

Montana Board of Public Accountants

SEPTEMBER 2015



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The Honorable Steve Bullock Governor of Montana

Board Members

Linda Harris, CPA, Chairperson
Dan Vuckovich, CPA, Secretary
Wayne Hintz, CPA
Mike Huotte, CPA
Jack Meyer, CPA
Beatrice Rosenleaf, Public Member
Kathleen VanDyke, Public Member

Executive Officer

Grace Berger

Contact Information

Licensing Inquiry:
mtlicense@nasba.org

Renewal/Firm Registration Inquiry:
406-841-2205

CPE Audit:
gberger@mt.gov

Complaint Inquiry:
406-841-2319

Peer Review Inquiry:
carol@mscpa.org

General Board Inquiry:
406-841-2244

E-mail: dlibsdpac@mt.gov
Website: publicaccountant.mt.gov

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TIME TO RENEW



RENEWALS AROUND THE CORNER

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.

HB44 changed the annual registration requirements for firms/offices. A firm, not each office, is now 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. For further information, please see the Annual Firm Registration article in this newsletter.

The online renewal system will be available to begin renewing on Monday, November 2nd. If you already know your username, you can begin renewing at that time. If not, in mid-November, you will receive the only renewal reminder this year for each license/firm. Prior to passage of HB 44, each office was required to annually register. You will receive a notice for each firm office. Only register the firm ONCE and list the other locations as satellite offices.

The renewal reminder will provide your username. 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

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MESSAGE FROM THE CHAIR

As many of you may know the 2015 legislative session passed a pilot program allowing the Board of Public Accountants to operate under the Enterprise funding model for the next four years. We are excited to be given this opportunity. The main feature is that we will control our budget; from setting it to overseeing it.

At our August meeting, we spent a day starting to develop a strategic plan. While we are still in the development phase we had great conversation about the profession and our responsibility to exam candidates, licensees and most importantly the public.

If you were in our professional monitoring program in the past, you should have been contacted by the Montana Society of CPAs and been transitioned over to their program. If you have not, please contact us or the Society to ensure you are meeting all your peer review requirements.

Don't wait until you are audited to get all your information on CPE Tracking System. If you attend a Society sponsored class it will be automatically uploaded so you only need to add your non-society classes. It truly is an efficient way to track CPE once you get set up. In the future if you are selected for audit it should be relatively easy to submit your information.

Remember our meetings are always open to the public and we encourage you to attend. Check the Board website for future meeting dates.

Linda Harris, CPA
Chairperson



Linda Harris, CPA
Chair

OFFICERS AND COMMITTEE MEMBERS

At their June 26th board meeting, the Board of Public Accountants elected their officers for FY2016. The new standing committee appointments are made by the new Chair.

Linda Harris, CPA, Absarokee
Chair

Dan Vuckovich, CPA, Great Falls
Secretary

Standing Committee Members

Screening Panel

Jack Meyer, CPA, Missoula – Chair
Linda Harris, CPA, Absarokee

Dan Vuckovich, CPA, Great Falls
Beatrice Rosenleaf, Anaconda

Adjudication Panel

Kathleen VanDyke, Bozeman – Chair
Wayne Hintz, CPA, Helena
Mike Huotte, CPA, Anaconda

Budget & Finance Committee

Mike Huotte, CPA, Anaconda – Chair
Linda Harris, CPA, Absarokee
Wayne Hintz, CPA, Helena

PROC (Peer Review Oversight Committee)

Dan Vuckovich, CPA, Great Falls

New Officers Elected

At the June board meeting, the Board of Public Accountants elected Linda Harris, CPA, as Chair for the upcoming year. Linda took over as Chair July 1, 2015.

Linda is a graduate from MSU-B with a degree in Business Administration/Accounting and received her CPA in 1994. She is an independent practitioner in Absarokee, Montana.

Linda has served in many capacities with the Memorial Hospital Association. She was awarded the Volunteer of the Year for 2007 from the Billings Clinic; the Montana Hospital Association Trustees of the Year in 2008; and recently was awarded the Dr. Ben Karas Service Award.

She is a member of the Accounting and Financial Women's Alliance, having served on a number of committees for the local chapter as well as past chapter president. She served on the board of Accounting Women's Alliance Education Foundation for a number of years and is a past national chair. She received the national Woman of the Year Balance Award in 2004.

Linda is a member of the Montana Society of CPAs, currently serving on the Continuing Professional Education committee.

Linda was originally appointed to the Board of Public Accountants in 2009 and reappointed in 2013 by Governor Steve Bullock. In addition to serving as Chair, she currently serves on the Board's Screening Panel and newly formed Budget & Finance Committee.

In addition, Linda is married with three children and six grandchildren.

Dan Vuckovich, CPA was elected Secretary of the Board. Dan graduated from UM with a degree in Business Administration and received his CPA in 1983. He is a shareholder at Anderson ZurMuehlen in the Great Falls office.

Dan has served on numerous State Society and AICPA committees. He is the Past President of the MSCPA and a former member of the Council for AICPA. He has served on numerous community organizations. Dan was the Board representative during the 2015 Legislative session.

