



Nebraska State Board of Public Accountancy

The Board is responsible for licensing and regulating Certified Public Accountants (CPAs) in Nebraska

2013 ANNUAL LETTER



MESSAGE FROM BOARD CHAIR, *Mr. Bernie Gutschewski*

I hope all finds you well so far in 2014. I am in my first year as Chair of your State Board and have been a member since 2010. After the unexpected passing of our Chair, Michael Wassinger, in May 2013, I was elected Board Chair. This was a very difficult time for us on the State Board as Mike was our most experienced member, leader and friend. Our staff and members of the Board were able to honor Mike's contributions to the State Board last fall with his family and many co-workers at an event hosted by his firm, McDermott & Miller, in his hometown of Hastings.

I have both a law and a business degree from Creighton University. I worked for Arthur Young & Co. (predecessor to Ernst & Young) from 1974 to 1979 and specialized in the tax area. In 1979 I joined Union Pacific Railroad and started their Tax Department after the 1983 Missouri Pacific and Western Pacific acquisitions. When Union Pacific Corporation moved its corporate headquarters to Omaha in 1997 I was appointed Vice President Taxes and General Tax Counsel. The Union Pacific tax practice emphasized the legislative and planning areas while dealing with the mandatory areas of compliance, accounting and audits. I retired from Union Pacific in 2010 and my wonderful wife and 8 grandchildren keep me very busy.

I was honored to be appointed to the Board in 2010 by Governor Heineman. Since 1979, I have experienced the changes in the Accounting profession as a customer rather than a practitioner. This perspective, while different from most Board members, has generated many interesting conversations during our Board meetings. I was very pleased to find the State Board takes a Chesterton's fence approach to regulatory matters. There is a genuine effort to discuss and understand the essence of what is in place before any effort is made to dismantle or replace the existing regulatory framework with a new one. The Board does engage stakeholders in this process including the Nebraska Society of CPAs, educators, private & government accountants, and others depending on the issue at hand. If the Board decides changes should be made, the formal rulemaking process requires publication and a formal hearing before any changes to Board regulations can go forward. The goal of this process is to question and fully understand the existing rule before an amended or new regulatory structure or practice is put in place.

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I have found the Board staff to be exceptional in their willingness to assist all members. I know they will work closely with you when you call the Board office regarding questions and concerns you may have. We continue to strive to streamline our online permit/registration/CPE reporting process with the goal to assist in the proper submission so you can get on to more important work in your busy day. Our Board meetings are in Lincoln and are open to the public and if anyone has an interest you are most welcome to attend.

Sincerely,

Bernie Gutschewski
Bernie Gutschewski



FROM THE EXECUTIVE DIRECTOR, *Dan Sweetwood:*

It is hard to believe but I just passed by my 11th year as your executive director for the State Board! As I reflect back on a career in administrative license regulation a few quick thoughts come to mind:

- ▶ Always treat others as you would expect to be treated....Jo, Heather, and I strive to answer the phone and work with you on registration and other matters. Our goal is no surprises! Routinely, if possible, we will email and/or telephone you to give you a heads up on compliance matters and hopefully treat you as we would expect to be treated.
- ▶ Work well with others....After just finishing General Stanley McChrystal's book "My Share of the Task" it still amazes me how at times government agencies do not play well with each other even during the war on terror. General McChrystal's first visit to Iraq in 2003 startled him as he saw no clear direction by the military or other agencies in developing a new Iraq or combating the insurgency. He was instrumental in forming Joint Task Forces to work together to get the job done and stem the insurgency. Over my tenure on the Board I have witnessed the commitment to work well with others including the Nebraska Society of CPAs, Nebraska Society of Independent Accountants, NASBA, AICPA, and others in reaching our goals.
- ▶ Set goals and work hard to get there!....Please visit our website at www.nbpa.ne.gov to review our goals. We continually review and update when necessary our goals as a staff and Board. Simply, we must have a direction and how best to get there in our goal to serve you and state government efficiently.
- ▶ Never expect the unexpected....this starts with strong discussion within our Board Committees on issues that might effect your chosen profession. We attempt to identify important issues and begin discussion within one of our five standing committees so the full Board can be brought up to speed quickly if necessary. It is the staff goal to provide Board members with relevant information when charged with making at times difficult decisions with the understanding our members are busy professionals.



