

Thursday, April 19, 2018
VBOA Board Meeting Agenda

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

- 10 a.m. Call to Order – **Matthew P. Boshers, Chair**
Security Briefing – **Kelli L. Anderson, Communications Manager**
Determination of Quorum
Approval of April 19, 2018, Agenda
Approval of February 8, 2018, Board meeting minutes
Approval of Consent Agenda:
- Consent Orders:
 - 2017-255-031U (Ferguson and Brown)
- Public comment period*
- 10:10 a.m. 1. Board Discussion Topics – **Wade A. Jewell, Executive Director**
- Update on 2018 Legislation and corresponding Regulations
 - Virginia-Specific Ethics Course update/discussion
- 11:15 a.m. 2. Executive Director’s Report – **Wade A. Jewell, Executive Director**
- General updates
 - March Board Report – **Mary T. Charity, Deputy Director for Operations**
 - March Financial Report – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 11:45 a.m. 3. Committee Updates – **Matthew P. Boshers, Chair**
- NASBA Committee Updates, as available
 - NASBA Middle Atlantic Regional Director – **Stephanie S. Saunders, CPA**
 - NASBA Executive Director’s Committee – **Wade A. Jewell, Executive Director**
- 12 p.m. Recess for Board lunch
- 1 p.m. 4. Additional Items for Discussion
- Carry over items/potential future topics
 - CPE guidelines for publications (May)
 - Adjudication Manual (May)
 - Use of confidential consent agreements (May)
 - Trust Fund Reserve Policy (May)
 - CPE – VBOA/VSCPA discussions (on-going)
 - 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:
 - May 18, 2018
 - June 21, 2018

1:15 p.m.

5. Closed Session

Enforcement – **Rebekah E. Allen, Enforcement Director**

- Status of Open Cases
- OAG updates
- Consent Orders:
 - 2018-056-005E (Ferguson and Brown)
 - 2017-401-025E (Bradshaw and Moyers)
- Final Orders:
 - 2017-373-018E (Bradshaw and Moyers)
 - 2017-041-017C (Jewell and Allen)
 - 2017-080-048C (Jewell and Allen)

2:30 p.m.

6. Closed Session – Personnel – **Wade A. Jewell, Executive Director**

3 p.m.

Adjournment

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

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

**Board Meeting
February 8, 2018
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Thursday, February 8, 2018, in Board Room #2 of the Perimeter Center, 9960 Mayland Drive, Henrico, VA 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
Laurie A. Warwick, CPA

MEMBER PRESENT BY TELECONFERENCE: Andrea M. Kilmer, CPA

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

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

MEMBERS OF THE PUBLIC PRESENT: Tyrone Dickerson, CPA, NASBA At-Large Director and Continuing Professional Education (CPE) Committee Chair, former Board member and Chair
Kevin Savoy, CPA, CGMA, Audit Director, APA
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
Ben Burkhart
Pamela Kerr

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**MEMBERS OF THE
PUBLIC PRESENT BY
TELECONFERENCE FOR
A PORTION OF THE
MEETING:**

Nadia Rogers, CPA, PROC Chair
Reza Mahbod, CPA, PROC member

CALL TO ORDER

Mr. Boshier called the meeting to order at 10:07 a.m. He noted Ms. Kilmer would be participating by teleconference in accordance with Board Policy #10.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Mr. Boshier determined there was a quorum present.

APPROVAL OF AGENDA

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the February 8, 2018, agenda as amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

APPROVAL OF MINUTES/CONSENT AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the December 12, 2017 Board meeting minutes and Consent Agenda as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

PUBLIC COMMENT PERIOD

Mr. Boshier welcomed and invited members of the public to provide comments. Ms. Kerr spoke on behalf of herself and her daughter regarding File No. 2017-097-009D. Mr. Burkhart also spoke on his own behalf regarding File No. 2017-097-009D.

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APA – FY2017 Audit Update

Mr. Savoy presented an APA – FY2017 Audit Update to the Board. He began by giving a brief history of the APA. Historically, the VBOA audit has been a very clean audit that is straightforward. Mr. Savoy and Ms. Parnell are handling the VBOA audit and the planned time-period is March/April 2018 through May 2018.