Dan was originally appointed to the Board of Public Accountants in 2013 by Governor Steve Bullock. Dan serves on the Board's Screening Panel and is the Board PROC Liaison.

Congratulations Linda and Dan on this most recent acknowledgement for all of your contributions to the accounting profession.

Renewals (Continued)

account(s) disabled. *PLEASE NOTE, a separate renewal reminder will be sent for the firm and will include the username we have 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, 2013-December 31, 2015. 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 2013 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

ACCESS OUR WEBSITE

Go to <https://ebiz.mt.gov/pol/default.aspx>.

LOGIN

Log in using the username provided in the renewal notice 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.

FIND YOUR LICENSE

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."

PAY FOR RENEWAL

Follow the instructions on the screen. You can pay for your renewal by e-check, American Express, Visa or MasterCard.

PRINT LICENSE

Print your renewed license. You're done!

ANNUAL FIRM REGISTRATION: NEW CHANGES AHEAD



The annual firm registration form will look different this year. HB44 changed how firms with multiple locations annually register with the Board. The firm, not each individual office location, is required to register. The firm will include the location of each satellite office in the state. Each firm location is no longer required to register individually. Each firm will identify the CPA who is responsible for the proper registration of the firm.

Firms will be asked about the type of services the firm has provided since the last annual firm registration. We gather this information to determine what firms must be enrolled in peer review. We DO NOT want firms to list all services offered. We need to know the level of services provided since the last annual registration ONLY. It will be important for a firm to consider the level of services provided at all firm locations. As an example, Firm A may have three offices in the state. Firm A is required to annually register and list the two satellite office locations. If office 1 performs tax services only, office 2 performs compilations and reviews, and office 3 performs reviews and audits, Firm A would select tax, compilations, reviews and audits as the types of services performed by the firm.

You will also see a change in how audit services are outlined. You will have to indicate if your firm performs any audit services from the “must select” list. This information will be used to ensure you are in compliance with the peer review program when preparing for your peer review. This step is intended to assist firms in correctly identifying all engagements requiring peer review.

HB44 authorizes the Board to begin charging a fee for firm registrations. The Board of Public Accountants is mandated by state law to charge fees commensurate with costs. The Board and staff spend a great deal of time on firm issues. Prior to HB44, the Board was prohibited from charging a fee for firm registration. Individual renewal fees have subsidized these activities in the past. In order to create an equitable fee structure, the Board will be conducting a survey, gathering statistics on firm size. Firms will provide firm size information from a range of options. This information will greatly assist the Board when considering a fee structure that is commensurate with the cost of Board operation, while not overly burdening small firms to the benefit of large firms. Firm size is the total number of all licensed CPAs at all firm offices.

Is Your Firm Registered?

HB44 amended the definition of a firm to include sole practice. What does this mean to you? If you engage in the practice of public accounting in any way, you are required to register your firm. This would include tax preparation services. As a licensee, you must comply with licensing requirements. This includes annually registering a firm that engages in public accounting. Even if you work in private industry and perform public accounting services on the side, you must register your firm when providing those services.

Currently there is no fee to register a firm. You can locate the firm registration form on the Board [website](#) under the Forms/General Forms tab.

CPE Tracking System - Access It Now

Ask any of your fellow active licensees who were selected for the recent CPE audit, and they will tell you of the importance of maintaining your CPE on the Board CPE Tracking System. When the Board performs CPE audits, you are required to report your CPE for audit through the tracking system. If you don't keep your list of CPE and documentation current, you will find yourself spending your time adding back hours to the system if selected for audit.

As previously reported, any education completed through the MSCPA will be uploaded to your record and no additional documentation will be needed. You must input and attach completion documentation for all other courses. The tracking system will allow you to track your progress in meeting your CPE requirement. Keeping your tracking system record current will help you in the long run.

Don't wait until the audit letter shows up in your email box to add your CPE. Access the tracking system and start tracking your CPE now. If you do get the audit letter in the future, it will just be a matter of submitting your information to the Board via the tracking system to satisfy the audit requirement. It can also be a great tool to ensure you are in compliance with the CPE requirement and eliminate any miscalculations.

ADMINISTRATIVE SUSPENSION

With the passage of SB 76, the Legislature gave licensing boards the authority to administratively suspend licensee for administrative violations, rather than initiate a formal disciplinary action against them. SB 76 also allows boards to grant authorization to the Department to carry out such administrative action. At the August board meeting, the Board voted to authorize the Department of Labor & Industry to administratively suspend licensees for specific administrative infractions.

The Department of Labor & Industry has prepared a list of FAQs to assist licensees in understanding this new concept.

ADMINISTRATIVE SUSPENSION FAQs

When can my license be administratively suspended?

