The Board voted to adopt the proposed rule amendments that were distributed to you in July as proposed with one minor clarification added to the CPE section. A summary of the current CPE requirements, including the adopted amendments, was emailed to each licensee and is included in this newsletter.

Professional Conduct
In addition to adoption of the CPE amendments, the Board voted to amend the Professional Conduct Rules section. Except for ARM 24.201.723 Records, the Board adopted the AICPA Code of Professional Conduct effective December 15, 2014. As a licensee, you will be responsible for complying with this Code. It is divided into sections for licensees in public practice and licensees in business.

The AICPA Code of Professional Conduct can be obtained through the Board website under the Services/Links tab, or on the AICPA website at aicpa.org.

Retired vs. Inactive
The newly adopted rule amendments add clarity to inactive vs. retired license status. There are differences in who is eligible and what is required/allowed under each status.

You may apply for inactive license status if you hold a license in good standing but are not currently in the practice of public accounting. Inactive status is requested by completing the Inactive Status Request Form. An inactive licensee must annually renew but there is no CPE requirement. You may not

Read more about the rule amendments on page 2.
LETTER FROM THE BOARD CHAIR

A topic of concern to this Board, fellow regulators, and educators is the “graying” of the profession and the possible dearth of CPA candidates to continue the profession in the coming years. As new professional designations become available that utilize similar skill sets, students will be drawn down different career paths. The potential that there will be too few new CPAs to replace those retiring from practice is high.

Several years ago the Board started an annual “road show” to several schools around the state including MSU, UM, MSU-Billings, and the College of Great Falls. Our November meeting is held at one of the campuses and includes a session with upper level students including discussions about the “Three E’s” of licensure – education, exam and experience – and the Board’s role in the process. The students are given the opportunity to ask questions of members of the profession. We also have a discussion based on real-life ethical quandaries that have arisen before the Board, and dialog about modern issues that they’re likely to face once in practice (e.g., medical marijuana, blockchain, emerging CPE technologies to name a few). Student reception of the road shows has been great, and the Board is hopeful that it will help to keep students “in the pipeline” on the road to pursuing CPA licensure.

I know you’re all in the middle of deciphering the new tax code and getting into the heat of the tax season, so I’ll close and let you get back to work.

Kathleen VanDyke
Chair

RULE AMENDMENTS ADOPTED

use the title CPA, or CPA (Inactive) or practice public accounting in the state while on inactive status. To reinstate an inactive license to active status, you need to complete the Licensee Reactivation Application, pay the reactivation fee, and provide 120 hours of CPE, including 2 hours of ethics, completed within 3 years of the request for reactivation. The CPE must be added to the CPE tracking system and it will be audited.

You may apply for retired status if you are retired from active employment in the practice of public accounting, hold a license in good standing, and are at least 60 years old or have held a license in good standing for at least 20 years. Retired status is requested by completing the Retired Status Request Form. A retired licensee must annually renew but there is no CPE requirement. You may use the title CPA (Retired) and provide volunteer, uncompensated tax preparation services, government-sponsored business mentoring, and/or serve on the board of directors for a non-profit organization. You must agree not to use your retired status in any way that could be misleading. While there is no CPE requirement, you must maintain professional competence when offering any permitted volunteer services. To reinstate a retired license to active status, you need to complete the Licensee Reactivation Application, pay the reactivation fee, and provide 120 hours of CPE, including 2 hours of ethics, completed within 3 years of the request for reactivation. The CPE must be added to the CPE tracking system and it will be audited.
NEW CPE RULES IN EFFECT
KEEP UP-TO-DATE ON CPE RULES THAT AFFECT YOUR CPA LICENSE

The Board of Public Accountants has adopted new CPE rules that will affect your CPA license going forward. You can read the notice of proposed amendment and final adoption on the Board website.

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 has 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 the notice of amendment.

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. 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

Description of each of the technical and non-technical fields of study can be found at nasbaregistry.org.

The CPE tracking system will assist you tracking your compliance with the new 50% technical requirement.

Read more about the new CPE rules on page 4.
NEW CPE RULES IN EFFECT
CONTINUED FROM PAGE 3

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 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 hour 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 tracking 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 CPA EXAM USER EXPERIENCE COMING IN APRIL 2018

On April 1, 2018, the AICPA will offer CPA candidates an enhanced testing experience with the launch of its new exam software at all Prometric test centers. The software modernizes the exam’s format, functionality and design, giving access to a high-definition display and new and improved tools.

One of the biggest changes coming to the exam is the introduction of Microsoft Excel® as a tool. While candidates will not be tested on their ability to use the program, it is available for use during each exam section. Other new features include a dedicated workspace to more easily toggle and view exhibits, a highlight function to help remember key elements in an exhibit and seamless cut, copy and paste. To learn more about the exam software and its features, view the CPA Exam Tutorial video at http://exams.aicpa.org/cpaexam/start.html.

To aid in exam preparation, the AICPA has updated its tutorial topics to guide the user through the coming changes. Candidates are also encouraged to practice with the new sample tests that present the exam as it will appear in an actual test center.

With the launch of the new exam software, the AICPA must ensure that the improvements do not impact the fairness and reliability of the exam. This will require minor score holds for the Q2, Q3 and Q4 test windows where scores will be released only once after the close of each window. The holds will allow the AICPA to review test question performance with the new software. For specific release dates, view the Score Release Timeline at https://www.aicpa.org/becomeacpa/cpalexam/.