PEER REVIEW OVERSIGHT COMMITTEE (PROC) UPDATE/PRESENTATION

Ms. Rogers and Mr. Mahbod are participating by teleconference.

Ms. Rogers presented an update from the Peer Review Oversight Committee. The committee reviewed and evaluated, for the period of Jan.1 – Dec. 31, 2017, the policies and procedures of the VSCPA and the National Peer Review Committee (the NPRC) of the AICPA as those policies and procedures relate to the administration of the AICPA Peer Review Program for firms licensed by the Board. Based on their review, Ms. Rogers explained the committee believes peer reviews are being conducted and reported on consistently and in accordance with the Standards for Performing and Reporting on Peer Reviews.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to accept the Peer Review Oversight Committee’s recommendation as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Ms. Rogers and Mr. Mahbod are no longer participating by teleconference.

BOARD DISCUSSION TOPICS

Proposed 2018 Legislation and corresponding Emergency Regulations

Mr. Jewell led the discussion regarding proposed 2018 legislation and corresponding emergency regulations. An in depth discussion ensued and a vote on the emergency regulations was postponed until after lunch.

Exam/Licensing/Enforcement System Update

Mr. Jewell led the discussion regarding the examination, licensing and enforcement system overview. He provided the Board with an overview of the starting design phase with MicroPact.

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Virginia-Specific Ethics Course update

Ms. Newsom-McCurdy led the discussion regarding the Virginia-Specific Ethics Course update. She noted there were over 21,000 Virginia-Specific Ethics Course takers in 2017 from approved sponsors. She noted they were on schedule to have the 2018 course available by March 1, 2018.

CPE Violation Penalties Guidelines – proposed updates

Ms. Allen led the discussion regarding the proposed CPE violation penalties guidelines. Ms. Allen clarified the proposed updates and fielded questions. Discussion followed.

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to accept the proposed CPE violation penalties guidelines updates as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Note: See further minutes below for continued discussion and subsequent vote on this topic.

CPE credit recommendation for exams

Ms. Ferguson led the discussion regarding the proposed CPE credit recommendation for exams. Ms. Ferguson recommended 30 CPE hours for the CFE (Certified Fraud Examiner) exam. Discussion ensued.

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to accept the proposed CPE hours for Certified Fraud Examiner (CFE) exam as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Note: See further minutes below for continued discussion and subsequent vote on this topic.

EXECUTIVE DIRECTOR’S REPORT

General Updates

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

- Mr. Jewell informed the Board that the January 2018 e-newsletter had been released.
- Ms. Charity provided an update regarding letters, emails and automated calls made regarding license renewals for December 2017 and January 2018.

December 2017 Board Report

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Ms. Charity presented and fielded questions regarding the December 2017 Board Report.

December 2017 Financial Report

Ms. Reinholtz presented and fielded questions regarding the December 2017 Financial Report.

FY2017 Financial Statements

Ms. Reinholtz presented and fielded questions regarding the draft FY2017 Financial Statements.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to accept the FY2017 Financial Statements as presented. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

COMMITTEE UPDATES

NASBA UAA Committee

Ms. Saunders led the discussion regarding the NASBA UAA Committee. She noted the UAA Standards for Regulations 8th Edition was released in January 2018.

NASBA Education Committee

Ms. Ferguson led the discussion regarding the NASBA Education Committee. She noted the committee had met in Atlanta, GA in December 2017 and had a teleconference scheduled for February 12, 2018.

NASBA Middle Atlantic Regional Director

Ms. Saunders led the discussion regarding the NASBA Middle Atlantic Regional Director. She noted a NASBA Board meeting was held in January 2018. The mutual recognition agreement (MRA) renewals were voted on. She noted the new Gateway and National Candidate Database would launch in March 2018 with a payment coupon and NTS blackout period preceding the launch date. In addition, Ms. Saunders will serve on the AICPA’s Professional Ethics Executive Committee (PEEC).

