

Montana Board News

Board of Accountancy

July 2019

The Honorable Steve Bullock
Governor of Montana

Board Members

Ranetta Jones, CPA, Chair
John Jacobsen, CPA, Secretary
Linda Harris, CPA
Kathleen VanDyke, Public Member
Dan Vuckovich, CPA
Mike Huotte, CPA
Lucinda "Cindy" Willis, Public Member

Executive Officer

Grace Berger

Contact Information

Current Licensee & Renewal Inquires

Email: dlibsdpac@mt.gov
Phone 406-841-2300

Applying for a MT CPA license

Email: licensing@nasba.org
Website: nasba.org
Phone: 866-350-0017

General Inquires

Email: dlibsdpac@mt.gov
Website: publicaccountant.mt.gov

CPE Audit

Email: cpeauditservice@nasba.org
Website: cpeauditservice.nasba.org
Phone 844-273-8722

Peer Review Inquires

Email: karnold@nevadacpa.org
Website: nevadacpa.org/peer-review
Phone: 775-826-6800



CPE Audit & CPE Audit Service

NASBA will begin the 2016-2018 CPE audit on behalf of the Board of Public Accountants in early July. The Board rules require that all licensees selected for CPE audit must submit the CPE documentation via the NASBA CPE Audit Service system.

One of the primary reasons submitted CPE fails an audit is unacceptable documentation. Make sure you are familiar with the documentation and other CPE requirements outlined in this newsletter. You should check your CPE documentation when you receive it to ensure it meets the requirements. It is much easier to resolve improper documentation issues right after completing the course than it is several years later.

All active permit holders, if you have not yet accessed the new CPE Audit Service system for the first time and need your login information resent, please send an email to dlibsdpac@mt.gov and your information will be emailed to you. If you have already accessed the tracking system and don't remember your password, you can select "forgot your password" and a password reset will be sent to your email address on file. Make sure your email address is correct by logging into the citizen portal and go to the "Account Management" area to update your email and other contact information. You will need to contact cpeauditservice@nasba.org for technical help with the CPE Audit Service system.

Inactive and retired permit holders, you are not required to take CPE while your license is on inactive status. In the future if you want to reactivate your inactive permit, you will need to provide the CPE documentation through the CPE Audit Service system to reactive your license. At the time of your reactivation request you will be provided with the CPE Audit Service system login information. All licensees originally licensed with the Montana Board of Public Accountants in 2019 will receive the CPE Audit Service system login information but note that your CPE requirement is 2020-2022.

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Montana Department of
LABOR & INDUSTRY

2019 Legislation

The Board had a successful 2019 legislative session. SB75 easily passed both houses of the Legislature and was signed by Governor Bullock. It contained a number of housekeeping measures. Additionally, it allows the Board more flexibility in performing CPE audits if the initial random audit has a fail rate greater than 15%, and extends enterprise funding until September 30, 2023.

The initial audit of CPE must be random. This requirement is found in the Uniform Licensing Law and pertains to all regulatory boards.

NASBA Has A New CPE Tracking System

Over last two years, NASBA has embarked on a significant upgrade project to their CPetracking platform. In March-May 2019, NASBA transitioned all CPA user accounts, including course and attendance records, from the CPetracking tool to the new platform, CPE Audit Service.

You should have received the information needed to register their new account in the CPE Audit Service platform in early May. Please check your SPAM folder if you haven't seen anything. All pertinent access information to the new platform was included in the registration communication.

If you have any questions, please contact cpeauditservice@nasba.org.



CPE Audit & CPE Audit Service (Continued)

A link to the CPE Audit Service system can be found on the Board website. Do not select "Submit to Board" unless you are selected for audit and you are ready to be audited.

The MSCPA directly loads course information for all CPE completed through the State Society. You will not be required to provide any additional information for those CPE courses. Any course that was not completed through the MSCPA will require you to add the documentation to the CPE Audit Service system to be complete.

The CPE Audit Service system will be required if you are selected for a CPE audit. If audited, you will be required to report all your CPE using the CPE Audit Service system. Because CPE is a 3-year requirement, if you are selected for audit, you will be required to have the past 3 years (2016-2018) of CPE on the CPE Audit Service system. It is a good idea to add courses as you complete them to eliminate the mad scramble after receiving a notification of audit.

