

2018 - 2019

ANNUAL LETTER



NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

The Board is responsible for licensing and regulating Certified Public Accountants (CPAs) in Nebraska



NEBRASKA

State Board of Public Accountancy

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2018 - 2019 Annual Letter

A MESSAGE FROM THE BOARD CHAIR, MS. LORI DRUSE

It is amazing how fast eight years has gone by as my time on the State Board draws to a close during 2019. I have really enjoyed my time on the State Board and recommend to anyone who is thinking about it to submit your name to the Governor's Office for consideration. One thing in the world today you can count on is change ... change in our personal lives, change in technology, and most certainly change in our profession.



Lori Druse, CPA

During my tenure on the Board, I have witnessed changes in all of these areas including:

- The loss of our treasured chair Michael Wassinger, CPA
- Turnover and retirements in long tenured State Board staff
- The formation of the Experience Work Group leading to changes to the Public Accountancy Act to allow for private, academia, and other governmental experience to count towards requirements to obtain a permit to practice as a CPA
- The end of the Board's Quality Enhancement Program (QEP) upon recommendations of the QEP Task Force and the implementation of Peer Review for firms conducting attest work
- Holding a State Board meeting at Creighton University and soon to hold one at the University of Nebraska - Lincoln
- Multiple rules updates through various rules hearings
- Significant updates and changes to the Uniform CPA Examination.

Change is difficult whether it is expected or unexpected. In about any definition that you look up, change is defined as "to make or become different". Often people resist change due to comfort with the current state, fear of the unknown, or lack of ability to envision or define the future. Between the aging baby boomers' population retirements and the rapid pace of change in technology, the time is upon us that we all need to step up and embrace the changes we are experiencing in our profession now and to prepare for even greater changes to come. I am optimistic for the CPA profession in the future and await the work of NASBA's Evolution Work Group to gauge the needs of clients and the work of CPAs of the future. We all must be prepared for change and the need to adapt as our profession moves forward!

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One of the most difficult aspects of serving on the State Board was conducting hearings for disciplinary cases. Not sure there is anything that can prepare you for this part of the State Board's responsibilities. I thought this was when the State Board was most engaged in serious consideration and discussion to come up with the fairest and consistent decision that could be rendered in the matter. While it is sometimes very difficult to revoke or suspend a practitioner's license, at times it becomes necessary to protect the public interest which is our mission:

To protect the welfare of the citizens of the State of Nebraska by assuring the competency of persons licensed as Certified Public Accountants (CPA's).



A MESSAGE FROM THE BOARD CHAIR, MS. LORI DRUSE (CONTINUED)

Although I believe the two four-year term limit of State Board membership is about right and allows for others to participate on the Board, I will truly miss my former and current colleagues on the State Board. What a wonderful group of professionals I have been able to engage with on the State Board over the course of my tenure. The most important part is that I can call them friends as I depart.

Our Board meetings are open to the public and if anyone has an interest, you are most welcome to attend. I hope I have represented the public and our profession well over the course of my term as a member, including the last two years as Chair. My experience has been well worth the time and, again, I hope someday you consider service on the State Board to help lead our profession through the changes of the future!

Ms. Lori J. Druse, CPA

Change is the law of life. And those who look only to the past or present are certain to miss the future.

- John F. Kennedy

FROM THE EXECUTIVE DIRECTOR: CPE REMAINS IMPORTANT



Dan Sweetwood

I recently held a discussion with a managing partner of a large CPA firm who indicated that although most CPAs in the firm understood the importance of Continuing Professional Education (CPE), the firm had lapsed into a culture of "let's just get it done" and CPE was in the way of getting the real work completed by serving client needs.

I indicated this was not unusual and I

have heard the same from many CPAs over my years with the Board. Others are concerned with the cost of CPE and the confusion of completing the required 80 hours within the two-year CPE reporting period, as well as the time it takes away from the office. However, on the local and national level, CPE remains an important component of the CPA profession by ensuring CPAs remain up to date on the continuous changes to accounting, tax, attest, and other professional services provided.

Some important things to know about CPE in Nebraska:

- The Board's online CPE reporting site remains very popular for reporting CPE in Nebraska. One of the first developed in the country, the site continues to receive very positive feedback from Nebraska CPAs.
- The Board strives to keep CPE as flexible as possible in Nebraska. Although 64 hours of the required 80 hours of CPE are in professional services, the remaining 16 hours, if the CPA chooses, can be completed within personal development courses or other non-accounting development courses. Information regarding CPE can be accessed by going to Board regulations within Chapter 8 or Board Guidelines at <https://nbpa.nebraska.gov>.
- All CPE courses are initially reviewed by Board staff and then later approved by the Board's CPE Committee.