NASBA Executive Director’s Committee

Mr. Jewell led the discussion regarding the NASBA Executive Director’s Committee. He noted the annual NASBA Executive Director’s and Staff Conference, and NASBA Legal Conference, would be

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held in Destin, FL March 13 – 15, 2018. He noted Mr. Boshier would be speaking at both conferences. Mr. Jewell, Ms. Reinholtz, Ms. Allen and Ms. Anderson plan to attend.

Ms. Kilmer is no longer participating by teleconference.

RECESS FOR LUNCH 12:15 p.m.

RECONVENE 1:00 p.m.

Ms. Kilmer rejoins the meeting by teleconference.

Proposed 2018 Legislation and corresponding Emergency Regulations (cont.)

Board members continued an in depth discussion regarding the proposed emergency regulations.

Upon a motion by Ms. Ferguson, and duly seconded, the members approved by unanimous vote that (a) upon the enactment of House Bill 752 and Senate Bill 428, the Virginia Board of Accountancy promulgate the proposed regulation as amended using the emergency process established in § 2.2-4011 of the Code of Virginia for situations in which Virginia statutory law requires that a regulation be effective in 280 days or less from its enactment, and the regulation is not exempt under the provisions of subdivision A 4 of § 2.2-4006 of the Code of Virginia; and (b) Board staff be directed to set the effective date of the emergency regulation as of the filing date with the Registrar of Regulations; and (c) Board staff be directed to concurrently file a Notice of Intended Regulatory Action for a permanent regulation to replace the emergency regulation. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

CPE credit recommendation for exams (cont.)

Ms. Ferguson led the discussion revisiting the proposed CPE credit recommendation for exams. Further review and discussion ensued. Ms. Ferguson recommended amending the CPE earned for the CFE (Certified Fraud Examiner) exam to 25 CPE hours. Discussion followed.

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to accept the proposed CPE hours for Certified Fraud Examiner (CFE) exam as amended. The members voting “**AYE**” were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

ADDITIONAL ITEMS FOR DISCUSSION

Carry Over Items/Potential Future Topics

- CPE guidelines for publications (May)

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- Adjudication Manual (May)
- Use of confidential consent agreements (May)
- CPE – Model Rules and 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

- April 19, 2018
- May 18, 2018
- June 21, 2018

ENFORCEMENT

Begin closed meeting

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

End closed meeting

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

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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
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

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

Upon a motion by Mr. Brown and duly seconded, the members approved by unanimous vote that Wade A. Jewell be delegated the authority to review and approve for reinstatement Respondents who were suspended for a CPE deficiency and were in compliance with their Consent Order.

CALL FOR VOTE:

Matthew P. Boshier, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
William R. Brown, CPA – Aye
D. Brian Carson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

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Upon a motion by Ms. Saunders, and duly seconded, the members approved by unanimous vote that the category of “false certifications on any given renewal application” and penalties associated with this category be removed from the CPE violation penalty guidelines.

CALL FOR VOTE:

Matthew P. Boshier, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
William R. Brown, CPA – Aye
D. Brian Carson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

Board Order:

Case # 2017-097-009D (Saunders and Moyers)

Ms. Saunders and Ms. Allen did not participate in the discussion.

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to accept the final order as presented.

CALL FOR VOTE:

Matthew P. Boshier, Esq. – Aye
Susan Quaintance Ferguson, CPA – Aye
William R. Brown, CPA – Aye
D. Brian Carson, CPA – Aye
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Abstain
Laurie A. Warwick, CPA – Aye

VOTE:

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

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Begin closed meeting

Upon a motion by Ms. Ferguson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately convene a closed meeting under the Virginia Freedom of Information Act to discuss and consider a personnel matter relating to the Board of Accountancy staff, a matter lawfully exempted from open meeting requirements under the ‘personnel matters’ exemption contained in Virginia Code § 2.2-3711(A) (1). The following non-member will be in attendance to reasonably aid 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 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
Andrea M. Kilmer, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

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ADJOURNMENT

There being no further business before the VBOA, upon a motion by Ms. Saunders, and duly seconded, the meeting was adjourned by unanimous vote at 3:08 p.m. The members voting **AYE** were Mr. Boshier, Ms. Ferguson, Mr. Brown, Mr. Carson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

