

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska

Minutes
March 21-22, 2004

1. General

- A. Call to Order and Roll Call.** The Board of Public Accountancy was called to order at 6:05 p.m. on Sunday, March 21, 2004 with Chair William Gaines, CPA presiding. The roll was called with the following members present: William Gaines, Michelle Thornburg, Dean Graf, William Nuckolls, Jim Titus, Richard Zacharia, Doug Skiles, and Anne Fuhrman. Also present were Executive Director Dan Sweetwood and Staff Administrator Jo Lowe. There were no visitors. The meeting was held at the Board Office at 140 N. 8th Street, Suite 290, Lincoln, Nebraska.
- B. Approval of Agenda.** February 2004 disbursement approval was added to the agenda. Moved by Zacharia, seconded by Nuckolls, to approve the agenda for the March 21-22, 2004 meeting as amended. On a roll call vote, all members present voted aye. Motion #1 carried.
- C. Approval of minutes for the January 7-8, 2004 meeting.** Moved by Graf, seconded by Zacharia to approve the minutes as amended. On roll call vote, all members present voted aye. Motion #2 carried.

2. Public Comment Period

Time was allowed on the agenda for members of the public to address the Board with comments. No members of the public were present.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Graf seconded by Skiles, to approve the consent agenda. On roll call vote, all members present voted aye. Motion #3 carried.
- B. Approval of Disbursements.** Questions were answered regarding the disbursements for December 2003, January and February 2004.
- C. Review of Board Budget Status Report.** Executive Director Sweetwood answered questions regarding the budget.
- D. Office Management Report.** The report was included for Board review.

4. Report of the Chair

- A. Update on Report of Financials/Gary Pavel.** Mr. Pavel was present and provided an engagement letter for the Board's review. The Board requested Mr. Pavel set up the accounts and help with training the staff to provide future financial reports for the Board. Mr. Pavel will provide these services for \$70 per hour.
- B. Sole Proprietor Refund Update.** The sole proprietor fee erroneously collected in 2002 was refunded on February 14, 2004 to sole proprietors.
- C. Board Member Per Diems.** Moved by Titus, seconded by Graf, that Committee Chairs will determine whether a per diem (one hour or more per day/\$100) is paid for committee work, and communicate to office staff for payment. On a roll call vote all members present voted aye. Motion number #4 carried.

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- D. Board Calendar.** Board members were asked to check calendars for potential September meeting dates.
- E. Executive Director and Staff Evaluations.** The Executive Committee will meet April 30th to complete the Executive Director's evaluation. Board members are requested to provide comments to Executive Committee members prior to that date. Staff evaluations will be conducted by the Executive Director.
- F. Report on To Do List.** There was no additional report.
- G. Other Misc. Items.** The discussion of the statute rewrite process with the Nebraska Society of CPA's (NSCPA's) is in progress.

CLOSED MEETING

Closed Meeting. Moved by Nuckolls, seconded by Zacharia, that the Board go into closed session at 7:50 p.m., for the purposes of litigation, personnel, and enforcement issues. On a roll call vote all members present voted aye. Motion number #5 carried.

Return to Open Meeting. Moved by Graf, seconded by Thornburg, that the Board return to open session at 8:52 p.m. On a roll call vote all members present voted aye. Motion number #6 carried.

5. Report of the Enforcement Committee

- A. Rodney Zwygart Appeal.** Mr. Zwygart's appeal is scheduled before Judge Steven V. Burns in Lancaster County District Court on April 1, 2004. Mr. Robert Gimit will represent the Board.
- B. John Troshynski Appeal.** Staff was present for the briefs presented before Judge Bernard J. McGinn in Lancaster County District Court on February 13, 2004. No decision has been received from the court. Assistant Attorney General Lynn Melson has been asked to attend the May Board meeting to update the Board.
- C. Open Case Update.** Committee Chair Gaines reviewed the Enforcement summary. He noted that all of the 25 remaining cases are being worked on by staff or are under Litigation Monitoring Consent Orders with the Board.
- D. Recommend Closure of Complaints.** Motion out of Committee to close complaint's #0102033, 04-03, and 04-04 and to notify complainant and Certified Public Accountant (CPA) of findings. On a roll call vote all members present voted aye. Motion #7 carried.
- F. Report on To Do list.** Staff is working to resolve open complaints.
- G. Other Miscellaneous items.** There were no miscellaneous items.

6. Report of the Licensing Committee

- A. Ratification of initial permits to practice issued, certificates issued, firm permits issued, and Inactive Retired application.** Motion out of Committee to ratify all certificates issued by exam and reciprocity, all initial permits to practice, firm permits issued, and Inactive Retired application. On a roll call vote, all members present voted aye. Motion #8 carried.
- B. Reinstatements to Active Permit.** The following Active Permit Reinstatements were reviewed by the Continuing Professional Education (CPE) Committee for completion of 120 hours and

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forwarded to the Licensing Committee. Motion out of Committee to ratify all reinstatements to active permit. On roll call vote, all members present voted aye. Motion #9 carried.

