

Montana Board News

Board of Accountancy

September 2020

The Honorable Steve Bullock
Governor of Montana

Board Members

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

Executive Officer

Grace Berger

Contact Information

Current Licensee & Renewal Inquires

Email: dlibsdhelp@mt.gov
Phone 406-444-6880

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

Peer Review Inquires

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

The mission of the Montana Board of Public Accountants is to protect the public by regulating Certified Public Accountants and their firms to ensure their compliance with professional standards and the laws of Montana.

Renewals Right Around the Corner

CPA License and Firm Registration Renewal Due December 31

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 to register is December 31.

The Board is abating a portion of this year's renewal fees for all active and inactive licensees. This abatement results in a one-time reduction of renewal fees. For this renewal period only, active renewal fees will be \$50 and inactive renewal fees will be \$25. Late renewal penalty fees or any renewal fee paid after the December 31 deadline will not be abated.

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 location is not required to register.

The online renewal system will be available beginning Saturday, November 2nd. You can begin renewing at that time. In mid-November you will receive a renewal reminder for each license/firm. 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 the Customer Service team at (406) 444-6880 or DLIBSDHELP@MT.GOV 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, with other locations listed as satellite offices.

Active licensees, make sure you meet the current CPE requirement of 120 hours, of which 50% must be from technical subjects and include at least 2 hours of ethics, within the reporting period of January 1, 2018-December 31, 2020. Maintaining your CPE on the [CPE Audit Service](#) will assist you in tracking your compliance with the CPE requirements. If you obtained your original Montana license in 2018 or after, you are not required to meet the CPE requirements this reporting period. If you are licensed in more than one state and Montana is NOT your home state, we have CPE reciprocity and you must meet your home



Online Renewal Instructions:

- » Navigate your browser to EBIZ.MT.GOV/POL. We recommend using Google Chrome as your browser.
- » Login to your EBiz account.
- » Click the blue "Renew License" button in your license record.
- » Answer all renewal questions for your license.
- » Click the "Continue Application" button to proceed.
- » Upload any documentation needed for your renewal, as needed.
- » Click the "Continue Application" button to proceed.
- » Review your information.
- » Click the "Continue Application" button to proceed.
- » Review your fee information.
- » Enter your payment information.

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Montana Department of
LABOR & INDUSTRY

CPE Extension Request

Are you having trouble meeting your CPE requirement for this year? The Board recognizes the difficult year it has been and business as usual, including obtaining CPE, has been disrupted. Course cancellations have occurred and social distancing with smaller groups limits class size.

The Board would like to remind you that you can request an extension of time to complete your CPE by completing the request form and submitting it for Board consideration. An approved extension provides additional time to meet the 2018-2020 CPE requirement. If approved, the hours completed in 2021 can be carried back to 2020.

It is important that you request the extension BEFORE the CPE reporting period deadline. This will ensure you remain in compliance with all requirements to maintain your CPA license.



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.

From the Chair



John Jacobsen

There is no doubt that things are different in 2020. The pandemic that rages across the world has affected everyone. Some have been affected much more dramatically than others, which makes me grateful for the many things that have not changed so dramatically. But, one thing has become clear: we have all been affected, even in a remote backwater of the globe like Montana. It is with that backdrop that I take over the Chair position of the State Board of Public Accountants. In that respect, I am additionally grateful for the stewardship of those that have come before me. The Board of Public Accountants is fiscally sound because of that stewardship, and with the uncertainty that comes with the COVID-19 pandemic, the Board has taken action to allow licensees reduced fees for the coming year in an attempt to assist in some small way the continued delivery of public accounting services.

For the coming 2021 annual renewal period for licensees that opens November 2, 2020, there will be a one-time reduction in the renewal fees for both active and inactive licensees. The renewal fee for active licensees will be \$50 (compared to the full fee of \$125) and for inactive licensees will be \$25 (compared to the full fee of \$75). These reductions in fees will be in effect during the renewal period from November 2, 2020 through December 31, 2020 and will apply to current renewals only. In other words, if someone needs to pay a prior renewal fee, the original fees will still apply. Also, if a licensee renews after December 31, they will pay the full fee of \$125 or \$75, as applicable. A good reason to renew your license prior to year-end.

The Board of Public Accountants takes its responsibilities to the public very seriously, and those responsibilities include not only monitoring compliance of licensees, but also doing our best to make sure public accounting services are available to those who desire them. I wish each and every licensee in the State of Montana, as well as their families, loved ones and clients, good health and safety for the coming year. Together, we can get through this.

Renewals Right Around the Corner (Continued)

state CPE requirement.

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.

To renew your license on active status, you will want to submit this CPE extension request prior to December 31. The Board can only grant an exception for individual hardship. An extension can be requested for any reason.

Renewal Fees Abated

The Board of Public Accountants has abated a portion of the renewal fee this year. This is a one-time partial abatement. It covers active and inactive renewal fees paid during the renewal period of November 2, 2020 - December 31, 2020. It does not include late renewal penalty fees or renewal fees paid outside the renewal period.

Board Committee Appointments

At their August meeting, newly elected Board Chair, John Jacobsen, CPA, made the following standing committee appointments:

Screening Panel

Linda Harris, CPA, Red Lodge - Chair
Kathleen VanDyke, Bozeman
Dan Vuckovich, CPA, Great Falls
Mike Huotte, CPA, Anaconda

Adjudication Panel

John Jacobsen, CPA, Billings - Chair
Ranetta Jones, CPA, Billings
Cindy Willis, Polson

Budget & Finance Committee

Mike Huotte, CPA, Anaconda - Chair
John Jacobsen, CPA, Billings

CPA Evolution: New CPA Licensure Model

The CPA Evolution initiative aims to transform the CPA licensure model to recognize the rapidly changing skills and competencies the practice of accounting requires today and will require in the future. It is a joint effort of the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA).