APPROVED:

Matthew P. Boshier, Esq., Chair

COPY TESTE:

Wade A. Jewell, Executive Director

**PROPOSED REGULATION (EXEMPT)
as of April 12, 2018**

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 except as provided in subsection B of 18VAC5-22-180	\$60
Processing an application for the timely renewal of a firm's Virginia license except as provided in subsection B of 18VAC5-22-180	\$75
Additional fee for processing an application for the renewal of a person's Virginia license that is not timely	\$100
Additional fee for processing an application for the renewal of a firm's Virginia license that is not timely	\$100
Processing an application for reinstatement of a person's Virginia license	\$350
Processing an application for reinstatement of a firm's Virginia license	\$500
Processing an application for lifting the suspension of the privilege of using the CPA title in Virginia	\$350
Processing an application for lifting the suspension of the privilege of providing attest services or compilation 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 wall certificate	\$25

Additional fee for not responding within 30 calendar days to any request for information by the board under subsection A of 18VAC5-22-170	\$100
Additional fee for not using the online payment option for any service provided by the board	\$25

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

18VAC5-22-180. Issuance, Renewal, and Reinstatement of Licenses.

- A. Any Virginia license issued, renewed, or reinstated between on or after February 26, 2018 and on or before June 30, 2018 shall expire on June 30, 2019, and its holder shall pay the fee prescribed in 18VAC5-22-20, upon submission of a completed license application.
- B. Any Virginia license expiring between July 31, 2018 and on or before March 31, 2019 that is renewed pursuant to this subsection below shall expire on June 30, 2019. Any Virginia license expiring between April 30, 2019 and on or before May 31, 2019 that is renewed pursuant to this subsection shall expire on June 30, 2020.
1. A person who holds a Virginia license that expires between July 31, 2018 and May 31, 2019 shall pay a prorated renewal fee as prescribed below, upon submission of a completed license renewal application.

Deleted: the effective date of Chapter 45 of the 2018 Acts of Assembly

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

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

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

- C. Any Virginia license issued or reinstated from July 1, 2018 to on or before March 31, 2019 shall expire on June 30, 2019, and its holder shall pay the fee prescribed in 18VAC5-22-20, upon submission of a completed license application. Beginning April 1, 2019, any Virginia license issued or reinstated during the months of April, May, or June shall expire on June 30th of the succeeding calendar year, and its holder shall pay the fee prescribed in 18VAC5-22-20, upon submission of a completed license application.
- D. For Virginia licenses expiring on June 30, 2019 or later, the holder of a Virginia license shall annually renew his license on or before June 30th of each calendar year by submitting a completed license renewal application and paying to the board a renewal fee as prescribed in 18VAC5-22-20.
- E. ▼

Deleted: <#>A person who holds a Virginia license shall be required to meet the requirements for continuing professional education set forth in 18VAC5-22-90 and 18VAC5-22-140 to be eligible to renew unless granted an exemption or waiver by the board, and shall attest to his compliance with continuing professional education requirements on his annual license renewal application. If a person has not met the requirements for continuing professional education and has not been granted an exemption or waiver by the board, the person shall notify the board either prior to applying for renewal or as part of a disclosure on his renewal application.¶

<#> ¶

<#>A firm that holds a Virginia license shall be required to meet the requirements for ownership and voting equity interest set forth in subdivision D 1 of § 54.1-4412.1 of the Code of Virginia to be eligible to renew, and shall attest on its compliance on its annual license renewal application. If a firm does not meet the requirements for ownership and voting equity interest, the firm shall notify the board prior to applying for renewal or as part of a disclosure on its renewal application.