- C. Report of the Committee.** Committee Chair Titus gave the Committee report.
- D. Update on Canadian, Australian, and Mexican Reciprocal Agreement.** Committee Chair Titus gave the history of the reciprocity agreement for Institute of Chartered Accountants of Australia and Canadian Institute of Chartered Accountants applicants. The Executive Director was requested to respond to the National Association of State Boards of Accountancy (NASBA) that Nebraska will add the Instituto Mexicano De Contadores Publicos to the reciprocal agreement provided they meet all of the Nebraska reciprocity requirements.
- E. Review of Proposed Permit Document.** Board members reviewed the Permit to Practice document provided by the Print Shop, and indicated staff should proceed with the new document. The Board reviewed the revised letter of certification. Moved by Titus, seconded by Skiles, to approve changes to the letter of certification, and that the letters of certification will not be issued until Board approval for applicants as of March 22, 2004. On roll call vote, all members present voted aye. Motion #10 carried.
- F. Review of 2004 applications with suggested revisions.** Ratification out of committee to approve application forms as revised for certificate issuance, firm permits, inactive registrations, active permits, and Registrations of Certificates for 2004 renewal. On roll call vote, all members present voted aye. Motion #11 carried.
- G. Update on response to Non Renewal certified letters.** The response was tabled pending an Attorney General's opinion on whether the Board indicates disciplinary action in the use of the term "not in good standing" for those who's permit has expired and who have not responded to Board communication. Staff is working on the three-year history of those who have no further action following certificate issuance.
- H. Temporary License Status.** The agenda item was returned to the committee for further discussion and review. Suggestion was made to review proposed language within the Uniform Accountancy Act regarding temporary practice.
- I. Report of To Do List.** There was no additional report.
- J. Other Misc. Items.** Committee Chair Titus is working with staff to assess the impact that outsourcing licensing to NASBA would have on the Board.

7. Recess

The Board recessed at 10:06 p.m. on March 21, 2004.

8. General

- A. Call to Order and Roll Call.** The Board of Accountancy was called to order at 8:03 a.m. on Monday, March 22, 2004 with Chair William Gaines, CPA presiding. The roll was called with the following members present: William Gaines, Michelle Thornburg, Dean Graf, Jim Titus, William Nuckolls, Doug Skiles, Richard Zacharia, and Anne Fuhrman. Also present were Executive Director Dan Sweetwood and Office Staff Jo Lowe and Kelly Ebert.

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9. Public Comment Period

Ed Fitzgerald, member of the Nebraska Society of CPA's, and Ken Brauer, Independent Accountants Association, were present.

10. Report of the Legislative Committee

- A. Proposed Legislative Re-write Status.** Chair Gaines gave the committee report. Future meetings of the Nebraska Society of CPA's and Board of Accountancy will be scheduled in an effort to continue to move the rewrite forward.
- B. Report of Lobbyist.** Paul O'Hara was present to update the Board on legislative issues. Mr. O'Hara's contract with the Board ends April 30, 2004.
- C. Report on the To Do list.** There was no report on the To Do list.
- D. Miscellaneous Items.** There were no additional items reported.

11. Report of the Education and Exam Committee

- A. Report of the Committee.** Committee Chair Thornburg presented the committee report.
 - 1.) Computer Based Test (CBT) Update. The CBT applications are available through CPA Examination Services (CPAES). Sixty-six Notices to Test (NTT) have been issued by CPAES. David Costello, President of NASBA, reported in a letter that candidates who do not provide Social Security numbers on applications will be charged an additional \$67.50.
 - 2.) Educational Advisory Committee (EAC). An EAC committee meeting will be set up as soon as the research can be located on the transfer hours.
 - 3.) Accounting Programs update on CPA CBT information. State educational institutions have been updated with CPA CBT information.
 - 4.) CPAES Reimbursement for November Exam. Reimbursement from CPAES for examination administration fees will be on a quarterly basis.
- B. Ratification to approve three State College Representatives to the Education Advisory Committee.** Motion out of Committee to approve State College Representative's, Patrick Wray - Peru State, Gary Volk - Wayne State, and Robert Duron - Chadron State to the Education Advisory Committee. On a roll call vote, all members present voted aye. Motion #12 carried.
- C. CPAES Issues.**
 - 1.) National Candidate Database. NBPA provided the five-year history of Nebraska exam candidates to CPAES.
 - 2.) Thank you letter to CPAES. The Executive Director provided the thank you letter to CPAES as directed by the Board.
- D. CBT Site Visits.** Executive Director Sweetwood reported that all three sites were visited with favorable conclusions. A summary report will be prepared by staff.
- E. Update on Chapter 6 & 9 Rules Revisions.** The suggested changes provided by the Attorney General's office were reviewed and unsubstantial changes will be made to the Rules.