The Board works closely with the Nebraska Society of CPAs and other providers in the review and feedback of courses offered to Nebraska CPAs. You can request an initial review of a course by completing a Program Qualification Form which can be found on our website.

- 4-hours of ethic-related courses are required with the 80-hour reporting period. Again, the Board is flexible within this requirement, however, believes courses covering the vast professional conduct requirements of CPAs are very important.
- The CPE Committee is reviewing the concept of "CPE Reciprocity" for CPAs whose principle place of business is outside of Nebraska. Stay tuned on this initiative!

As you can see, your Board takes CPE very seriously and is pleased there is a high level of compliance with reporting and attending CPE in Nebraska based on the CPE audits conducted by staff. We believe this is partly based on the requirement that courses must be reported and Nebraska CPAs just being Nebraska CPAs with good judgement in mind! Additionally, the managing partner I spoke of at the beginning of this article indicated the firm has recommitted to making CPE an important part of the firm and not just a requirement that needs to be completed.

Any questions regarding CPE can be directed to the office at (402) 471-3595 or at Heather.Myers@Nebraska.gov. I can be reached at Dan.Sweetwood@Nebraska.gov with any questions and/or concerns.

Take care in 2019!

Dan Sweetwood



BOARD UPDATES



THANK YOU BERNIE GUTSCHEWSKI!

Pictured: Ms. Lori Druse, CPA-Chair, Mr. Bernie Gutschewski, and Executive Director Dan Sweetwood

Mr. Bernie Gutschewski attended his last meeting in September as a public member of the Board and received his membership award and Resolution of appreciation of the Board. Bernie served two four-year terms on the Board, including four years as Chair. He was the longest serving Chair in recent memory, which was a testament to his leadership. He also served on the Board's Executive, Legislative, and Licensing Committees over the years. If you run into Bernie, please take the time to thank him for his service to the citizens and the CPA profession in Nebraska.

CONGRATULATIONS TO OUR NEWLY APPOINTED BOARD MEMBER JEFF KANGER!



Mr. Jeff Kanger was recently appointed to a four-year term by Governor Pete Ricketts to the Board as a public member. Mr. Kanger is a graduate of the University of Nebraska College of Law and is the Executive Vice President with First State Bank Nebraska. He will attend NASBA's Regional Meetings in June in Salt Lake City, UT and attend new Board Member Orientation activities.



Pictured: Executive Director Dan Sweetwood, Ms. Heather Myers, Ms. Kristen VanWinkle, and Board Member Ken Brauer.

BOARD STAFF MEMBERS

Board staff attends the Nebraska Society of CPAs annual meeting last November at the La Vista Conference Center. The Board appreciates the Society for allowing staff to set up a booth to answer questions and provide guidance regarding Board requirements to CPAs attending the conference. Board Vice Chair Dr. Thomas Purcell, CPA also presented new Certificates to students passing the Uniform CPA Examination during the Society awards luncheon.



CPE RULES IN EFFECT

As an active CPA, it is your responsibility to remain compliant with CPE to maintain your competence to practice public accounting. All holders of an active permit to practice public accountancy are required to comply with the continuing education requirements.

- To renew your Active Permit to Practice, you must complete 80 hours of CPE (including 4 hours of ethics) within the two calendar years prior to renewal. CPE must be earned by December 31st of the year prior to renewal and must be reported by January 31st of your renewal year.
- The applicant for renewal of an active permit to practice shall, by January 31st of each year, provide a report of the continuing education in which he or she has participated in the preceding calendar year. If a permit holder has a valid reason they cannot report by January 31, they shall communicate the reason to the Board in writing before January 31.
- Sole responsibility for documenting the requirements rests with the permit holder and evidence to support fulfillment of those requirements must be retained for a period of six years after the completion of educational courses.

Evidence of course completion must include one of the following:

- » Certificate of completion from the course sponsor
- » Copy of the sign in sheet
- » Grade report or a transcript from an educational institution
- » A signed statement of hours of attendance from the instructor
- » For instructors, you need to provide a copy of the agenda or syllabus
- » For publishers, you need to provide a copy of the article, book, etc.

*****Please note that Course Approval letters from the Nebraska State Board do NOT count as a certificate of completion or attendance. *****

- Inactive Registrants and "Inactive-Retired" registrants are not required to report continuing education.