Remember, the system is not just available to those licensees selected for CPE audit. All permit holders have been provided an account. This system is a great tool in managing your CPE and is available 24/7. At any time you can add courses as you complete them, upload course completion documentation, and track your compliance with meeting the mandatory 120 hours of CPE (50% technical subjects with a subset of 2 hours of ethics) in a 3-year period. We suggest that even if you aren't selected for CPE audit this year, and if you haven't already, that you begin tracking your CPE on the system. If you are selected for audit in the future, you will already have the courses and documentation loaded and ready to submit.

Permit Holder benefits include:

- » Records are submitted and stored online, reducing the need for paper filing.
- » Credits are entered using the basic online form and completion documentation can be attached.
- » Accounts are available online for all permit holders to access and add/edit records until they are required to submit their records to the Board for audit.
- » Permit holders can download and export the records they have entered into a spreadsheet for personal record keeping or choose a printer-friendly version of their CPE records.
- » CPE credits are submitted to the Board at the click of a button.

Continuous Testing Rule Adopted

The April 26 NASBA Board of Directors' meeting cleared the path for continuous testing on the Uniform CPA Examination as the Board approved Uniform Accountancy Act Model Rule 5-7(a)(2). According to the revised Rule, when system changes have eliminated the need for test window limitations "a Candidate can retake a Test Section once their grade for any previous attempt of the same Test Section has been released." A recent informal poll of the State Boards' executive directors found that many states have already started to model their rules after the new Model Rule. NASBA President Ken L. Bishop told the NASBA Board that plans now call for continuous testing to begin by June 30, 2020.

Technically NASBA is over its transition to outsourcing IT operations to CGI (see *sbr 2/19*), but it may take up to six months to learn the nuances of working in this type of relationship, President Bishop reported. Now that a new large source of technical talent is available to NASBA, prioritizing new projects has become important for enthusiastic NASBA directors. Treasurer Jim Burkes observed that while IT restructuring was costly for NASBA, and has had an impact on the financial report, it was the right move.

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Do We Have Your Current Information

It is important that the Board office has your current contact information. Log on to the Department of Labor & Industry citizen portal (where you renew your license) and go to the "Account Management" area. You can update your mailing address, email, and any other login information. To continue to receive important notices from the Board such as renewal notices, CPE audit notification, and newsletters, it is essential that you maintain this information.

Did You Know?

- » The CPA Exam was first offered in 1917 with three states using it: New Hampshire, Oregon and Kansas.
- » In the 1950s, C. Aubrey Smith predicted that deans would recognize the advantages of professional schools. But, he was wrong. It would be two decades later, in the late 1970s, schools of accountancy were created (despite opposition from many business school deans).
- » It wasn't until 1952 that all states and territories were using the CPA Exam. There were 20,000 candidates.
- » The first computer-based CPA Exam was administered in April 2004 at Prometric Testing Centers throughout the United States.
- » The CPA Exam was first offered in international locations in August 2011 and is currently offered in 10 countries outside the United States.

Reminder of CPE Requirement Change in Effect

In 2017, The Board of Public Accountants adopted new CPE rules that will affect your CPA license going forward. Under the amended rules, a program qualifies as acceptable CPE if it contributes directly to the licensee's knowledge, ability, and/or competence to perform the licensee's professional responsibilities.

Types of Programs

In addition to group, self-study, serving as an instructor, and publishing, the Board added new methods of obtaining CPE, including:

- » Blended learning,
- » Nano-learning,
- » Technical committee work, and
- » Technical reviewer of qualified CPE programs

You can find the definition of each method in ARM, 24.201.301.

Topic Requirements

In addition to more options for obtaining CPE, beginning January 1, 2018, active licensees must complete at least 50% (60 hours) in technical fields of study in a rolling 3-year period. Two hours of the technical study must be in ethics. The first reporting period with this 50% technical subject requirement is 2018-2020. Those technical subjects are:

- » Accounting, including governmental accounting,
- » Auditing, including governmental auditing,
- » Taxation,
- » Management services,
- » Information technology,
- » Statistics,
- » Economics,
- » Business law,
- » Finance,
- » Specialized knowledge, and
- » Ethics

Documentation Requirements

All claimed CPE must have acceptable documentation. Acceptable documentation for group, self-study, nano-learning, or blended learning is a certificate of completion or transcript issued by the program sponsor. The following information MUST be included:

- » Participant's name,
- » Course sponsor,
- » Course title and/or description,
- » Dates,
- » Location,
- » Number of CPE credit hours, and
- » NASBA National Registry of Sponsor ID for nano-learning and self-study, if applicable

Acceptable documentation for technical committee sessions must include a written certificate, including:

- » The nature of the activity (topic or specific new competency acquired), the items discussed, and the source/material considered,
- » Dates of the learning activity, and
- » The number of CPE credits attributed to the learning activity

Acceptable evidence for credit for publishing is a copy of the publication that names the licensee as author or contributor, a statement from the licensee supporting the number of CPE hours claimed, and the name and contact information of the

Fewer IRS Audits in FY 2018

Although the IRS audited more than 892,000 individual income tax returns during fiscal year 2018, that was slightly down from the prior year, the 2018 IRS Data Book reports. Their processing of estate tax returns was also slightly down compared to the prior year; however, the IRS processed more of every other major type of form compared to the prior year, including partnerships filed up almost 5 percent, and S-corporation filings up almost 6 percent.

