



NEW CPE RULES!

As many of you are probably aware, the Board recently proposed changes to the rules pertaining to continuing professional education (CPE). While it was unfortunate that the rule notice was posted in the middle of March and the public comment period ended April 24th (a busy time of year for all CPA's), licensees should note that a rule change can be a lengthy process in state government and this just happened to be the soonest the Board's rule notice could be published. Had the Board waited to publish the rule notice until after tax season, an additional year of CPE reporting would have been required of licensees. Bad timing aside, the Board received nine written comments during the public comment period, all of which were reviewed via conference call on May 9th.

Five comments were in opposition to the elimination of the carry-forward/carry-back provision for CPE. The Board carefully considered the comments, but found that maintaining the provision would require additional audits of continuing education to ensure licensees were not using those hours to meet the requirements for two periods.

One commenter asked the Board to amend the rule pertaining to credit for lecturing/teaching to allow credit to be claimed for updating courses that may have already been taught due to the ever-changing nature of tax laws and auditing standards. The Board agreed with the commenter and will amend the rule to allow for such credit once in any rolling three-year period.

In summary, the Board further amended their proposals for ARM 24.201.501 and 24.201.2138 as a result of comments received, and motioned to amend or repeal all other rules exactly as proposed. These changes became effective July 13th.

This means that there is now officially no longer a CPE reporting requirement. Also, the three-year rolling period ending 2012 (which would have ended June 30th) will now encompass the dates between July 1, 2009 through December 31, 2012, as the 2012 CPE year was extended 6 months in order to accommodate the change from a fiscal year to a calendar year.

One other frequently asked question our office has received has been about hours indicated on 2011 reporting forms as carry-forward for 2012. The elimination of the carry-forward/carry-back provision takes effect from this point forward. That means that hours cannot be carried forward from 2012 into 2013, but hours already obtained and indicated as carry-forward/carry-back between the 2011 and 2012 years or prior will not be changed.

Licensees are encouraged to contact the Board office with any questions they might have.

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## **Understanding the Rolling 3-Year Period under the New CPE Rules**

Even though you have a rolling three-year period to meet the basic CPE requirement of the Board, it helps to think of CPE being earned on a yearly basis in order to understand the change from a fiscal year to a calendar year and how that effects the three-year period.

As you know, through 2011 CPE was earned on a state fiscal year (July 1<sup>st</sup> through June 30<sup>th</sup>). To accommodate the change to a calendar year, the Board has extended the 2012 year to 18 months (July 1, 2011 through December 31, 2012). Beginning in 2013, CPE will be earned on a regular calendar year (January 1<sup>st</sup> through December 31<sup>st</sup>).

Until the three-year period ending 2015, when all three years (2013, 2014 and 2015) are on the regular calendar year, you should refer to the paragraph above in order to calculate the dates of the rolling three-year period. To break it down, these are the parameters of those rolling three-year periods between now and 2015:

| Period Ending: | Start Date:     | Stop Date:        | Amount of Time: |
|----------------|-----------------|-------------------|-----------------|
| 2011           | July 1, 2008    | June 30, 2011     | 3 years         |
| 2012           | July 1, 2009    | December 31, 2012 | 3.5 years       |
| 2013           | July 1, 2010    | December 31, 2013 | 3.5 years       |
| 2014           | July 1, 2011    | December 31, 2014 | 3.5 years       |
| 2015           | January 1, 2013 | December 31, 2015 | 3 years         |

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Annual CPE Audits

Board staff will soon begin the annual CPE audit for the three-year period ending FY 2011. The Board has authorized a 20% audit for this period, which encompasses the dates of July 1, 2008 through June 30, 2011. The licensees to be audited will be selected randomly by the database with the parameters being active permit holders who obtained their permit on or before June 30, 2008.

If you are selected for the audit, you will receive a letter from our office asking you to submit documentation to verify you have met the basic requirement of 120 hours with a subset of 2 hours in ethics during the period. It is important that you respond within the amount of time outlined in the letter, and contact our office immediately should you have any questions. As a reminder, ARM 24.201.2124 states that licensees are to retain CPE

documentation for a period of not less than five years.

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### Board Member Updates

The Board recently welcomed Wayne Hintz, CPA, of Helena as a new Board Member after his appointment in January.

Two other Board Members – Jack Meyer, CPA, of Missoula and Beatrice Rosenleaf, Public Member, of Anaconda – were also recently reappointed to additional terms on the Board.

At its May meeting, the Board voted on Board leadership for the 2012/2013 year. Beatrice Rosenleaf, who served as Secretary of the Board over the past year, will become the Chairperson as of the August meeting. Linda Harris, CPA, will become the Secretary in August.

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Board Activity Update

As you'll see from the articles in this newsletter, Board staff has been extremely busy since the beginning of the year. Between the new licensing database, the CPE rule changes and coordinating proposed statute changes, some things were placed on the backburner. One such item was the Winter 2012 newsletter. The Board typically releases a newsletter twice a year, but in 2012 this will be the only one. The Board will return to a biannual newsletter again in 2013.

