%	\$ 1,727,506	\$ 1,642,512	\$ 1,424,978
APPROPRIATION - CHAPTER 836	\$ 1,917,446					
2016-2018 Biennium Caboose Bill Decision Package Appropriation Requests	\$ 881,975					
Total Projected Appropriation	\$ 2,799,421					

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

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

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

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

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

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

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

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

NOTES:

- (a) Effective October 15, 2015, VBOA no longer collected fees for Pre-Evaluation of Transcripts.
- (b) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (c) Renewal Fee also includes associated late fees.
- (d) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (e) Revenue Totals from the VBOA Licensing System (MLO) will not always match Revenue collected and reported on the VBOA Cash Report (Cardinal), due to timing differences in dates transactions are posted into each system and pending adjustments.

**VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
ACCOUNTS RECEIVABLE
AS OF SEPTEMBER 30, 2017**

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

NOTE:

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