MAKEOVER TO THE CPE REPORTING TOOL

There is a new look to the Online CPE Reporting Tool but it still works the same! The ability to submit courses online can be used throughout the year. Please use this tool to track your CPE hours on an ongoing basis.

| | F | S | C | CT | I | P | Q | E | Totals |
|------------------|---|---|---|----|---|---|---|---|--------|
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reporting Totals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Current Reporting Years (2019 - 2020)

2019: No Hours

2020: No Hours

Courses Added: No Hours

Submitted This Session

Edited This Session

New CPE Course Entry

Year: 2019 Program Sponsor: Title:

Start Date: End Date:

Formal Program with Class Attendance (F) Correspondence or Self-Study Programs (S)

University or College Courses (C) Technical Committee Service (CT)

Instruction or Presentation of Programs (I) Published Articles or Books (P)

QEP and Peer Review Programs (Q) Ethics (E)

☐ NABPA Approved ☐ Board Pre-Approved

ENTER ANOTHER CPE COURSE ENTRY CONTINUE TO REVIEW AND SAVE

AGENCY
Nebraska Board of Public Accountancy
1526 K Street, Suite 410
PO Box 94725
Lincoln, NE 68509
402-471-3595
402-471-4884

RESOURCES
Nebraska.gov
All State Agencies
All State Services
Policies
Support

Official Nebraska Government Application
Built and Maintained by Nebraska Interactive
© 2018 STATE OF NEBRASKA
SELECT LANGUAGE



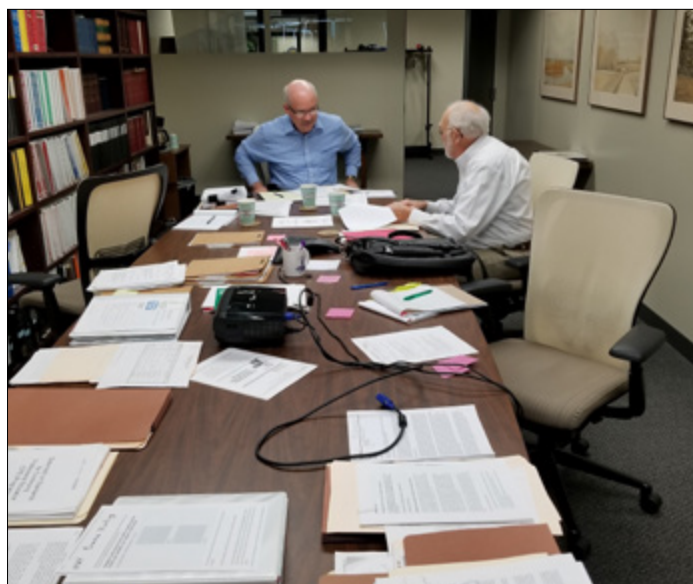
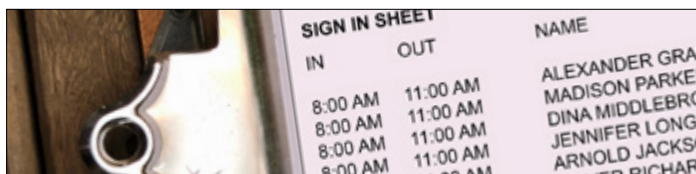
IN-HOUSE CPE

If your Firm holds in-house training courses, please make sure there is a sign-in sheet present at the course or provide certificates of completion.

The sign-in sheet or certificate of completion requirements are:

- Sign in sheet must be on firm letterhead
- Certificates of completion must have:
 - » title of the course
 - » date of course
 - » firm name and address
 - » start and end times
 - » recommended number of hours

When you provide in-house training, it is highly recommended that you go through the pre-approval process by completing the Program Qualification Form, located on the Board's website.



BOARD ATTORNEYS AT WORK

Special Assistant Attorneys General Mr. Robert Gruit and Mr. Jim Titus discuss a complaint case brought to the Board's attention. They, along with staff, report directly to the Board's Enforcement Committee regarding complaints filed with the Board's office. When required, they present disciplinary cases before the Board and provide recommendations. Mr. Gruit has completed over 25 years of service to the Board and was an attorney and partner with the Baylor Evnen law firm in Lincoln. Mr. Titus, a former member and Chair of the Board, will assist Mr. Gruit and eventually transition into the role as Board Attorney. He is a Nebraska Certificate Holder and partner in the law firm of Morris & Titus in Lincoln. On other legal matters, the Board is represented by the Nebraska Attorney General's Office.