At its November 2011 meeting, the Board established a Rule and Statute Sub-Committee to review all current rules and statutes and make recommendations to the full Board for changes. Committee members include: Kathleen VanDyke (Chairperson) – member of the Board; Jack Meyer, CPA – member of the Board; Jane Egan – Executive Director MSCPA; and Patsy Guenther,

CPA – licensee. The Committee held their first meeting via conference call in February.

The first meeting focused solely on the Board’s statutes for two reasons. First, requests for changes in statute must be approved by the legislature. The process for requesting these changes begins during the spring and summer prior to the upcoming legislative session. In order to meet the appropriate deadlines in the process, the statutes were first on the Committee’s agenda. Second, because administrative rules can only clarify statute and not contradict it, the groundwork needs to be laid in statute in order for subsequent changes to be made in rule.

General recommendations to the full Board by the Committee included: language changes to clarify certain parts of statute; removing language in regards to Licensed Public Accountants (LPAs) as that license type has been grandfathered in but is no longer offered; and updating language to reflect terminology used in the Uniform Accountancy Act (UAA). The Committee recommendation signifying the biggest change to Board statute is in regards to making Montana a one-tier state. This would do away with the “certificate only” status and would leave only “active” and “inactive” license statuses. Montana is currently only one of about four states which still offer two-tier licensing. The Committee and Board have reviewed information regarding recent changes making certificates irrelevant which led to their support of the change to one-tier.

Once changes in statute have been decided on by the legislature, the Committee will move on to reviewing all of the board’s administrative rules. Should you have any recommendations for future changes, please feel free to submit them to the Board at dlibsdpac@mt.gov.

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## On The Move

The Board will be holding its November meeting on the campus of Montana State University in Bozeman. The meeting is currently scheduled to

take place on November 14-15, 2012. A question & answer session will be scheduled giving those in attendance a chance to interact with the Board. The Board hopes students, licensees and anyone else in the area interested in seeing the Board in action will attend. Please check the Board’s website for more information as it becomes available or contact the Board office at [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov).

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Board Meeting Dates

The following is the remaining regularly-scheduled meeting for 2012:

November 14-15 (Bozeman)

The following are regularly-scheduled meetings for next year:

January 16-17 (Helena)

May 8-9 (Helena)

August 14-15 (Helena)

November 13-14 (Great Falls)

The Board sometimes meets via conference call between regularly scheduled meetings. Please check the Board’s website for announcements of additional meetings as they are scheduled.

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## A Reminder about Board Rules...

All Board rules and statutes may be found on the Board’s website by clicking on “regulations” and then either “statutes” (for MCA – Montana Code Annotated) or “administrative rules” (for ARM – Administrative Rules of Montana). It is the responsibility of licensees to review the rules and statutes periodically to make sure they are in compliance.

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Note to Firms Regarding New Hires and Mobility

The Board wishes to remind firms in the state that when hiring a CPA licensed in another jurisdiction, the individual may not hold themselves out as a CPA in Montana until licensed in Montana. There has been some confusion about this issue recently. Even though an individual is licensed in another jurisdiction, mobility does not apply once Montana becomes their primary place of business.

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## Licensee Lookup

Can't remember if you renewed your license or not? Want to verify if you've been changed to a retired status? Then visit the State of Montana's Licensee Lookup! The system can not only be used for checking out your own CPA status, it can also be used for making sure that plumber or electrician you're thinking about hiring is properly licensed. Just visit <https://ebiz.mt.gov/pol/default.aspx>, click on "Search for a Licensee" and then choose a profession and enter some search criteria. The system will return information on the licensee including license type, status and disciplinary actions. The Montana Department of Labor and Industry's Business Standards Division provides this system as a service to the public.

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New Licensing Database

The Department of Labor and Industry's Business Standards Division, under which all Montana licensing boards fall, recently converted to a new licensing database system. The new system allows licensees access to services 24/7 over the web and provides for credit card payments of all fees. Bugs are still being worked out so if you encounter an issue, please contact the Board office immediately

for assistance. Access to the public user system is available at: <https://ebiz.mt.gov/pol/default.aspx>. Licensees should have received their log on information via email, or may contact the Board office at any time to obtain their information.



Central Place for Finding CPE

Licensees are reminded to check out NASBA's *Learning Market* website for help in finding continuing education courses and course providers. The website features company information about 1,800+ approved NASBA Registry Sponsors and already has over 13,000 CPE courses in the CPE search database. When CPAs visit the site, they can search for CPE programs based on subject area, number of credits, location, delivery method, keyword, etc. *Learning Market* offers a central resource for CPAs to locate and learn about CPE programs to help fulfill the requirements for license renewal. For more information, visit www.learningmarket.org or contact NASBA at 1-866-627-2286.

Montana permit holders are reminded that self-study courses are only worth full-credit (i.e. 50 contact minutes are equal to one hour of CPE) if obtained through a NASBA Registry Sponsor or is NASBA QAS approved. Self-study courses taken from all other providers will only receive half credit (i.e. 100 contact minutes are equal to one hour of CPE).