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- F. NASBA Reciprocal Applicant Review of Education Contract Approval.** The NASBA contract was sent back to the Board without the Board's recommended changes. The contract will be sent back to NASBA so the changes can be made.
- G. Report on To Do List.** There were no additional items reported.
- H. Other Misc. Items.** There were no other miscellaneous items.

12. Report of the Quality Enhancement Program Committee

- A. Report of the Committee.** Committee Chair Graf reported on the Committee meeting. Staff member Kelly Ebert reported that the request for reviewers will go out with the renewal notices.
- B. Report on the To Do list.** There was no additional report.
- C. Other Miscellaneous Items.** There were no other miscellaneous items.

13. Report of the Continuing Professional Education Committee (CPE)

- A. Report of the Committee.** Committee Chair Nuckolls presented the report. Motion out of Committee to approve the following policy forwarded by the Licensing Committee: "Initial Permit Holders whose permit expires within 6 months of issuance will have CPE waived for the first renewal period." On a roll call vote, Members Graf, Thornburg, Fuhrman, Nuckolls, Skiles, Titus and Zacharia voted aye. Member Gaines voted nay. Motion #13 carried.
- B. Ratification of Approved CPE Course Evaluations.** Motion out of Committee to ratify the CPE staff program evaluations. On a roll call vote, all members present voted aye. Motion #14 carried.
- C. Update on individuals with CPE Deficiencies.** Staff member Kelly Ebert reported on current deficiencies and requests for extensions.
- D. Report on To Do list.** There was no additional report.
- E. Other Miscellaneous Items.** There were no other items.

14. Executive Directors' Report

- A. Computer System Issues.** The Executive Director reported that we have begun to discuss potential inter-active online applications such as CPE Reporting and Licensing. Board Member Skiles participated in a demonstration of both on line applications with Doug Gibbs, Nebraska@ Online (NOL) and Board staff. Member Skiles reported that the process is promising and that a proposal for Board review is being prepared by NOL. The Board requested that staff continue to review the NASBA licensing proposal in connection with the project.
- B. NBPA Budget.** Executive Director Sweetwood updated the Board on the budget.
- C. Staffing & General Office Issues.** Staff evaluations will be completed next month. Board Member comments are welcome. Staff Intern Jess Paisley has helped the office catch up on projects.
- D. Annual Register 2003.** The 2003 Annual Register was mailed to all CPA's who returned the request postcard.

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- E. Executive Director's Conference Report.** Executive Director Sweetwood reported on the Executive Director Conference in Savannah, GA. A written report on the conference was provided to the Board.
- F. Report on To Do List.** Executive Director Sweetwood provided copies of the 2002-4 Board Policies and the Board's compiled Attorney General's opinions.
- G. Other Miscellaneous Items. Web site/Newsletter.** The NSCPA's has agreed to publish Board news in their newsletter. A flashing "Announcements" button has been added to the Nebraska Board of Public Accountancy (NBPA) web site.

15. New Business

A. National Association of State Boards of Accountancy (NASBA) Items

- 1.) Board Member Attendance at NASBA Western Regional Meeting. New Board Members Skiles and Fuhrman will receive a scholarship from NASBA. Moved by Nuckolls, seconded by Zacharia, to approve Board member attendance at the Regional meeting in San Diego, June 16-18, 2004 with reimbursement for registration and related conference expenses. On a roll call vote, all members present voted aye. Motion #15 carried. Moved by Thornburg, seconded by Graf, that Executive Director Sweetwood attend the Regional meeting in San Diego, June 16-18, 2004 with reimbursement for registration and related conference expenses. On a roll call vote, all members present voted aye. Motion #16 carried.
- 2.) Regional Directors Focus Questions. The Board provided input on the Focus Questions.
- 3.) NASBA Request for Volunteers to Serve on Committees. Moved by Zacharia, seconded by Nuckolls, that the Executive Committee be given authority to forward a name for consideration to the NASBA Nominating Committee at such time as deemed appropriate. On a roll call vote, all members present voted aye. Motion #17 carried.

B. Other Miscellaneous Items. There were no other items.

16. Adjournment

Moved by Skiles, seconded by Graf, that the Board adjourn at 11:55 a.m. on Monday, March 22, 2004. On a roll call vote, all members present voted aye. Motion #18 carried.

Respectfully submitted by,

Michelle Thornburg
Board Secretary