KEEP US UPDATED

Have you changed jobs? Have a new email or phone number? Please make sure to update your contact information with the Board. This can be completed by contacting the Board office 402-471-3595 or going to our website www.nbpa.nebraska.gov and click on the Change of Address Form on the home page. The Board utilizes many methods when contacting registrants and it is vital you correct information that is on file to receive important notifications.

PREPARATION ENGAGEMENT – PEER REVIEW CONFUSION

The Board office has had a number of inquiries from firms who only prepare preparation statements and what their requirements are for peer review. According to Nebraska Rules Title 288 Chapter 13.004.08, it states that firms that only prepare preparation statements are not required to enroll in the peer review program. If you have questions about peer review, please call the Board Office 402-471-3595 or call the AICPA Peer Review Hotline 919-402-4502.





CPE AUDIT: ARE YOU READY?

What is a CPE audit?

The CPE audit ensures that CPAs are complying with continuing professional education rules. This, in turn, protects both the profession and the public it serves.

How are CPAs chosen for the CPE audit?

A percentage of our active CPAs are selected at random. CPAs selected for a CPE audit receive a letter from the Board via regular mail. They have until June 1st to submit the required material.

What do I need to submit to the Board?

Certificates of completion for each CPE course taken during the audit period.

What are some common errors to avoid?

The most efficient way to comply with a CPE audit is by providing the correct documentation in a timely manner. But, mistakes happen. Here are some common errors to watch for:

- Reporting undocumented learning activities
- Reporting CPE credits in the wrong year
- Failing to retain appropriate documentation
- Submitting documentation that does not meet our CPE requirements (i.e., certificates of completion, sign-in sheets, agendas)

What happens if I cannot provide appropriate documentation?

Failure to respond or provide appropriate CPE documentation will be dealt with by the enforcement committee.

Questions?

If you have questions regarding the CPE audit process or CPE reporting overall, please contact our CPE Coordinator, Heather Myers, at (402) 471-3595 or via email at heather.myers@nebraska.gov, or refer to the CPE Guidelines.

EXPOSING STUDENTS TO REGULATION

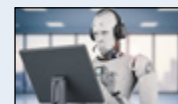


Board Intern Riley Birdzell, a UNL Accounting Major

The Board has had great success utilizing college students to assist with paperwork, filing, and other assigned duties while they learn about state regulations of the accounting profession.

SUPER BOWL AD FOR LIVE CPA

CPAs may have been surprised on Super Bowl Sunday when they heard an ad that featured "RoboChild" being told he could not grow up to be a "TurboTax Live CPA" because they are "human beings with real emotions," and the robot was "never going to be emotionally complex enough for that job." While ads like this may add to the awareness of the value of the CPA – and might even increase the pipeline – some states have asked NASBA whether the CPAs working with Turbo Tax, Intuit and others are duly licensed, or eligible for mobility, in the states from which reliant consumers are calling. NASBA is currently exploring that question. ♦



BOARD FEES

| | |
|--|--------|
| Active Permit to Practice | \$ 175 |
| Inactive Registration | \$ 70 |
| Reciprocal Certificate | \$ 200 |
| Firm Permit: P.C.'s, LLC's, LLP's, Part. | \$ 50 |
| Certificate of Registration: P.C.'s, LLC's | \$ 25 |
| Office Fee: All firms and S.P.s | \$ 25 |
| CBT Examination Initial Admin. Fee | \$ 15 |



LICENSING COMMITTEE

Firm names continue to be an issue for Committee review. Please refer to the Firm Guidelines, available on the Board's website, if you intend to change your firm name. The Committee's direction has been to protect the public by approving names that are not misleading as to services provided, number of CPAs employed, and other potentially confusing terminology.

Certificates of Registration/Organization for Professional Corporations and Limited Liability Companies are annually confusing to firms. Certificates are a requirement of the Nebraska Secretary of State (SOS) office to validate your CPA **professional** business as permissible to do business in Nebraska. The Board provides two certificates to document your firm's current licensed status with the Board. Certificates are a function of the SOS's office, not the Board. However, you must **ALSO** renew your firm permit annually with the Board. Often the two processes are confused. The certificate of registration/organization is based on your original date of incorporation with the SOS. Sometimes they occur at the same time. **Yes, you must do BOTH.**

CPA's cannot just go away! Licensure does not end when you no longer reside in the state, no longer have clients or a business, or retire. **You must complete the appropriate action.** The Committee annually recommends revocation of certificates of permit holders who have not renewed their active permit for three years per PAA 1-137 (9) following petition and notice of hearing. Please check the website or



contact the Board office for change of status options. Retired affidavits total 57 for 2018.