I have enjoyed being exposed to the CPA profession within our state and have always been impressed with the hard work and professionalism of the vast majority of CPAs I have met. I have been able to work with some of your best and cannot thank them enough for their assistance over the years.

Never hesitate to contact me if you have any questions and/or concerns regarding any issues under purview of the Board including the Uniform CPA examination, education requirements, the Quality Enhancement Program (QEP) and the anticipated move to require Peer Review, CPE, the new experience requirement to obtain an active permit to practice, providing services in other states under mobility, compliance or other matters under the Rules of Professional Conduct in Nebraska or other issues within the Public Accountancy Act or Board regulations within NAC Title 288. I might not know all the answers but hopefully can steer you in the right direction so you, as a CPA professional, can research and do your due diligence in making the best decision in the matter. I can be reached at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov.

Take care in 2014!

A handwritten signature in black ink, appearing to read "Dan Sweetwood".

Dan Sweetwood

SKILES TERM ENDS



Doug Skiles

Longtime Board Member and CPA **Douglas W. Skiles** term as a Board member ended in December. Mr. Skiles chaired the Board for three years and was a member of the Executive Committee for five years along with leading the Education & Examination Committee for 7 years. He was member of the board for over 10 years. "Doug is a true public servant and leader for the CPA profession. While being a member of an active CPA firm in McCook and raising a family, Doug took the time to be an active Board member and rose to Chair of the Board. While Chair he led several legislative initiatives including mobility and experience changes to the Nebraska Public Accountancy Act. He continues this service by being active on the national stage and is the current Central Regional Director for NASBA" according to Board Executive Director Dan Sweetwood. Take the time to thank Doug the next time you see him for his public service on the Board!



Officers & New Board Members for 2013/2014

The Nebraska State Board of Public Accountancy elected **Mr. Bernie Gutschewski, Omaha, Nebraska**, Chair of the Board for 2013/2014. Mr. Gutschewski is retired from the Union Pacific Corporation as Vice President of Taxes. He holds a business/and law degree from Creighton University. He also is a certificate holder and current inactive registrant with the Board. Mr. Gutschewski has been a member of the Board since 2010.

Ms. Lori J. Druse, CPA, Lincoln, Nebraska was elected the Board Vice Chair. Ms. Druse is currently an Audit Director with Deloitte & Touche LLP and has 20 years of public accounting experience. She is a graduate with honors from the University of Nebraska at Kearney with a degree in Business Administration with an emphasis in Accounting. Ms. Druse has been a member of the Board since 2011.



Ms. Lori J. Druse

Ms. Jan Glenn, LaVista, Nebraska was elected the Board Secretary. Ms. Glenn is currently the Director, Business Services at Educational Service Unit #3 since 2002. She has served in accounting and managerial roles over the past 27 years and has worked in the education sector since 1999. She is a graduate of the University of Nebraska with a degree in Business Administration with an emphasis in Accounting and is a certificate holder and current inactive registrant with the Board.



Ms. Marcy J. Luth

Ms. Marcy J. Luth, CPA, Grand Island, Nebraska was appointed to the Nebraska State Board of Public Accountancy by Governor Dave Heineman to serve the remaining term of the late **Michael W. Wassinger, CPA**. Ms. Luth is a corporate shareholder with the CPA firm Almquist, Maltzahn, Galloway & Luth, P.C., located in Grand Island. She is a graduate of Hastings College and earned a Masters Degree in Business Administration from the University of Nebraska-Kearney. Ms. Luth recently served on the Board of Directors of the Nebraska Society of CPAs and as chair of the NSCPA State and Local Governmental Accounting and Auditing Committee. She will represent the third congressional district on the Board as an active permit holder.

Dr. Thomas Purcell III, CPA, Omaha, Nebraska was appointed to the Nebraska State Board of Public Accountancy by Governor Dave Heineman to serve a four-year term as an active permit holder (CPA) on the State Board. Dr. Purcell is currently a Professor of Accounting at Creighton University and has taught accounting and law for over 30 years. He also is a consultant and been active in the Nebraska Society of CPAs and the American Institute of CPAs along with authoring several published articles on accounting and tax policy. In 2005 he received the Nebraska Society of CPAs public service award. He is a graduate of Creighton University in accounting & law and the University of Nebraska with a doctorate in accounting and taxation.



