

Montana Board of Public Accountants

SEPTEMBER 2017



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The Honorable Steve Bullock Governor of Montana

Board Members

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

Executive Officer

Grace Berger

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GETTING READY FOR RENEWAL

Renewal time is right around the corner. Now is the time to check your [online licensing account](#) (this is different than your CPE tracking account) to ensure you can renew online.

If you have recently verified your account information, you are all set. If not, please go to the website and log in. If you can log in, select the Professional & Occupational Licensing tab. If you see your CPA license, you are ready to renew beginning November 2nd.

If you do not know your login information or do not see your license once you have accessed your account, please email dlibsdpac@mt.gov. Provide your name as it appears on your license and your license number. The Renewal Unit will provide your login information to you.

Read more about renewals on page 3.

RENEWAL FEES

BOARD VOTES TO ABATE A PORTION OF UPCOMING RENEWAL FEE

At their August board meeting the Board voted to abate a portion of this upcoming renewal fee. Active licensees will pay \$75 to renew, rather than \$125. This abatement is an attempt to adjust the Board's cash reserves. This is a one-time fee abatement and will give the Board an opportunity to further study Board fees and expenses.

A MEMBER OF
NASBA

Board Committee Appointments

At their August meeting, newly elected Board Chair, Kathleen VanDyke, made the following standing committee appointments:

Screening Panel

Linda Harris, CPA - Chair
Absarokee

Dan Vuckovich, CPA
Great Falls

Kathleen VanDyke
Bozeman

Adjudication Panel

Mike Huotte, CPA - Chair
Anaconda

Ranetta Jones, CPA
Billings

Cindy Willis
Polson

Budget & Finance Committee

Mike Huotte, CPA - Chair
Anaconda

Ranetta Jones, CPA
Billings

Peer Review Oversight Committee (PROC)

Dan Vuckovich, CPA - Chair
Great Falls

Michael Johns, CPA
Deer Lodge

LETTER FROM THE BOARD CHAIR: ANNUAL CPE AUDIT AND TITLE OF MANAGEMENT ACCOUNTANT

A topic of considerable interest to the Board is the “deregulation mentality” that is sweeping the country. You may not be aware that some legislatures put CPA’s on par with “fish pedicurists” when it comes to regulation, and they are working to dismantle state licensure of CPAs. It’s not only happening elsewhere – late in our 2017 legislative session a bill was introduced that would have done away with the Board of Public Accountants, among others. The rationale was based on the legislator’s erroneous understanding of CPA licensing entities, and the testimony of several CPAs (including current and former Board members) was instrumental in keeping the bill from emerging from committee. However, the mindset remains.



*Kathleen VanDyke
Chair*

Recently the state budget director announced that the governor will reduce statewide spending significantly over the next two years, including reductions at state agencies including the Department of Labor. Many suggestions have been made as to where and how the reductions should be made, including specifically the elimination of the Board of Public Accountants, and the decisions regarding these suggestions will be announced later this year.

Even if we dodge the bullet in 2017, I suspect that the issue is not going away and that it will continue to come before the legislature. This Board will continue to monitor this issue, and will remain active in doing what it can to protect the significant and meaningful designation of “Certified Public Accountant.”

The recent passing of my friend and fellow Board member, Wayne Hintz, has brought another issue to mind — the idea of “practice continuation plans” for sole practitioners. The Board has upon occasion had inquiries following the closure of practices due to death, retirement, or even the disappearance of a CPA, and there is a consensus among Board members that it is vital for a sole practitioner to have a succession plan in place in the event of his/her incapacitation or death. Information about this issue is available on the Board website, including a link to the NASBA/AICPA document entitled, “Practice Continuation Agreements: A Practice Survival Kit” to help practitioners develop just such a plan. Please take a look and consider developing a plan.

While we’re on the topic of the Board website, consider this a friendly reminder to visit the website occasionally to see what’s new. Board staff works diligently to ensure that information of interest and significance to practitioners is contained there.