Inactive Status means you cannot hold out as a CPA per Title 288 Rules Chapter 3 001.09. Any representation that may mislead the public could come under scrutiny by the Board.

Failure to Renew After Three Years. The Board is in the process of revoking certificates of **Active** and **Inactive** registrants who have not renewed for three years. In 2017, certificates of 12 inactive registrants and 1 active permit holder were revoked following notice and public hearing.

Mobility. If you have questions regarding Mobility go to www.nasba.org "Mobility" and click on the state for an update on their Mobility provisions. Also, you can telephone and/or access each state's website by going to www.nasba.org "Members" for additional information.

LEGISLATIVE NEWS

Last year, the Board was approached by a Nebraska CPA firm inquiring about the development of an Employee Stock Ownership Program (ESOP) as an ownership vehicle for Nebraska registered firms. After extensive review, the Board determined there was no harm in this type of non-CPA ownership, as long as all other requirements of the Public Accountancy Act were complied with for non-CPA ownership. Working with the Nebraska Society of CPAs, this initiative was brought to the Nebraska Legislature for consideration. LB 49 was introduced by Senator John Stinner, a retired/ inactive CPA, and was signed into law by Governor Pete Ricketts. Do not hesitate to contact the Board office at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov or Kristen.VanWinkle@Nebraska.gov if you have any questions about ESOP ownership.

The Board anticipates moving forward with a 2019 Rule Package this year which includes:

- Changes to allow for continuous testing for the Uniform CPA Examination
- After extensive consideration by the Educational Advisory Committee (EAC), recommended changes to the 150 hour educational requirements
- Other changes to Board regulations to allow for and compliment the new ESOP requirements.



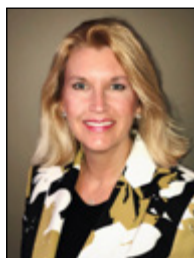
Stay tuned for additional information, including hearing dates for the 2019 Rule Package and, again, please contact the office with any questions.



EDUCATING THE PROFESSION, FOSTERING FELLOWSHIP & BUILDING MEMBERSHIP

BY JONI SUNDQUIST, PRESIDENT & EXECUTIVE DIRECTOR, NEBRASKA SOCIETY OF CPAS

It is an honor and a privilege to serve as president and executive director of the Nebraska Society of CPAs. It's hard to believe it's been eight months since I began this adventure. Each week seems to bring something new and (sometimes) unexpected—that's what I enjoy about leading a membership organization!



Joni Sundquist

The Society's past president, Dan Vodvarka, deserves an enormous thank you from all of us for guiding the Society so ably for 28 years. Luckily, I had the opportunity to glean a bit of Dan's knowledge before he officially retired at the end of October 2018. I am grateful I was able to call upon his wise counsel during my first several months with the Society.

I grew up on a farm in Oakland, Neb. Like so many other small-town Nebraska kids, college brought me to Lincoln. I attended the University of Nebraska-Lincoln, where I graduated magna cum laude with a Bachelor of Journalism in broadcasting. Following college, I served in a few different roles and eventually landed at the Nebraska Bankers Association (NBA), where my focus was communications and external affairs.

My decision to leave the NBA after nearly 21 years was a difficult one, but I hold a special place in my heart for CPAs. I met my husband Bob while he was working at Peat Marwick, now KPMG. It seems life has come full circle—today he works for a bank and I'm the one working with CPAs! We have a soon-to-be 21-year-old daughter, Halle, who is attending the University of Nebraska-Lincoln, and a 17-year-old son, Jake, who is a junior at Lincoln East High School. Enough about me!

Thanks to the work of the Society Board of Directors and all of our committee members, the Society is in very good shape. Although we are doing well, I know we can do even better. Last year, the Society Board identified several initiatives as part of a strategic vision for our professional association that involve educating the profession, fostering fellowship, and building membership. Several of those initiatives are now underway:

- The Society recently announced the formation of a Leadership Academy. We are now seeking candidates for this new leadership program, which will kick off in November 2019.
- The Society is in the process of developing new Affiliate Membership categories, including Student Affiliates. In just over a month, we now have more than

70 new student members who are eager to learn more about the CPA profession and the Society! We also have new banners and materials to help promote the profession at college and university career fairs.

- In addition, the Society is in the process of rolling out a new cloud-hosted association management system (AMS) that will help drive our strategic goals and initiatives, and allow us to find trends and opportunities that will benefit our membership.

Watch for more exciting announcements from the Society in the months to come!