Vice Chair Lori Duse gives the oath of office to Dr. Thomas Purcell III.



Chair Bernie Gutschewski gives the oath of office to Mr. Glen J. Waltemath.

Mr. Glen J. Waltemath, CPA, North Platte, Nebraska was recently appointed to the Nebraska State Board of Public Accountancy by Governor Dave Heineman to serve a four year term as an active permit holder from the 3rd Congressional District. Mr. Waltemath has been a long time member of the CPA firm McChesney, Martin, Sagehorn, PC located in North Platte and specializes in taxation and computer systems. He is a graduate of the University of Nebraska with a Bachelors of Science Degree in Business Administration. He also is the past Chairman of the Development Corporation of North Platte and current Treasurer of the United Way and has been active in other organizations within the North Platte community.

Dr. Purcell replaces **Mr. Richard Zacharia, CPA, Omaha, Nebraska** while Mr. Waltemath replaces **Mr. Douglas W. Skiles, CPA, McCook, Nebraska**. Both Mr. Zacharia and Mr. Skiles served two four-year terms while also serving two additional years of an unexpired term.

Ms. Luth is serving the remaining term of **Mr. Michael W. Wassinger, CPA, Hastings, Nebraska**. Mr. Wassinger passed away last May after his usual morning run at home. In September Executive Director Dan Sweetwood, Board Members Zacharia and Skiles along with former member Ms. Anne Fuhrman, CPA, staff Jo Lowe and former staff member Kelly Ebert were able to join Mike's partners at McDermott & Miller, PC and his family to honor him for his public service on the State Board in Hastings. Mike was a member of the Board since 2006 and was the current Chair. He also served as Chair of the QEP Committee where he had participated as a reviewer for many years before joining the Board. Current Chair Bernie Gutschewski commented: *"Mike was a quiet leader and when he spoke you knew he had listened and thought out his response and provided valuable information for the Board to contemplate. He has been truly missed by our Board."*



The late Michael W. Wassinger



Board Member Marcy J. Luth, Secretary Jan Glenn, Chair Bernie Gutschewski, former member Douglas W. Skiles, Vice Chair Lori J. Druse and Member Michael S. McClure.



BOARD REDUCES FEES FOR 2014/2015

The Nebraska State Board of Public Accountancy is pleased to announce that at the January 10, 2014 meeting, the Board approved a reduction in Board fees. The Board's Executive Committee at an earlier meeting reviewed detailed information provided by staff including past and projected revenue, expenses, and the status of the Board's cash fund. Executive Director Dan Sweetwood commented, "Board members are very cognizant as financial professionals on how the Board spends and receives funds. All expenses are reviewed by the Board secretary and approved by the Board. Due to the conservative spending habits of the Board and the belief the cash fund is at a point that warrants a reduction, the Board is comfortable with reducing fees. They simply believe instead of continuing to build up the cash fund, it was time to provide the reduction for Board registrant's benefit."

The Board previously agreed to move the Board office from the Apothecary Building within the Haymarket District to the renovated State Office Building at the 1526 Building that substantially reduced Board lease expense. The Board is cash funded and is entirely funded by registrant fees and receives no general fund monies.

Board revenues are projected to be reduced by around \$70,000 with the adopted fee decrease.

BOARD FEES FOR LICENSING FY2014/2015		
Active Permit to Practice	\$ 175	(\$ 200)*
Inactive Registration	\$ 70	(\$ 80)*
Reciprocal Certificate	\$ 200	(\$ 400)*
Firm Permit: P.C.'s, LLC's, LLP's, Part.	\$ 50	(\$ 100)*
Certificate of Registration: P.C.'s, LLC's	\$ 25	
Office Fee: All firms and S.P.'s	\$ 25	(\$ 50)*
CBT Examination Initial Admin. Fee	\$ 15	