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## Did You Know?

The AICPA has a technical hotline which "provides members with FREE, high-quality technical assistance by phone concerning issues related to: accounting principles and financial reporting; auditing, attestation, compilation and review standards." The hotline is available at 1-877-242-



7212 between 9 a.m. and 8 p.m. (EST) and questions may also be submitted electronically by filling out the technical inquiry form available at: <http://apps.aicpa.org/TechnicalHotline/form.asp>.

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CPA Exam Online Application System

In the second half of 2011, NASBA launched the first online application system for CPA exam candidates. This new system allows candidates to apply online to take the exam, access application information including status and payment history and view exam scores. For more information, please visit: <https://cpacentral.nasba.org/>.

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## Veterans Covered for CPA Exam

The Uniform CPA Examination has been approved by the Department of Veterans Affairs as a certification test that veterans in any state can take and have the expense eligible for reimbursement of up to \$2,000. In addition, military spouses of active duty service members are covered under the Department of Defense's Military Career Advancement Account (MyCAA) program for up to \$4,000 in financial assistance toward their education and testing.

Patricia Hartman, NASBA's Director of CPAES Examination Operations, explained that veterans who qualify for the Montgomery GI Bills (MGIB or MGIB-SR), the Reserve Education Assistance Program (REAP), the Veterans Educational Assistance Program (VEAP) or the Dependents Educational Assistance Program (DEA) all qualify for reimbursement for taking the CPA Examination. Ms. Hartman reported that NASBA took steps to be on the VA's approved list of organizations in response to receiving approximately 20 calls from

veterans during a three-month period questioning why NASBA was not listed. A proud army veteran herself, Ms. Hartman was persistent in finding the right channel to make sure veterans throughout the country would encounter no obstacles in obtaining reimbursement. To find out more information about the reimbursement program, go to [www.gibill.va.gov](http://www.gibill.va.gov).

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New Address? Email? Employer?

Remember to keep the Board office updated with your current contact information so you don't miss notifications such as renewal reminders or rule notices! Per ARM 24.101.414, "it is the responsibility of the licensee to keep the division timely informed of the licensee's current mailing address. Failure to receive notice for renewal in no way releases the licensee from the obligation to renew in a timely manner, and shall not constitute a defense to practicing without a license."

Notification must be made in writing and can be as simple as sending an email to dlibsdpac@mt.gov or using the address change request form on the Board's website – just click on "forms" and then "address change."

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## 2012 Board Office Closures

In accordance with the holiday schedule adopted by the State of Montana, the Board office will be closed on the following dates:

|                   |                    |
|-------------------|--------------------|
| Monday, Sep. 3    | (Labor Day)        |
| Monday, Oct. 8    | (Columbus Day)     |
| Tuesday, Nov. 6   | (Election Day)     |
| Monday, Nov. 12   | (Veterans' Day)    |
| Thursday, Nov. 22 | (Thanksgiving Day) |
| Tuesday, Dec. 25  | (Christmas Day)    |

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Board Office Staff

The Department of Labor and Industry's Business Standards Division, under which the Board falls administratively, is currently going through a reorganization. As such, additional staff will be working with the Board of Public Accountants.

Licensees are asked to get in the habit of emailing the general Board inbox (dlibsdpac@mt.gov) so that any staff member may respond. Thank you!

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## Have a Comment or Question?

Do you have a comment or question about information in this newsletter? Have a suggestion for an article in a future newsletter? Please send your comments, questions and/or suggestions to [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov).

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Board Disciplinary Actions (July 2011 through May 2012)

Name: Pamela Lynch CPA 5016

Violations: 37-50-301(4), MCA

Disposition: Reprimand, 2 years probation, subject to mandatory CPE audit (Complaint 2011-003-PAC)

Name: Boyd Taylor CPA 332 & Firm 175

Violations: ARM 24.201.2410(1)(e)

Disposition: \$250.00 administrative fine for each complaint [\$500.00 total] (Complaints 2011-009-PAC & 2011-010-PAC)

Name: Bob Nye CPA 2076

Violations: 37-1-316(18), MCA, ARM 24.201.2410(1)(d)

Disposition: Must complete additional 29 CPE credits to meet full basic requirement, subject to mandatory CPE audit and \$500.00 fine (Complaint 2012-PAC-LIC-7)

Copies of these documents are available upon request.

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*Visit us on the web at*  
[www.publicaccountant.mt.gov](http://www.publicaccountant.mt.gov)

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The Honorable Brian Schweitzer Governor of Montana

Board Members

Beatrice Rosenleaf, Public Member, *Chairperson*

Linda Harris, CPA, *Secretary*

Wayne Hintz, CPA

Michael Johns, CPA

Jack Meyer, CPA

Rick Reisig, CPA

Kathleen VanDyke, Public Member

Executive Officer

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*Have a happy autumn!*