I wouldn't be doing my job if I didn't encourage each and every Nebraska CPA to become a member of the Nebraska Society of CPAs. Half of our members are in public accounting and the other half in business and industry. All of our resources are dedicated to advancing the accounting profession and furthering the knowledge, competence, and performance of our members. Each year, we offer nearly 100 opportunities for CPAs to meet and exchange ideas with fellow professionals and to develop their leadership skills. Members are encouraged to join one of our committees to help guide the Society alongside some of the profession's top leaders. In addition, the Society offers live and online Continuing Professional Education (CPE) courses, advocates for the profession through state and federal legislative representation, and keeps you informed by providing technical and professional information through our new Nebraska CPA journal. We also offer college scholarships through the Society's Foundation as well as mentoring to help build a better Nebraska.

I would like to extend a special thank you to Nebraska Board of Public Accountancy Executive Director Dan Sweetwood for the opportunity to share a few words with you. Dan is the consummate professional, and I greatly appreciate the support he has provided me over the past several months. Our joint efforts in the development of state legislation during this legislative session demonstrate what can be accomplished when the Society and State Board work together. (That legislation is LB49, a bill that would allow Nebraska CPA firms to be owned by Employee Stock Ownership Plans, or ESOPs.) Unlike many other states in the nation, the Nebraska Society of CPAs enjoys a great relationship with our State Board, and we look forward to working together on many more initiatives that will help move the profession forward.

Please don't hesitate to let me know how the Nebraska Society of CPAs can help you. You can reach me at 402-476-8482 or via email at joni@nescpa.org.



NEBRASKA CPA STATUS

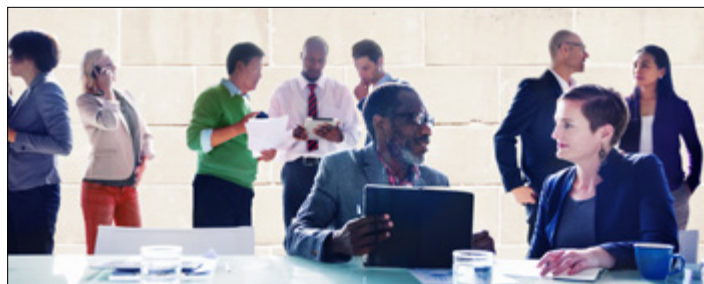
Nebraska is two-tiered state. In the first tier, a Certificate Number is issued permanently to the candidate after successful completion of the U.S. Uniform CPA Examination. This person is known as a Certificate Holder in Nebraska and must file an annual registration with the Board office. Although considered a Certificate Holder, they have no status as a CPA within Nebraska.

After completion of two years of public accounting experience within a CPA firm under the direction of a CPA (or three years in business, government, and academia), a Certificate Holder may file an application for issuance of an Active Permit to Practice that allows them to hold themselves out to the public as a CPA and practice public accountancy. A license number is issued with their Active Permit to Practice. The permit number is separate from their permanent Certificate number and changes every two years upon successful completion of 80 hours of required Continuing Professional Education.

If an Active Permit Holder decides to forgo the CPE requirement, they may elect to register with the Board as an Inactive Registrant and are issued a registration number. An Inactive Registrant cannot practice public accountancy within Nebraska.

Active CPAs can be verified on the Board's website: www.nbpa.nebraska.gov/search

Please keep the following status descriptions in mind:



Certificate Holder:

- "Passed the CPA Exam" for use on resumes only
- Cannot practice public accountancy
- Cannot hold out using the title CPA

Permit Holder:

- Use the title "CPA" (hold out)
- Practice public accountancy

Inactive registrant:

- Cannot practice public accountancy
- Cannot hold out as a CPA
- Must use the disclaimer: "CPA (Inactive Registrant)"

Renewal Time!

Active, Firm and Inactive online renewals begin May 1st and ends June 28th. Renewal reminders will be mailed out the first week in May. Our online renewal system can be accessed through our website at www.nbpa.nebraska.gov. Please contact the Board if you have any questions or need assistance.