Virginia Board of Accountancy
FY18 Board Report
As of March 31, 2018

REPORT CATEGORIES	FY2018 - YTD as of 3/31/18	FY2017 - YTD as of 3/31/17	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	26,284	25,042	25,452	24,648	24,791	25,467
Number of Active - CPE Exempt, licensed CPAs (a)	1,520	1,352	1,326	1,158	898	
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPAs	168	1,224	933	1,516	1,142	881
Total Number of Licensed CPAs	27,972	27,618	27,711	27,322	26,831	26,348
Number of out-of-state licensees	8,347	8,193	8,290	8,152	8,086	8,160
Reinstatements - Individuals	141	65	92	79	106	107
Number of new CPA licenses issued	1,019	1,084	1,378	1,322	1,240	1,345
Net change in number of expired/voluntary surrendered licenses (>12 months)	758	788	989	831	757	624
Firms:						
Number of Active, licensed CPA firms	1,172	1,097	1,123	1,092	1,115	1,147
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPA firms	11	68	44	65	71	71
Total Number of Licensed CPA Firms	1,183	1,165	1,167	1,157	1,186	1,218
Reinstatements - Firms	9	5	5	5	0	5
Number of new CPA firm licenses issued	60	50	65	29	40	38
Net change in number of expired/voluntary surrendered firm licenses (>12 months)	44	42	55	58	72	50
EXAM CANDIDATES						
Number of first time candidates applying to sit for CPA exam	1,106	1,237	1,819	2,136	1,904	1,860
ENFORCEMENT						
Number of complaints	69	66	82	145	84	74
Types of complaints:						
Unlicensed activity	19	40	45	41	24	16
Other disciplinary matters	50	26	37	104	60	58
CPE AUDITS						
Number of CPE audits selected	1,850 (b)	1,459	2,022	1,578	1,088	971
Status of CPE Audits:						
# of CPE audits resulting in compliance	1,287	828	1,594	1,291	819	800
# of CPE audit deficiencies	229	218	428	286	269	171
# of CPE audit deficiencies resulting in surrender of license	16	13	51	30	17	7
# of CPE audit deficiencies resulting in suspension of license	2	12	24	19	19	10
# of CPE audits open/pending review	334	413	0	1	0	0
CPE Audit Deficiency Rate	15%	21%	21%	18%	25%	18%
BUDGET/EXPENDITURES						
Total YTD expenditures	\$1,756,994	\$1,327,852	\$1,727,506	\$1,642,512	\$1,424,978	\$1,366,765
Total fiscal year budget	\$2,764,010	\$2,414,828	\$2,414,828	\$1,886,458	\$1,648,449	\$1,648,384
% of expenditures vs. budget	63.6%	55.0%	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 March 2018.

VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
FY18 BUDGET vs. ACTUAL EXPENSES
AS OF MARCH 31, 2018