The IRS collected nearly \$3.5 trillion during fiscal year 2018 and processed more than 250,000,000 tax returns and other forms. Income tax refunds totaling almost \$395 billion were issued to over 120,000,000 individuals.

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Receiving Your CPA Exam Scores

Waiting to receive CPA Exam scores is a top 10 least favorite thing by CPA Exam candidates because of the anxiety produced by the stretch of time it may take to receive the score(s).

After testing for the CPA Exam, candidate responses are sent to the AICPA for scoring. The AICPA does not receive or have access to candidate identities, and the responses are identified by the examination section identification number only. When scoring is complete, advisory scores become available and the AICPA forwards them to NASBA. NASBA then matches the scores to the individual candidates and sends the scores to the Boards of Accountancy for approval and subsequent release to candidates.

Reminder of CPE Requirement Change in Effect (Continued)

independent reviewer(s) or publisher.

Credit Earned

Group programs and blended learning programs must be a minimum of one hour, but credit may be earned in one-fifth or one-half hour increments after the first full credit hour is earned.

Blended learning hours must equal the sum of the credit determination for the various completed components of the program. Pre-program, post-program, and homework assignments cannot be more than 25% of the total blended learning CPE credit for that class.

Self-study programs must be a minimum of one-half credit hour, but credit may be earned in one-fifth or one-half increments after the first one-half hour credit is earned. A self-study course that is offered by a sponsor that IS NOT a NASBA Registry sponsor receives half credit. Those courses must be at least 50 minutes to receive any credit.

Nano-learning is earned at one-fifth credit hour. Nano-learning courses must be offered by a NASBA National Registry of CPE Sponsor to receive any CPE credit.

CPE Audit

The Board would like to remind you that if you are selected for CPE audit, you MUST report your CPE and provide documentation through the CPE Audit Service system. Keeping the system up to date will allow you to see at a glance if you are compliant with requirements, and will simplify submitting for an audit.

New Officers Elected

At their May meeting, the Board of Public Accountants elected Ranetta Jones, CPA, as Chair for the upcoming year. Ranetta will take over July 1.

Ranetta is a Billings native. She graduated from MSU-B and received her CPA license in 1992. Ranetta worked for Jackson, Fekety, & Odle, a small public accounting firm for 19 years, focusing on business and personal tax, small to medium business operational accounting including accounting software support, trust and estate tax and non-profits including audits.

For the past 12 years she has worked for Stillwater Mining Company as the tax analyst, primarily responsible for US, Montana, Canadian, Argentinian, and Chilean income taxation in addition to property tax and mining severance taxes. She also is the lead on ASC 740, tax provisioning, and works closely with accounting and financial reporting personnel at Stillwater to provide SEC and SOX audit support. Additionally Ranetta works with treasury and investment administration and business insurance procurement.

Ranetta is a member of MSCPA, AICPA, and AFWA, where she has served as a National committee member, local Chapter President, and Regional Conference Organizer. Her involvement in the community includes Treasurer of the Community Crime Prevention Council in Billings, President of the Big Sky Exchange Club, and has taught Sunday School and AWANA for over a decade. She and her husband Al still reside in Billings with their corgi.

John Jacobsen, CPA, was elected Secretary. John was born and raised in Great Falls. He holds a BS in Business Administration and Accounting from UM graduating with honors in 1981 and received his CPA license in 1983. He started his career in the Billings office of McGladrey, Hendrickson & Company, CPAs, which eventually became the Billings office of Eide Bailly LLP, CPAs. He became a partner in 1997 and is still in active practice.

John is a member of MSCPA, AICPA, and the Billings Chapter of Certified Public Accountants. He has held a number of leadership positions, including serving on his firm's board of directors and as chairman of the board, as well as serving as a member of the Montana Board of Public Accountants professional monitoring program, his firm's audit and accounting committee, and the MSCPA Peer Review Committee.

We congratulate both Ranetta and John.