LICENSING STATISTICS 2018

Reports on permits/registrations issued from July 1, 2017 to June 30, 2018:
Prior years statistics are given for comparison purposes.

| Cumulative Totals: | | | | | | | | |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Individuals | 10-12 | 11-13 | 12-14 | 13-15 | 14-16 | 15-17 | 16-18 | 17-19 |
| CPA Permits | 1237 | 1171 | 1245 | 1202 | 1355 | 1180 | 1243 | 1313 |
| CPA Inactive Registrations | 630 | 816 | 695 | 732 | 721 | 790 | 653 | 595 |
| Total Individuals | 1867 | 1987 | 1940 | 1934 | 2076 | 1970 | 1896 | 1908 |
| Firms | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-19 |
| Partnerships | 17 | 14 | 14 | 17 | 14 | 11 | 9 | 9 |
| Professional Corporations | 203 | 212 | 215 | 232 | 250 | 217 | 216 | 211 |
| Limited Liability Companies | 56 | 64 | 77 | 88 | 93 | 97 | 103 | 108 |
| Limited Liability Partnerships | 39 | 41 | 45 | 57 | 61 | 49 | 56 | 57 |
| Sole Proprietorships | 261 | 272 | 282 | 315 | 292 | 228 | 224 | 193 |
| Total Firms | 576 | 603 | 633 | 709 | 710 | 602 | 608 | 578 |



REACHING OUT TO STUDENTS AND EDUCATORS



Board Administrator Kristen VanWinkle overviews the requirements to sit for the Uniform CPA Examination before students and educators at Creighton University. Board Member and Creighton Accounting Professor, Dr. Thomas Purcell, arranged for Board staff and others to address the students to assist them in understanding state based regulation and the complex educational requirements across jurisdictions to sit for the exam. Dr. Purcell handed out a spreadsheet and noted the requirements within the different states for students.

FAQ'S/TIDBITS

- 1. Check for the current NBPA application form:** Be sure to check the NBPA website for the most current application forms to ensure the correct fee is sent. As a state agency, the Board cannot accept checks for the wrong amount. The application and incorrect fee check must be returned to the applicant, delaying the application process.
- 2. Changes to the Rules and Regulations!** During the year, issues may arise that result in revisions to the Board's Title 288 Rules and Regulations. Please be aware that "things change." The Board office will attempt to inform you of changes through the annual letter, the Nebraska Society of CPAs newsletter, or other means.
- 3. How many hours do I need to renew my permit?** CPE hours required for renewal of your permit to practice equal 80 hours over TWO years, including 4 hours of ethics. Do not confuse the required 80 hours over two years with other derivatives such as 40 hours per year, or with 20 hours of self study. Ethics hours may be taken in small increments, not all in one four-hour block. CPE must be reported by January 31 each year. CPE reporting is available throughout the year by using the "CPE Online Reporting" on the home page of NBPA: www.nbpa.nebraska.gov. Please refer to the most recent edition of the CPE Guidelines on the Board's website for specific requirements.
- 4. How do I go from inactive registration status to active permit holder?** There is a reinstatement application for this process. The application should be submitted to our office when all required hours are completed. Reinstatement from inactive registrant to active permit holder requires communication with the Board office. Based on your birth year, your licensing period does NOT change, and affects the years for CPE reinstatement reporting. Reinstatement requires careful timing, and Board staff will be happy to assist you through the process. Please do not try to submit CPE hours online if you are "inactive." You must keep track of those hours to submit with your reinstatement application.
- 5. Reminder:** Title 288 Rules Chapter 5 007.06 state that "Each certificate holder shall notify the Board in writing (or via the Board's website) within 30 days of any change of address or change of employment."
- 6. How do I report problems or issues experienced with CPA Exam Services (CPAES) in the CPA exam process?** Please contact the Board office if you have serious complaints during the exam process that have not been resolved through the Candidate Care service.
- 7. There is a difference:** The Nebraska STATE BOARD of Public Accountancy is a regulatory agency – think "permits." The Nebraska SOCIETY is a membership organization – think "CPE." Often people change their contact information. Please be sure to change your information with BOTH entities! Not all individuals are connected to BOTH organizations.



EDUCATION & EXAM COMMITTEE (E&E)

In 2018, Nebraska saw a dip in the number of exam candidates compared to previous years. This is being attributed to the new content that was added at the beginning of the year. Towards the end of 2018, we saw the number of candidates begin to increase toward what we typically see in Q4. We continue to have very young candidates completing the exam compared to other states. The average age of our candidates in Q4-2018 was 26.99.

Congratulations to all the candidates who passed the exam this year and state educators who prepared them so well! Overall, the computer based CPA exam continues to be successful and well accepted by candidates. The exam and its functionality is continually reviewed with enhancements being made by the AICPA Board of Examiners (BOE), when possible. The Committee wants to remind candidates sitting for the exam to review the CPA exam tutorial available at www.aicpa.org/cpaexam.

There are four Nebraska CPA exam sites for candidates: Kearney, Lincoln, Omaha, and Scottsbluff.