<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>
<u>Salaries & Benefits</u>	1,285,385	922,784	71.8%	1,103,143	999,185	901,488
Total Salaries & Benefits	\$ 1,285,385	\$ 922,784	71.8%	\$ 1,103,143	\$ 999,185	\$ 901,488
<u>Contractual Services</u>						
1209 Charge Card Purchases (not distributed)	-	-	---	-	-	-
1211 Express Services	-	515	---	-	-	-
1214 Postal Services	12,500	8,477	67.8%	7,975	9,144	9,049
1215 Printing Services	5,500	4,783	87.0%	5,245	4,163	3,296
1216 Telecommunications - VITA	13,000	8,123	62.5%	12,272	10,021	7,256
1217 Telecommunications - Nonstate	-	50	---	600	-	30
1219 Inbound Freight	450	149	33.0%	418	858	436
1221 Organization Memberships (primarily NASBA)	7,250	6,935	95.7%	7,250	7,030	6,690
1222 Publication Subscriptions	4,900	1,066	21.8%	4,730	5,254	370
1224 Training - Courses, Workshops, Conferences	8,900	10,767	121.0%	8,914	8,566	12,638
1227 Training-Transportation, Lodging, Meals, Incidentals	11,500	21,170	184.1%	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	35,575	64.7%	53,790	47,883	44,753
1243 Attorney Services (Including OAG)	51,736	38,802	75.0%	24,844	36,671	27,744
1244 Mgmt. Services - NASBA/special accommodations - IT Support	78,500	14,012	17.8%	75,641	64,564	10,085
1246 Public Info/Public Relations (subscriptions)	5,100	3,538	69.4%	5,015	1,756	590
1247 Legal Services (Includes court reporting services)	13,500	13,212	97.9%	12,977	10,306	9,079
1248 Media Services	-	-	---	-	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	2,680	107.2%	2,156	2,170	3,115
1265 Laundry & Linen Services	-	-	---	25	-	-
1266 Manual Labor Services (Includes shredding services)	1,200	130	10.8%	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 ISO services)	127,906	105,868	82.8%	122,620	87,475	78,203
1273 Info Mgmt Design and Development Services (Project Manager)	144,870	47,300	32.6%	-	-	599
1275 Computer Software Maintenance	-	-	---	-	43,200	43,227
1278 VITA Information Technology Infrastructure Services	108,832	81,567	74.9%	90,483	118,041	98,143
1279 Computer Software Development Services (MicroPact and Data Conversion)	634,596	317,405	50.0%	-	-	-
1282 Travel - Personal Vehicle	7,000	5,413	77.3%	6,980	5,926	4,691
1283 Travel - Public Carriers	700	-	0.0%	589	543	1,032
1284 Travel - State Vehicles	1,000	652	65.2%	619	1,347	698
1285 Travel - Subsistence and Lodging	1,500	2,164	144.3%	1,250	1,749	6,484
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	1,423	142.3%	730	917	1,626
Total Contractual Services	\$ 1,301,794	\$ 734,528	56.4%	\$ 459,834	\$ 487,145	\$ 383,359
<u>Supplies and Materials</u>						
1311 Apparel Supplies	-	-	---	248	842	-
1312 Office Supplies	5,000	3,862	77.2%	4,338	6,726	3,923
1313 Stationery and Forms	2,500	1,916	76.6%	2,214	2,249	2,271
1323 Gasoline (Enterprise vehicles)	400	221	55.3%	155	308	60
1335 Packaging and Shipping Supplies	970	485	50.0%	958	715	280
1342 Medical & Dental Supplies	50	-	0.0%	260	48	32

VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
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AS OF MARCH 31, 2018

<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>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	166	---	41	48	-
1353 Electrical Repair/Maintenance Materials	-	-	---	8	22	-
1362 Food & Dietary Supplies	575	312	54.2%	561	260	395
1363 Food Service Supplies	150	46	30.7%	107	15	7
1364 Laundry & Linen Supplies	-	-	---	24	-	18
1373 Computer Operating Supplies	7,100	2,179	30.7%	7,004	3,402	3,963
Total Supplies & Materials	\$ 16,745	\$ 9,187	54.9%	\$ 15,919	\$ 14,635	\$ 10,951
<u>Transfer Payments</u>						
1413 Awards & Recognition	1,000	123	12.3%	863	717	575
1415 Unemployment Compensation	-	-	---	-	-	4,512
1418 Incentives	300	-	0.0%	410	-	-
Total Transfer Payments	\$ 1,300	\$ 123	9.5%	\$ 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	5,681	66.8%	8,460	4,865	5,277
1539 Building Rentals - Non-State Owned Facilities	90,400	67,783	75.0%	88,126	76,350	77,951
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	36,326	7,376	20.3%	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	\$ 80,840	58.6%	\$ 135,308	\$ 116,287	\$ 117,661
<u>Equipment</u>						
2216 Network Components	1,200	341	28.4%	1,117	530	-
2217 Other Computer Equipment	500	685	136.9%	300	744	1,830
2218 Computer Software Purchases	-	379	---	2,157	3,556	140
2223 Exhibit Equipment	-	-	---	-	-	698
2224 Reference Equipment	50	40	79.0%	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
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	6,125	---	-	-	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	500	-	0.0%	-	880	331
2262 Office Furniture	15,000	555	3.7%	3,375	14,385	2,068
2263 Office Incidentals	2,750	792	28.8%	2,646	1,627	792
2264 Office Machines	-	65	---	928	821	10
2268 Office Equipment Improvements	150	-	0.0%	129	129	445
2271 Household Equipment	-	-	---	342	-	-
Total Equipment	\$ 20,877	\$ 9,532	45.7%	\$ 12,030	\$ 24,543	\$ 6,433
TOTAL ALL EXPENSE TYPES	\$ 2,764,010	\$ 1,756,994	63.6%	\$ 1,727,506	\$ 1,642,512	\$ 1,424,978
APPROPRIATION - CHAPTER 836	\$ 1,917,446					
Budget Execution Adjustment Request Approved 12/31/17	\$ 500,000					
Outstanding Budget Execution Adjustment Requests	\$ 346,564					
Total Projected Appropriation	\$ 2,764,010					