IN MEMORIAM

REMEMBERING BOARD MEMBER WAYNE HINTZ

It is with great sadness that the Board announces the passing of fellow board member Wayne Hintz, CPA. Wayne was originally appointed to the Board in 2010 by Governor Brian Schweitzer. He was reappointed to the Board in 2014 by Governor Steve Bullock. During his tenure with the Board, he served on both the Adjudication Panel and the Screening Panel and was elected Board Secretary



Wayne graduated from UND in 1973 with a Masters in Accounting. He then moved to Helena and worked for a brief time for the State of Montana. He received his CPA license in 1976 and opened his own practice.

Wayne was an avid duplicate bridge player. He was a member of the American Contract Bridge League for over 40 years. Wayne had an adventurous spirit and loved to travel. He visited all 50 states, 4 continents and 36 countries.

We will miss Wayne and his love for life and the CPA profession.



The National Association of State Boards of Accountancy (NASBA) held their July board meeting in Big Sky. Several members of the Montana Board of Public Accountants were able to attend the event. Pictured from left to right: Ted Lodden, CPA, NASBA Board Chair; Kathleen VanDyke, MT Board Chair; Ken Bishop, NASBA President & CEO; and Montana board members Mike Huotte, CPA; Linda Harris, CPA; and Ranetta Jones, CPA.

RENEWALS RIGHT AROUND THE CORNER

THE BASICS TO REMEMBER ABOUT YOUR LICENSE RENEWAL

It is the time of year to start thinking about the upcoming renewal of your CPA license and annual firm registration. The CPA license and firm registration renewal deadline is December 31st. All licensees are required to renew by the deadline or late renewal fees will be assessed. There is no fee for annual firm registration, but the deadline is December 31.

A firm, not each office location, is required to annually register with the Board. During the firm registration process, each firm will be asked to list all satellite offices in the State. Each office is no longer required to register. Montana now has firm mobility. Out-of-state firms are no longer required to register in Montana unless they establish or maintain an office in the State of Montana for the practice of public accounting.

The online renewal system will be available to begin renewing on Wednesday, November 2nd. You can begin renewing at that time. In mid-November you will receive the only renewal reminder this year for each license/firm. You will receive a notice for each firm office. Only register the firm ONCE and list the other locations as satellite offices.

If you receive more than one renewal reminder per license, it is because we have more than one account for you. You will need to contact Licensing Unit A at 406-444-6880 to have the excess account(s) disabled. PLEASE NOTE, a separate renewal reminder will be sent for the firm. Again, the firm is only required to register once, and other locations will be listed as a satellite office.

Active licensees, make sure you meet the current CPE requirement of 120 hours, with at least 2 hours of ethics, within the reporting period of January 1, 2014-December 31, 2016. Maintaining your CPE on the [CPE tracking system website](#) will assist you in complying with the CPE requirements. If you obtained your original Montana license in 2014 or after, you are not required to meet the CPE requirements this year.

It is important that you follow the instructions to renew your license or register the firm, and to timely comply with all requirements. If you find yourself lacking CPE toward the end of the year, you can file for an extension or a hardship exception using the form located on the [Board website](#) under the Forms/General Forms tab. You must submit this request prior to December 31 in order to renew your license on active status. The Board will consider your request and make a determination at their January meeting, but the form must be received prior to the renewal deadline for the Board to consider granting the extension/exception. The Board can only grant an exception for individual hardship. An extension can be requested for any reason.

STEPS TO RENEW ONLINE

- Step 1 Access our [website](#).
- Step 2 Log in using your user name and the password you created previously. If you don't remember your password you can use the "I've forgotten my password" link and you will be sent a temporary password. Enter the temporary password and follow the instructions to update your password. DO NOT create a new account. You already have one.
- Step 3 Click on the "Professional and Occupational Licensing" tab. You will see your records. Find your license and to the right under "Action" click "Renew License."
- Step 4 Follow the instructions on the screen. You can pay for your renewal by e-check, American Express, Visa or MasterCard.
- Step 5 Print your renewed license. You're done!



A MESSAGE FROM NASBA PRESIDENT & CEO

THE DEMISE OF THE CERTIFIED PUBLIC ACCOUNTANT



Ken L. Bishop
President & CEO

The demise of the Certified Public Accountant? What? Hopefully the title caught your attention. Before you begin thinking that the NASBA President has gone completely off the ranch, let me assure you that I do not believe that the Certified Public Accountant credential is in harm's way and I certainly don't believe its demise is eminent. In fact, I believe that the U.S. Certified Public Accountant brand is among the world's most recognized and trusted credentials. So why the *Memo* title?