The Education Advisory Committee (EAC), made up of educational institution representatives and CPAs, met at the Board Office in Lincoln, NE on October 16, 2018. The agenda included: a presentation by Pat Hartman from NASBA regarding the exam process and recent changes that were implemented, an overview of the task force

created to review the subject area requirements to sit for the exam, and discussion regarding proposed changes to the subject area requirements in Chapter 9.

EAC members include Chair Marcy Luth, Ken Brauer, Tom Purcell, Shelly Stromp, Jack Armitage, Courtney Baillie, Aaron Crabtree, Sharon Garvin, Heidi Deden, Kristine Hull, Nina Kavich, Kate King Wu, James Koehn, and Cassandra Weitzenkamp. Kathy Smith and Mick Shadbolt were recognized for their service to the EAC as this was their last meeting.

Subject Area Review Task Force

At their May 2017 meeting, the EAC voted to create a task force to review the subject area requirements in Chapter 9 to ensure the requirements are adequately preparing students to sit for the exam. Task force members include: Chair Kristine Hull, Tom Purcell, Jack Armitage and Courtney Baillie. During their kick-off meeting, two members from AICPA's exam team attended to go over the topics covered on the exam. Following that discussion, the task force reviewed the current requirements and prepared to propose several changes to Chapter 9. Their proposals were discussed at the EAC's October 2018 meeting and have since been presented to the Board as recommended changes. Board staff has started the rule change process with the hopes of having a public hearing in mid-2019.



Executive Director Dan Sweetwood, Nebraska Society President Joni Sundquist, and Business Manager Heather Myers attend the NASBA Executive Director & Staff Conference held in March in San Antonio, TX. The conference is attended by state executive directors and staff including Society leadership, to gather and learn about current issues and initiatives of the CPA profession. This collaboration allows for open discussion and to learn best practices of other State Boards.

CELEBRATE ACCOUNTING DAY

Mark your calendars — May 13, 2019 is Accounting Day! What many people may not realize is that accounting has a long history, with many surprising and interesting tidbits. Much has been accomplished by accounting professionals, so take a minute and be proud about being a CPA/accountant or celebrate with your colleagues and wish them a "Happy Accounting Day."

Did You Know?

- The first computer-based CPA Exam was administered in April 2004 at Prometric Testing Centers throughout America.
- It wasn't until 1952 that all states and territories were using the Uniform CPA Exam, there were 20,000 candidates.
- The exam was first offered in international locations in August 2011.
- Calculators were first allowed on the CPA Exam in 1994.



Certificates/ Permits/ Status Changes in July 1, 2017 to June 30, 2018



Enforcement Cases (2018)



BOARD MEMBERS



Back row: Glen Waltemath, Bernie Gutschewski, Mike McClure, Marcy Luth
Front Row: Ken Brauer, Michele Stromp and Lori Druse (not pictured Tom Purcell)

To review the current Public Accountancy Act and Title 288 Rules please go to
www.nbpa.nebraska.gov

BOARD MEMBERS

Lori Druse, CPA – Chair – Lincoln, NE

Thomas J. Purcell, III, CPA – Vice-Chair -
 Omaha, NE

Marcy Luth, CPA, Secretary - Grand Island, NE

Michele Stromp, CPA – Valley, NE

Michael McClure, CPA – Lincoln, NE

Glen Waltemath, CPA – North Platte, NE

Kenneth Brauer, Public Member - Lincoln, NE

Jeff Kanger, Public Member - Lincoln, NE

STAFF

Dan Sweetwood, Executive Director

Kristen VanWinkle, Administrator

Heather Myers, Business Manager

CONTACT INFORMATION

P.O. Box 94725
 Lincoln, NE 68508

1526 K Street, Suite 410
 Lincoln, NE 68508

(402) 471-3595 or (800) 564-6111

Fax (402) 471-4484

Website: www.nbpa.nebraska.gov

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Produced and designed by the
 National Association of State
 Boards of Accountancy



Nebraska Board of Public Accountancy
P.O. Box 94725
Lincoln, NE 68509

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2019 BOARD MEETINGS

May 22 at 8:30 am
July 12 at 8:30 am
September 13 at 8:30 am
November 8 at 8:30 am

Unless otherwise stated, all meetings are held at 1526 K Street – 4th Floor – Hearing Room D – Lincoln, NE.

Board Meetings are open to the public.

The Nebraska Board of Public Accountancy office is located across the street from the State Capitol. Our address is 1526 K Street, Suite 410.