* 2013 Fees

BOARD EXPERIENCE REVISION

In 2010 the Board formed an Experience Work Group (EWG) to begin the process of reviewing current requirements within the Public Accountancy Act regarding the experience requirement to become an active permit holder (CPA). After several meetings of good, hardnosed discussion and the review of several papers and current statistics, regulations, and requirements from the 55 State Boards, and the Uniform Accountancy Act the final consensus of the group was that the requirements should be amended to allow industry and academia experience to apply. The Board additionally had a serious discussion on the matter at their July 2012 Board meeting and ultimately agreed with the EWG recommendation. It was agreed that public accounting experience would remain at two years while other forms would require three years. The Nebraska Society of CPAs Board also agreed with the change and in January 2013 Legislative Bill 27 was submitted before the Legislature for consideration by Senator Galen Hadley from Kearney. On February 4, 2013 the Bill was heard before the Banking, Commerce, and Industry committee at a public hearing and later was signed into law by Governor Dave Heineman. The Board promulgated regulations regarding the change within NAC Title 288/Chapter 7 after a public hearing in August. If you have questions regarding the new experience requirement go to www.nbpa.ne.gov and access the PAA and Board regulations or call the Board office at (402) 471-3595 or email Jo.Lowe@Nebraska.gov.



Executive Director Dan Sweetwood addresses the Board Experience hearing.



First CPA in Nebraska approved for Permit with Private Experience

"Becoming a licensed CPA was a huge accomplishment and career milestone for me on both a personal and professional level. I passed the CPA exam back in 1987 and have worked in the accounting field for over 25 years. During my career I have held various positions, including CFO of a financial institution and my current position as Manager of Financial Services at Fremont Area Medical Center. Over the years, I have obtained a great deal of accounting knowledge, and becoming a licensed CPA will complement my career going forward. It is an honor to be the first individual to be approved under the new LB 27 regulation, and I feel especially privileged to be included in this much-respected group of individuals."

Robert Bendig, CPA

LICENSING COMMITTEE:

Online renewal applications for 2013 were completed by 86% (1038) of the licensed CPAs, 68% (550) of inactive registrants, and 84% (527) of registered firms and sole proprietorships. Paying by credit card saved the Board staff many hours of opening mail and preparing check deposits.

Firm names continue to be an issue for Committee review. Please refer to the Firm Guidelines, available on the Board's website, if you intend to change your firm name. The Committee's direction has been to protect the public by approving names that are not misleading as to services provided, number of CPAs employed, and other potentially confusing terminology.

Certificates of Registration/Organization are annually confusing to P.C. and LLC firms. Certificates are necessary for the Nebraska Secretary of State (SOS) office to validate your CPA professional business as permissible to do business in Nebraska. The Board provides two certificates to document your firm's current licensed status with the Board. Certificates are a function of the SOS's office, not the Board. However, you must ALSO renew your firm permit annually with the Board. Often the two processes are confused. The certificate of registration/organization is based on your original date of incorporation with the SOS. Sometimes they occur at the same time. Yes, you must do BOTH.

CPA's cannot just go away! Licensure does not end when you no longer reside in the state, no longer have clients or a business, or retire. You must complete the appropriate documentation. The Committee annually recommends revocation of certificates of permit holders and inactive registrants, who have not renewed their active permit for three years per PAA 1-137 (9), following petition and notice of hearing. Please check the website or contact the Board office for change of status options.

Inactive Status means you cannot hold out as a CPA per Title 288 Rules Chapter 3 001.09. Any representation that may mislead the public could come under scrutiny by the Board.

Failure to Renew After Three Years. The Board is in the process of revoking certificates of Active and Inactive registrants who have not renewed for three years. In 2013, certificates of 69 inactive registrants were revoked following notice and public hearing.

Mobility. If you have questions regarding Mobility go to www.nasba.org "Mobility" and click on the state for an update on the Mobility provisions. Also, you can access each states website by going to www.nasba.org "Members" for additional information.

NEBRASKA CPA STATUS

Nebbraska is two-tiered state. In the first tier, a Certificate Number is issued permanently to the candidate after successful completion of the U.S. Uniform CPA Examination. This person is known as a Certificate Holder in Nebraska and must file an annual registration with our office. Although considered a Certificate Holder, they have no status as a CPA within Nebraska.

After completion of two years of public accounting experience within a CPA firm and/or experience gained in business, government and academia, under the direction of a CPA, a Certificate Holder can file an application for issuance of an Active Permit to Practice that allows them to hold themselves out to the public as a CPA and practice public accountancy. A license number is issued with their Active Permit to Practice. The permit number is separate from their permanent Certificate number and changes every two years upon successful completion of 80 hours of required Continuing Professional Education.

If an Active Permit Holder decides to forgo their CPE education, they can elect to register with the Board as an Inactive Registrant and are issued a registration number. An Inactive Registrant cannot practice public accountancy within Nebraska.