In the past year, I have been hearing more and more rhetoric about how less students are planning to become Certified Public Accountants, how Certified Public Accounting firms are hiring fewer Certified Public Accountants, how the number of licensed Certified Public Accountants is shrinking, and how the need for Certified Public Accountants in the future will be diminished. Recently I have even heard predictions that future Certified Public Accountants will not be providing tax or advisory services and possibly not even financial audits but will be limited to some new higher level of services. Finally, some have concluded (and possibly hope) that because of the predicted decline of the Certified Public Accountant profession, the State Board of Accountancy regulatory system may no longer be needed.

More worrisome to me is that this negative conversation and these gloomy predictions are not coming from associations that typically advocate for non-Certified Public Accountants, but from those that have historically focused on the value, promotion and protection of the Certified Public Accountant credential, CPA.

I have been thinking about this for a while and finally decided to bring it into the bright light of day. As I travel around the country, I am hearing from an increasing number of Certified Public Accountants that they are confused, frustrated and angered by what appears to many to be an abandonment and dilution of the value of the Certified Public Accountant credential by those they feel should be supporting them. As I have written previously and stated publicly, I believe that a strong and vital Certified Public Accountant profession is a critical element of public protection. Ignoring or accepting the rhetoric of demise could shake public confidence and dissuade students from seeking to become Certified Public Accountants, which conflicts with the State Boards' duty to protect the public. I feel it is important that our members and stakeholders know that I share their concerns.

As to the naysayers, NASBA's Accountancy Licensee Database gives us the ability to monitor the number of Certified Public Accountants (over 650,000), which is historically high. Accounting programs in colleges and universities are full. Even with the normal disruption of candidate flow that accompanies changes to the licensing examination as occurred this year, we continue to see strong numbers of test takers. Firms are hiring accounting graduates in record numbers and are constantly pursuing more qualified candidates who have passed the licensing examination. We will have to compete with other professions for candidates in the smaller current generation; however, if we refrain from buying into potentially self-fulfilling and damaging prophecies, the future looks bright.

At last year's Annual Meeting I stated that the accounting profession will change more in the next five years than it has in the last 40 years, and that technology will play an increasing role. I hope I made it clear that this is a positive transition. The need for a technology-savvy accounting profession will be critical in an increasingly complex world of electronic commerce, Bitcoin and Block Chain. We should be considering and discussing how education, experience and the licensing examination need to keep pace with the changing accounting environment. It is critical that we are sending the right signals by communicating that there are great opportunities for current and future Certified Public Accountants, rather than forecasting the profession's demise. I recently heard Dr. Miklos Vasarhelyi, Director of the Rutgers Accounting Research Center and an expert on data analytics, tell a story about how a student of his asked if because of technology and the use of data analytics, should he be worried about becoming a Certified Public Accountant. Dr. Vasarhelyi responded that "the opportunities have never been greater." In fact, a whole new type of student may seek the profession because of the technological opportunities.

As my old Grampa Wilson used to say, I hope this *Memo* "knocks the bubble off center," and that it provokes some thought and conversations. I have purposely used "Certified Public Accountant," rather than "CPA" throughout the *Memo*. This is for clarity. It seems that some organizations are now purposely removing the term "Certified Public Accountant" from their titles, business cards, PowerPoint presentations and published materials, and replacing it with other words that use the same acronym. There is irony in seeing accountants in other countries move to use the acronym CPA because of the brand's established value in the global financial marketplace at the same time we hear folks questioning its future relevance.

As most of you know, I am not a Certified Public Accountant, but an old cop. However, I could not be prouder of the Certified Public Accountant profession that does so much to ensure the financial integrity of the U.S. I hope you also know that I am not a "bomb thrower" and I am very cautious about implying criticism of others, particularly our friends. But, as I hear the crescendo of concerns being raised by State Board members, societies, firms and others, I feel compelled to opine...and as an old cop, I cannot help wondering what the motive is for those who seem to be forecasting the demise of this honored credential and who no longer proudly display "Certified Public Accountant."

Semper ad meliora (Always toward better things).

A handwritten signature in black ink that reads "Ken L. Bishop". The signature is fluid and cursive.

Ken L. Bishop
President & CEO

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