



# MONTANA BOARD OF PUBLIC ACCOUNTANTS

## Newsletter

JUNE 2011

### Board Activity Update

Although the board closely monitored the effects the changes to the CBT-e (computer-based CPA exam) would have, it appears any worries were unfounded. All reports are that the changes were made seamlessly and so far candidates have reported an improved overall testing experience.

The board is gearing up for what looks to be a busy couple of months ahead, monitoring what effects the international delivery of the CPA exam might have when it begins in August, and continuing to monitor the effects of mobility – both in the decline of Montana licensee numbers as well as the increase of individuals practicing in the state under mobility. Another board initiative is to hold a board meeting on a university campus (see “on the move” later in this newsletter).

Board members and staff are also beginning to review rules to see where changes need to be made and if nothing else, where language can be clarified. One of the first rules the board has tackled regards CPE – and the proposal to do away with CPE reporting! The current CPE reporting process is a time consuming affair for both licensees and staff. After researching the processes of other state boards, it was determined that it would be more beneficial for everyone involved to have licensees attest that they have met the basic CPE requirement on their annual renewal and shift the freed up staff time toward an increased annual audit of CPE. Other proposed CPE changes include moving the CPE year to run on the calendar year rather than a fiscal year, and only auditing licensees to make sure they’ve met the basic CPE requirement. Licensees will be able to review the full proposal of changes once a rule notice is issued later this summer or fall, so be on the lookout for a rule notice postcard.

As always, the board urges licensees and the public to contact them with any issues or concerns of which they feel the board should be aware.

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### 2011-2012 Board Officers Announced

At its May meeting, the board voted unanimously to have Jack Meyer, CPA (current Secretary of the board), be the next Chairman of the board and Beatrice Rosenleaf as the next Secretary of the board for the 2011-2012 year. The new officers will take their positions at the August meeting. Outgoing Chairman, Rick Reisig, CPA, will remain on the board.

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### Ever Thought of Getting Your Ph.D?

The *Accounting Doctoral Scholars Program* has been created by the biggest accounting firms in conjunction with the AICPA Foundation to address the growing shortage of accounting faculty. It is being funded, to date, by over 65 of the largest firms and over 48 state CPA societies. The current goal is to fund 120 incremental Ph.D candidates in auditing and tax. The program provides funding for selected individuals to “support application to doctoral programs in accounting and also provides a stipend of \$30,000 per year for up to four years of enrollment to individuals committed to teaching and research in auditing and tax – the areas of greatest need – upon completion of their doctorates.” For more information, please visit: <http://adsphd.org/>. Applications for Fall 2012 enrollment will be available online July 1<sup>st</sup>.

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## 1-800-CPA-EXAM

On May 6<sup>th</sup>, NASBA opened a new international call center in Guam to supplement the existing call center in Nashville, TN. With the additional call center in a separate time zone, lines are now being answered during 16 hours each day. The new call center also has personnel who are fluent in English, Korean and Japanese to respond to exam-related questions.

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## Coming Soon: New Board Website and Licensing Database

The Department of Labor and Industry's Business Services Division, under which all Montana licensing boards fall, will soon be converting to a new licensing database system. The current system has been in place for over a decade and has not been upgraded to keep up with technology. The new system is currently scheduled to go live this fall and will allow licensees access to services 24/7 over the web and allow applicants to track their applications (which will now be available to be submitted online). With the new system and features will also come a new board website, which we hope will be more user-friendly than the current website.

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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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## New Learning Market Website Offers Central Place for Finding CPE

NASBA recently launched a new website, *Learning Market*, to help CPAs find 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](http://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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## 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://app.mt.gov/lookup/>, 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, Business Standards Division, provides this system as a service to the public.

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## Annual CPE Audits

Board staff received many inquiries this year regarding the CPE audit. The first was regarding staff requesting documentation for three reporting years from those licensees selected randomly. While the board understands this may not have occurred in the past, in accordance with ARM, 24.201.2148, the board must verify completion of the basic CPE requirement, which is 120 hours with a subset of two hours in ethics in any given *three-year* period. Staff had also found that CPE audits were behind by one year so the board decided to get caught up by performing two audits at the same time – one each for the periods ending with fiscal years 2009 and 2010. A separate list of licensees was randomly pulled for each audit. As long as a licensee was able to submit acceptable documentation proving they met the basic CPE requirement, they passed the audit.

This leads to another inquiry staff has received – what is acceptable documentation for CPE? The board considers acceptable documentation to be a certificate of completion or attendance (or other correspondence from the sponsor) which includes the following information: participant's name; sponsor, course title and/or description of content; date(s); location; number of continuing education hours granted; and NASBA Registry ID or NASBA QAS Sponsor ID (if applicable).

Should you have any questions regarding CPE, please feel free to contact board staff at [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov) or by calling (406) 841-2038/2383/2389.