Active CPAs can be verified on the Board's website: <http://www.nbpa.ne.gov/search/>

Please keep the following status descriptions in mind:

Certificate Holder:

- "Passed the CPA Exam" for use on resumes only
- Cannot practice public accountancy
- Cannot hold out using the title CPA

Permit Holder:

- Use the title "CPA" (hold out)
- Practice public accountancy

Inactive registrant:

- Cannot practice public accountancy
- Cannot hold out as a CPA
- Must use the disclaimer: "CPA (Inactive Registrant)"



CONTINUING PROFESSIONAL EDUCATION (CPE) COMMITTEE:

16 HOURS OF PERSONAL DEVELOPMENT COURSES COUNT 100%!

As of January 1, 2014 the Board will implement a new policy regarding CPE personal development courses. The new policy:

“A CPA may take up to 16 hours of “self determined” personal development courses that relate to their current employment for biennial permit renewal requirements. The other required 64 (or more) hours must be “technical” and directly related to the practice of public accountancy”

The Board decided that 16 hours of the 80 hour requirement can be utilized at the discretion of the CPA to assist in career development. This is **not** a requirement and the CPA may choose to complete the entire 80 hour requirement in technical courses related to the practice of public accountancy. This policy will replace the former policy that counted personal development at 50% of the hours taken.

The 16 hours should relate to professional development within the CPAs current employment.

The other 64 hours must be “technical” in nature and directly related to the practice of public accountancy.



Heather Myers and Jo Lowe

Examples of professional development courses include:

- Communication
- Leadership
- Developing strengths or talents
- Developing writing skills
- Courses that pertain to your work

It is highly recommended CPAs submit a Program Qualification Form (PQF) to determine the number of hours a program will count towards the CPE requirement. The PQF is available on the Board’s website at www.nbpa.ne.gov under CPE. If you have any questions, contact the Board office at (402) 471-3595 or email Heather.Myers@Nebraska.gov.

2013 was an ANOTHER BIG YEAR for submitting CPE hours online. Nearly 90% of CPAs submitted online. **The ability to submit courses online can be used throughout the year. Please use this tool to track your CPE hours on an ongoing basis.** Your password to report CPE online will remain the same for online renewal of your permit to practice in May or June. It is very important to keep that password.

It is very important to make sure you are tracking your CPE hours to confirm you have enough hours in your two-year licensing period. It is important that you complete your CPE hours within the two year period. If not, you must request a formal extension that will require you to return to your regular two year period. This creates more work for you and makes it harder for you to get back on track! The Board discourages formal extensions if at all possible.

The Committee reviewed 688 courses. In addition to reviewing the courses submitted through Program Qualification forms, the Committee allows National Association of State Boards (NASBA) approved courses. All courses and sponsors are reviewed annually.

If your Firm/Company holds in-house training courses, please make sure there is a sign-in sheet present at the course or provide certificates of completion. The sign-in sheet/certificate of completion must be on letterhead of the firm/company with all of the details of the course. Please include the title of the course, date of course, firm/company name, start and end times, and recommended number of hours. When you provide in-house training, it is highly recommended that you go through the pre-approval process using the Program Qualification Form. The pre-approval process is completing the Program Qualification Form which is located on our website.

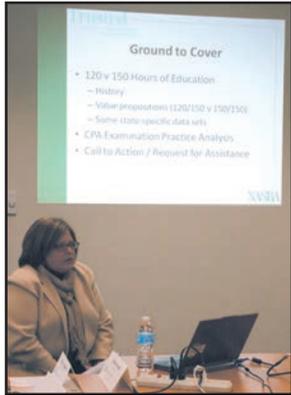
If you are selected to go through an audit for your CPE hours, you will need to provide proof of attendance for each course submitted to our office during that 2-year reporting period. Thus, the need for completed sign-in sheets and certificates of completion. Please refer to the CPE Guidelines for further information regarding the audit process.

Update on Online Programs

The Board is proud to provide CPAs, Inactive Registrants, and CPA firms the ability to renew their permits and registrations online by going to www.nbpa.ne.gov and clicking on the applicable application during May and June. CPAs can also submit their required continuing education courses online throughout the entire year. The online submissions have provided Board staff with less paperwork to process and decreased Board storage requirements. Since these programs are fairly new, your feedback is essential as we continue to review and enhance the online processes. Please contact staff members Jo Lowe (renewals) or Heather Myers (CPE) with your thoughts at Jo.Lowe@Nebraska.gov or Heather.Myers@Nebraska.gov or call 1-800-564-6111 in Nebraska.