**VIRGINIA BOARD OF ACCOUNTANCY
FINANCIAL REPORT
CASH BALANCE
As of March 31, 2018**

	Operating Fund (09226)		Special Fund (02020)	
	FY2018 - YTD as of 3/31/18	FY2017 - YTD as of 3/31/17	FY2018 - YTD as of 3/31/18	FY2017 - YTD as of 3/31/17
Beginning Fund Balance July 1:	\$ 511,346	\$ 507,753	\$ 3,677,602	\$ 2,807,901
YTD Revenue Collected *	1,831,323	2,014,736	22,926	13,419
Accounts Payable **	49,400	0	0	0
Interfund Cash Transfers In/(Out), based on September 30th balance	(267,307)	(84,473)	267,307	84,473
Interfund Cash Transfers In/(Out), based on December 31st balance	137,961	(257,191)	(137,961)	257,191
Interfund Cash Transfers In/(Out), based on March 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on June 30 balance	0	0	0	0
YTD Expenditures	(1,756,995)	(1,327,852)	0	0
Cash Balance before annual transfers	\$ 505,729	\$ 852,973	\$ 3,829,875	\$ 3,162,984
Projected Cash Transfers:				
Transfers to Central Service Agencies ***	(\$10,155)	(\$10,155)	\$0	\$0
Transfers for repayment of deferred contributions to the VRS ****	\$0	\$0	\$0	\$0
Cash Balance after transfers	\$ 495,574	\$ 842,818	\$ 3,829,875	\$ 3,162,984

* 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.

**** 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 3/31/18	FY2017 - YTD as of 3/31/17	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	\$ 221,930	\$ 238,990	\$ 333,960	\$ 369,945	\$ 320,765
(c) Renewal Fee	\$ 70,480	\$ 96,400	\$ 115,480	\$ 61,220	\$ -
Reinstatement Fee	\$ 1,468,615	\$ 1,623,120	\$ 2,086,540	\$ 1,864,290	\$ 1,849,935
Duplicate Wall Certificate Fee	\$ 49,850	\$ 36,575	\$ 45,775	\$ 35,450	\$ 40,750
License Verification Fee	\$ 1,625	\$ 1,350	\$ 1,775	\$ 1,750	\$ 1,825
CPA Exam Score Transfers	\$ 14,950	\$ 14,737	\$ 20,487	\$ 19,963	\$ 21,550
Failure to Respond to Board Requests	\$ 1,950	\$ 1,475	\$ 2,075	\$ 2,075	\$ 2,225
Administrative Fee	\$ -	\$ 5,100	\$ 5,100	\$ 4,300	\$ 2,200
Bad Check Fee	\$ 1,000	\$ 4,100	\$ 5,100	\$ 4,100	\$ 10,129
	\$ 150	\$ 50	\$ 50	\$ 100	\$ 50
Total Revenue	\$ 1,830,550	\$ 2,021,897	\$ 2,616,342	\$ 2,367,168	\$ 2,263,229
(d) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 1,826,825	\$ 2,014,736	\$ 2,604,132	\$ 2,378,598	\$ 2,263,479
(e) Difference	\$ 3,725	\$ 7,161	\$ 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 MARCH 31, 2018**

	FY2018 - YTD as of 3/31/18	FY2017 - YTD as of 3/31/17	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	\$ 237,160	\$ 129,200	\$ 187,925	\$ 284,528	\$ 199,075
\$ amount of fines collected	\$ 175,692	\$ 152,455	\$ 198,771	\$ 252,626	\$ 206,367
\$ OAG Fees	\$ -	\$ -	\$ -	\$ 342	\$ 371
\$ Discharged	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 81,151	\$ 28,350	\$ 25,442	\$ 51,538	\$ 220,724
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 597,159	\$ 576,083	\$ 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.