During the 2015 Legislative Session, Senate Bill 76 was passed and entered into law effective July 1, 2015. The law allows for licensing boards and programs to administratively suspend a license for the following:

- a. Noncompliance with requirements for continuing education (CE), certification, reporting requirements, or other qualifications necessary for continued licensure as established by an audit,
- b. Failure to respond to an audit for CE, certification, or other qualifications necessary for continued licensure,
- c. Non-sufficient funds (NSF) in an account used to pay for an administrative fee, board or program fee, or fine,
- d. Reasonable grounds exist to believe the licensee did not possess the qualifications for initial issuance of the license, or
- e. Failure to comply with any term of a final order imposed by a licensing board or program.

How can I keep my license from being administratively suspended?

- a. Comply with all continued licensure requirements, such as CE, certification, insurance, and reporting requirements.
- b. Keep your address and contact information up-to-date with the board or program in order to receive important information regarding your license and potential issues or audits you are asked to address. See Mont. Code Ann. § 37-1-309(2). You must notify the board or program in writing of any change in your address within 30 days of the change. You will not meet this obligation by relying on a postal forwarding address notification.
- c. If notified by your banking institution or credit card company that your licensing fees or payment to the board or program has failed, contact the board or program immediately to address the deficiency.



- d. Submit a complete application with all supporting documentation from the source as confirmation.
- e. Comply with all terms of a final order within the prescribed period.

I received a Notice of Deficiency Determination that my license will be administratively suspended if I do not cure a deficiency within 60 days from the date of the letter. How do I correct this?

Once a Notice of Deficiency Determination is sent to your most recent address on file with the board or program, you will have 60 days to cure the deficiency as indicated in the letter. You should contact the unit identified in the letter that processed your deficiency determination (such as the Audit, Compliance, or Fiscal unit) and immediately begin steps to cure the deficiency. You must submit a copy of the Notice of Deficiency Determination letter with the evidence that you have cured the deficiency prior to the 61st day or your license will be administratively suspended until the cure is accepted. Simply contacting the unit and providing partially or unacceptable evidence of curing the deficiency will not extend the 60 days.

How do I get my administratively suspended license reinstated?

You must submit a copy of the Notice of Deficiency Determination letter sent to you with proof of curing the deficiency along with a reinstatement fee as provided by Department of Labor and Industry administrative rule. If your administrative suspension was related to a NSF payment, you must submit a cashier's check or money order for all fees. You may also be required to submit documents as evidence you have cured other types of deficiencies. If you satisfactorily cure the deficiency, your administratively suspended license will be

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ADMINISTRATIVE SUSPENSION (CONTINUED)

transferred to the status prior to the administrative suspension, as long as you timely renew your license and are not otherwise subject to a restricted license status.

How long will my license be on administrative suspension?

After the 60-day opportunity to cure the deficiency, your license will be administratively suspended until you cure the deficiency and the license is current. If you fail to renew your administratively suspended license, the license will expire and eventually terminate. If you continue to renew your license, the license will remain administratively suspended until you cure the deficiency and comply with any additional qualifications for continued licensure.

What is a non-sufficient funds (NSF) payment?

A NSF payment is described as any of the following:

- a. overdraft,
- b. closed account,
- c. stopped payment,
- d. invalid credit card number or expiration date, or
- e. payment not authorized by customer.

If I have a NSF payment, can I pay the amounts owed with a credit card or personal check?

If you are curing a payment issue with the Business Standards Division (BSD) for a check or credit card used to pay a fee or fine and the payment was sent back as NSF, you will be required to pay both the original amount due and a \$30 NSF fee with a money order or cashier's check. If you are paying only the reinstatement fee and no other fees or fine, you may use a personal check.

Will I have to renew my license while it is administratively suspended?

You may renew your license for 50% of the license renewal fee to keep your license from expiring and eventually terminating. If you do not renew your license, the license will terminate two years after the license expiration date regardless of an administrative suspension in effect. If your license terminates, you may not reinstate the license. You must make a new original application based on current licensing qualifications. This may require you to meet additional education, examination, experience, or other requirements.

If you cure a deficiency related to an administratively suspended license after the license has expired, you will be required to submit proof of continuing education, certification, or other qualifications for continued licensure. See Mont. Code Ann. § 37-1-131.

Can I appeal the decision to administratively suspend my license?

Yes. You must send a written request to the board or program so it can be placed on the next board meeting agenda or addressed by program staff. Along with your written request, you may provide any information you want the board or program to review. If you are not satisfied with the board's or program's final order, you may seek judicial review in district court.

IMPORTANT: Due to the timing of board meetings, you may not be able to have the board review your appeal before the date your license is scheduled to be administratively suspended. The administrative suspension will automatically occur after the 60-day cure period, even if the board or program has not heard your appeal.



What happens to my license while I appeal the decision?

Your license will continue to be administratively suspended until you cure the deficiency that led to the suspension or until your appeal is successful.

Will my administrative suspension be reported as disciplinary action or on Licensee Lookup?

The license status of "administrative suspension" will appear on Licensee Lookup, or on any license verification issued by BSD, with a clear indication the matter is not connected to the delivery of services or based on competency of the licensee's practice and is considered to be a technical or administrative violation rather than a disciplinary action. Staff will report administrative suspensions under federal regulations implementing database or data bank reporting using the same disclaimer.