EDUCATION & EXAM COMMITTEE (E & E):

In 2013, Nebraska ranked ninth in national first-time CPA Exam pass rate percentage at 58% which was up from 56.25% when Nebraska was ranked third nationally in 2009! That means 58% of Nebraska candidates passed the exam the first time as compared to paper and pencil first time pass rates of 23%. Congratulations to candidates and the educators who prepared them so well! Overall, the computer based CPA exam has been very successful and well accepted by candidates. The Committee wants to remind candidates sitting for the exam to review the CPA exam tutorial available on www.CPA-Exam.org for mechanical processes involved in the online exam.



Ms. Coleen Conrad,
NASBA COO

There are four Nebraska CPA exam sites
for candidates:
Kearney, Lincoln, Omaha, and Scottsbluff.

The Education Advisory Committee (EAC), made up of educational institution representatives and CPAs, met at the Board office, November 8, 2013. Ms Colleen Conrad, NASBA Executive Vice President and COO, presented a current national issue: “120 vs. 150 Hours of Education: Should a candidate be eligible to sit for the exam at 120 hours and be eligible for licensure at 150 hours?” The committee voted to retain the required 150 hours of subject area specific education prior to application for the U.S. Uniform CPA Exam.



Members of the EAC attending the November meeting.



Ms. Kate King Wu, Ms. Marcy Luth, Ms. Jan Glenn,
Ms. Kathy Smith, Ms. Coleen Conrad, Dr. Jack Armitage and
Dr. Tom Purcell attended the EAC November meeting.

QUALITY ENHANCEMENT PROGRAM:

The Most Common Problems on 2013 Reports (audits, reviews, and compilations)

The committee determined the following five issues were the most common problems:

1. Open tax year disclosure missing or incomplete.
2. Compilation / Review wording not in accordance with SSARS 19.
3. Wording problems in the GAS audit reports.
4. OCBOA financial statements using incorrect report wording and/or statement headings.
5. Incorrect Fair Value Disclosures.

Reminders from the Committee:

- Review your internal quality control procedures as related to reports being issued; the licensed owner of the firm is ultimately responsible for all reports issued by the firm.
- When providing services to specialized industries, applicable CPE courses and reference libraries are important.
- A copy of the actual financial statements and accountant's report issued to the client should be maintained in your files as part of the engagement documentation. The file copy should be either a hard copy or a PDF copy, rather than an Excel or Word file could inadvertently be altered.

WE NEED YOUR HELP!

2014 QEP reviewers are needed. You can earn up to 8 CPE hours a day and your firm will receive \$100 per day to help defray expenses. QEP review is a great educational tool to take back to your practice. Enclosed is an application if you wish to participate.

Thank you to QEP reviewers for making our program a success.



Executive Director Dan Sweetwood, Mr. Dan Vodvarka, Ms. Heather Myers, and Ms. Jo Lowe at the NE Society of CPAs Fall Conference.



FAQ's / TIDBITS:

- 1.) **Check for the current NBPA application form:** Be sure to check the NBPA website for the most current application forms. **Fees have changed for most applications.** As a state agency, the Board cannot accept checks for the wrong amount. The application and incorrect fee check must be returned to the applicant, delaying the application process.
- 2.) **Changes to the Rules and Regulations!** During the year issues may arise that result in revisions to the Board's Title 288 Rules and Regulations. Please be aware that "things change". The Board office will attempt to inform you of changes through the Board's website, Board's annual letter, the Nebraska Society newsletter, or other means. In 2013, the PAA and Title 288 changes covered the revisions to the experience requirement.
- 3.) **How many hours do I need to renew my permit?** CPE hours required for renewal of your permit to practice equal 80 hours over TWO years, including 4 hours of ethics. Do not confuse the required 80 hours over two years with other derivatives such as 40 hours per year, or with 20 hours of self study. Ethics hours may be taken in small increments, not all in one four hour block. CPE must be reported by January 31 each year. **CPE reporting is available throughout the year** by using the "CPE Online Reporting" on the home page of NBPA: <http://www.nbpa.ne.gov>. Please refer to the most recent edition of the CPE Guidelines on the Board's website for specific requirements.
- 4.) **How do I go from inactive registration status to active permit holder?** There is a reinstatement application for this process. The application should be submitted to our office when all required hours are completed. Reinstatement from inactive registrant to active permit holder requires communication with the Board office. Based on your birth year, your licensing period does NOT change, and effects the years for CPE reinstatement reporting and RENEWAL. Reinstatement requires careful timing, and Board staff will be happy to assist you through the process. Please do not try to submit CPE hours if you are "inactive". You must keep track of those hours to submit with your reinstatement application.
- 5.) **Reminder:** Title 288 Rules Chapter 5 007.06 state that "Each certificate holder shall notify the Board in writing (or via the Board's website) within 30 days of any **change of address or change of employment**".
- 6.) **How do I report problems or issues experienced with CPA Exam Services (CPAES) in the CPA exam process?** Please contact the Board office if you have serious complaints during the exam process that have not been resolved through the Candidate Care service.
- 7.) **There is a difference:** The Nebraska **STATE BOARD of Public Accountancy** is a regulatory agency – think "permits". The **Nebraska SOCIETY** is a membership organization – think "CPE". Often people change their contact information. **Please be sure to change your information with BOTH entities! Not all individuals are connected to BOTH organizations.**

To review the current
Public Accountancy Act
and Title 288 Rules please
go to www.nbpa.ne.gov



EMAIL BLASTS COMING FROM THE STATE BOARD:

Please keep the Board up to date regarding your email addresses. Email reminders and notifications are now the Board's communication tool including this Annual Letter! Other information traditionally sent via regular mail may also be sent via email to help the Board save printing and postage expense. If you do not have an email address, please notify the Board office. It is also important to keep the Board current with address and employer information by going to the Board's website at www.nbpa.ne.gov/ front page to notify of any changes.

ENFORCEMENT NEWS:

As many of you know, as CPAs you are in a highly regulated profession. Other than the State Board of course, you might fall under regulations or requirements issued by other private, state, and federal agencies. When auditing governmental entities within Nebraska, you might come under regulations and requirements issued by the Nebraska State Auditors Office, the Department of Education, the Public Service Commission or others. While conducting audits or providing financial information and statements of public companies federal agencies including the Public Company Accounting Oversight Board (PCAOB), the Securities & Exchange Commission (SEC), Housing and Urban Development (HUD) and others are interested in your work. Those in tax practice must adhere to standards and requirements of the Nebraska Department of Revenue and the IRS under Circular 230 requirements. Members of the American Institute of CPAs must comply with professional standards including audit, tax, ethics, and others or could face possible sanctions by the AICPA Professional Ethics Division.

If you or your firm comes under scrutiny of a regulator or the AICPA, I would recommend you advise the State Board of the inquiry at an appropriate time. Only under unusual circumstances would the Board become involved in the matter before the matter is adjudicated before the other agency. If discipline and/or findings are issued, normally the Board reviews the findings of the other agency to determine if any further action should be taken. The Board is cognizant of previous discipline received before deciding further action in the matter including you and/or your firm was upfront with the Board regarding the matter.

Staff is constantly reviewing public information available on government websites or the Universal News Service, to determine if Nebraska licensed CPAs have been disciplined by another agency. ***You and your firm have responsibility to complete your renewal applications accurately including questions referencing matters with other regulators. Read them carefully every year!***

The good news is the vast majority of Nebraska CPAs and firms comply with professional standards and do their due diligence when providing professional services. However, sometimes an issue arises before other regulators that might result in disciplinary action taken.

Never hesitate to contact the Board when you have questions and/or you come under the scrutiny of another regulator or the AICPA. I can assure you the goal of the Board is to be fair and consistent in the decisions they make relative to your professional credentials in Nebraska. Contact Mr. Dan Sweetwood at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov.

Further information regarding enforcement actions by the Board can be viewed on the Board's website www.nbpa.ne.gov left banner "Disciplinary Search" or by going to "Board News" and reviewing "archives" under Enforcement Actions for official announcements. Any questions and/or concerns pertaining to enforcement matters before the Board can be addressed to Dan Sweetwood, Executive Director by sending email to Dan.Sweetwood@Nebraska.gov or call (402) 471-3595.