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## Reactivating a License to Active Status

When a licensee in inactive status who once held a license in active status wants to return to active status, they must go through the reactivation process. In order to reactivate a license, the licensee would need to submit:

1. A reactivation application (which can be found

on the Board's website under "forms" and then "general forms");

2. The fee (currently \$75, which is the difference between an inactive renewal fee and active renewal fee); and
3. Certificates of completion showing a total of 120 hours CPE with a subset of 2 hours in ethics taken within the last three years.

Once all items are received and reviewed by board staff, the active license will be issued with a letter stating that everything appears to be in order and that the reactivation will be ratified by the board at its next scheduled meeting. As always, Board staff is available to answer any questions you may have about this process. You can reach them by email at [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov) or by calling (406) 841-2038/2383/2389.

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## On The Move

The board is hoping to hold its November meeting on the campus of Montana State University in Bozeman. While concrete plans are still being made, the meeting is currently scheduled to take place on November 16-17, 2011. A question & answer session would 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) or by calling (406) 841-2038/2383/2389.

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## When is a Firm Registration Required?

In accordance with 37-50-335, MCA, the following are required to register annually:

- ✓ *Each office* of a firm established or maintained in Montana for the practice of public accounting which performs attest services and compilations *and/or uses the title "CPA" or "CPA firm"*;

- ✓ Firms that do not have an office in Montana but perform attest services and compilations *for a client having its home office in Montana.*

Licenses are reminded that if they offer public accounting services to the public out of their home or work for a non-public accounting employer for which they compile financial statements and/or sign financial statements using their CPA/LPA designation upon which third-parties rely, they are considered to have an office (sole proprietorship) and must register their firm. Firm registration is currently due on March 31<sup>st</sup> each year. A firm registration form may be found on the board's website by clicking on "forms" and then "general forms."

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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](mailto: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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### **Speaking of Rule Notices...**

The board is currently reviewing its rules and preparing to propose some changes. Affected rules include the fee schedule (ARM 24.201.410), education requirements (ARM 24.201.501), retired status (ARM 24.201.537) and CPE (ARM

24.201.2105-2161). Once formulated, the proposed changes will be noticed and licensees will be notified of the comment period.

As a reminder, all current 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). Licensees should review the rules and statutes periodically to make sure they are in compliance.

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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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### **Upcoming 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, July 4    | (Independence Day)           |
| Monday, Sep. 5    | (Labor Day)                  |
| Monday, Oct. 10   | (Columbus Day)               |
| Friday, Nov. 11   | (Veterans' Day)              |
| Thursday, Nov. 24 | (Thanksgiving)               |
| Monday, Dec. 26   | (Christmas)                  |
| Monday, Jan. 2    | (New Year's)                 |
| Monday, Jan. 16   | (Martin Luther King Jr. Day) |

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### **Board Office Staff**

Amy Maracle is the general Program Manager and oversees the board office. She is the main staff liaison to the members of the board, the National Association of State Boards of Accountancy

(NASBA), the Montana Society of CPA's (MSCPA) and the American Institute of CPA's (AICPA). She sets up Board meetings, prepares meeting materials, manages the Profession Monitoring Program (PMP) files and answers more in depth questions. Amy can be reached at (406) 841-2389 or [amaracle@mt.gov](mailto:amaracle@mt.gov).

Sheila Pfeifer is an additional Program Manager in charge of processing and auditing CPE, and answering CPE-related questions. She is also in charge of processing renewals and answering renewal questions, as well as managing the ListServe for electronic transmission of board materials. Sheila can be reached at (406) 841-2038 or [shpfeifer@mt.gov](mailto:shpfeifer@mt.gov).

The board's Application Specialist position is currently vacant. Until this position is filled, Sheila and Amy are available to answer all application questions.

Licenses are encouraged to contact the board office by emailing [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov), which can be accessed by all of the board's staff and ensures that an email won't be missed due to illness, vacation, etc.

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**Board Disciplinary Actions**  
(September 2010 through June 2011)

*No disciplinary actions to report.*

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)

**The Honorable Brian Schweitzer**  
**Governor of Montana**

**Board Members**

Rick Reisig, CPA, Chairman

Jack Meyer, CPA, Secretary

Linda Harris, CPA

Michael Johns, CPA

Beatrice Rosenleaf, Public Member

Kathleen VanDyke, Public Member

**Board Office**

E-mail: [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov)

Fax: 406-841-2323/2309

**Board Office Staff**

Amy Maracle, Program Manager

Sheila Pfeifer, Program Manager

Vicki Bair, Compliance Specialist

Anne O'Leary, Legal Counsel

Hugh McWhorter, PMP Coordinator

**Disclaimer:**

*Information contained in this newsletter is printed in good faith based upon the information available at the time of printing.*

*Have a safe and enjoyable*