Based on the feedback received from over 3,000 stakeholders, NASBA and the AICPA developed a new model for CPA licensure. The AICPA Governing Council and the NASBA Board of Directors have both voted to support advancing the CPA Evolution initiative.

Body of Knowledge for Newly Licensed CPAs Growing Rapidly

Compared to 1980, today there are:

3X

as many pages in the Internal Revenue Code

4X

as many accounting standards

5X

as many auditing standards

The Changing Profession

Stakeholder feedback, results of the Uniform CPA Examination Practice Analysis and other research show that the body of knowledge required of newly licensed CPAs is growing rapidly.

Additionally, procedures historically performed by newly licensed CPAs are being automated, offshored or performed by paraprofessionals. Now, entry-level CPAs are performing more procedures that require deeper critical thinking, problem-solving and professional judgment. Responsibilities that were traditionally assigned to more experienced staff are being pushed down to the staff level. As a result, newly licensed CPAs need to know more than ever before to meet the needs of practice. To protect the public, the CPA licensure model must reflect these changes.

Demands of Practice Require Deeper Skillsets

- » Critical thinking
- » Professional judgment/skepticism
- » Problem solving
- » Understanding of business-systems, controls, risk
- » Data management and analysis
- » SOC engagements

However, the examination and education requirements can only cover so much information in our current licensure model. As the knowledge required of newly licensed CPAs continues to increase over time, we could:

- Stretch the examination and education requirements to cover a greater range of material with less depth, which would water down the requirements for licensure;
- Expand the number of examination and curriculum hours as the body of knowledge continues to grow, which would increase barriers to entry for the profession and ultimately prove unsustainable;
- Or find an alternative solution.

Stakeholder Engagement

Over the course of three years, NASBA and the AICPA talked to over 3,000 stakeholders from across the profession to gather input on how to transform CPA licensure. Here is some of the feedback we received:

- Support for the need to change the CPA licensure model
- Newly licensed CPAs should all demonstrate strong common core competencies
- The new CPA licensure model should position the CPA for the future
- The new CPA licensure model should protect the public interest

Stakeholders

- » AICPA Council
- » Boards of Accountancy
- » State CPA societies
- » Firms of all sizes
- » Academia
- » Volunteer committees
- » Federal regulators
- » Students
- » Technology experts
- » CPAs in business and industry

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CPA Evolution: New CPA Licensure Model (Continued)

New CPA Licensure Model: Expected to Launch in 2024

In Fall 2019, NASBA and the AICPA carefully reviewed all of the feedback received, studied other professions' licensure models and considered multiple options for updates to the CPA licensure model before developing the below approach, which we will begin implementing with the goal to launch a new Uniform CPA Examination in 2024. We believe this approach is responsive to stakeholder input while still propelling the profession into the future. The new model is a core + disciplines licensure model. The model starts with a deep and strong core in accounting, auditing, tax and technology that all candidates will be required to complete. Then, each candidate will choose a discipline in which to demonstrate deeper skills and knowledge. Regardless of chosen discipline, this model leads to full CPA licensure, with rights and privileges consistent with any other CPA. A discipline selected for testing does not mean the CPA is limited to that practice area.



This model:

- » Enhances public protection by producing candidates who have the deep knowledge necessary to perform high-quality work, meeting the needs of organizations, firms and the public
- » Is responsive to feedback, as it builds accounting, auditing, tax and technology knowledge requirements into a robust common core
- » Reflects the realities of practice, requiring deeper proven knowledge in one of three disciplines that are pillars of the profession
- » Is adaptive and flexible, helping to future-proof the CPA as the profession continues to evolve
- » Results in one CPA license

What's Next

The AICPA Governing Council and the NASBA Board of Directors recently voted to support the CPA Evolution initiative. We are establishing plans for a multi-year effort to implement this licensure model. Our goal is to launch a new Exam in January 2024.

As part of the CPA Evolution initiative, the leadership of NASBA, in collaboration with the AICPA, determined that the Uniform Accountancy Act Model Rules around educational requirements for licensure needed to incorporate additional subjects and skills reflective of the evolving profession, and create more consistency. Those changes, which were endorsed by AICPA's Board of Directors, are currently exposed for public comment by NASBA through August 31, 2020. You can find the exposure draft here.

NASBA and the AICPA will continue to work collaboratively with stakeholders from across the profession to implement this new licensure model. We are eager to move forward with a core + discipline model to meet the needs of the profession and the public.

AICPA Launches .CPA Domain Name

Licensed CPA firms and licensed individual CPAs can apply to place the restricted domain name .cpa on their web address. It took the AICPA almost seven years to win the rights to control the custom domain .cpa from the Internet Corporation for Assigned Names and Numbers (ICANN) as other groups were anxious to have authority over the domain. The AICPA also plans to make the domain extension available to other global CPA organizations.

Anyone using the .cpa extension will be vetted by the AICPA to ensure they are a proven CPA entity.

AICPA President Barry Melancon said. More information about the domain is available through <https://domains.cpa.com>.

NASBA leaders have been assured that AICPA will verify that a firm is registered and, if it loses its registration, then it would also be denied the



domain's service until that is rectified. Where there is no firm registration, then AICPA would be ensuring the firm's principals are licensed. This might not be an entity's primary address, but one to which a user is redirected.

If a non-CPA employee of a CPA firm uses an e-mail address with CPA in it, will that confuse the public? "We are always concerned about public confusion, particularly in matters of reliance," NASBA President Ken Bishop said. "However, for years such employees have been using their firm names in their e-mail addresses and I am not aware of any cases where it was a problem."