McChesney receives Being a Difference Award

Longtime Nebraska CPA Robert C. McChesney was recently awarded the prestigious Being a Difference Award from NASBA's Center for the Public Trust (CPT). CPT President Alfonzo Alexander, State Board Member Douglas W. Skiles, CPA, and Executive Director Dan Sweetwood joined over 160 people at the North Platte Chamber of Conference annual meeting hosted by Chamber President Dan Mauk on November 14. McChesney, a 40 year plus veteran of the accounting profession and former chair of both the State Board and Nebraska Society of CPAs was recognized for his strong ethical decision making and leadership including his exposure of an out of town CPA who was employing fraudulent tax schemes in the North Platte area and assisted in ending the schemes before others in his community could be negatively impacted. The CPA was later revoked of his CPA license and sentenced to federal prison.



Robert C. McChesney

Alexander commented, *"..he is thought of as a hometown hero and treated me with overwhelming care and respect during my stay in North Platte..he was the first person I met upon my arrival and the last..he is a testament to Nebraska hospitality.."*

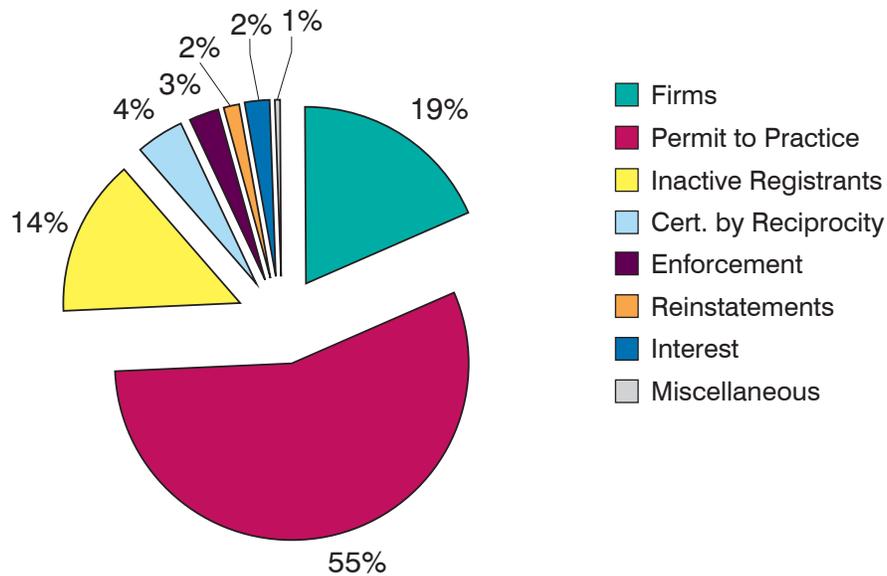
McChesney is an owner/partner of McChesney Martin Sagehorn, P.C. located in North Platte and continues to provide the Board professional/expert services when needed. For more information on the CPT go to www.centerforpublictrust.org.



2012 Board Revenue for Fiscal Year 2013

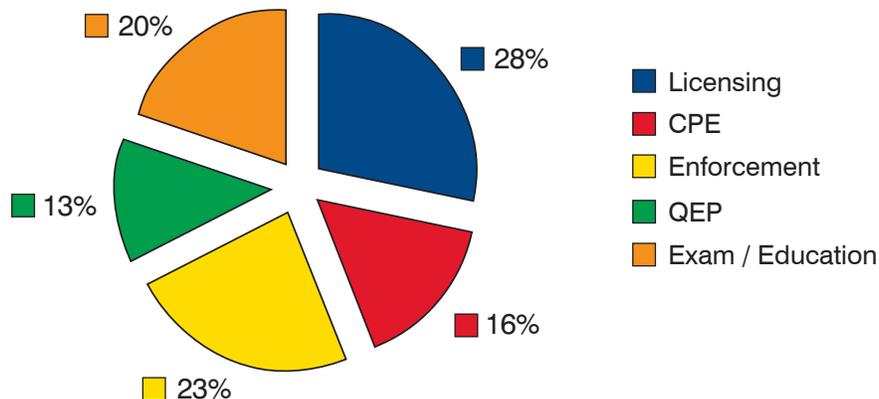
The Board is a Non-Code Agency within State Government. Board funds are derived from licensing fees as determined by the Board by February 1 of each year.* After creation of a recommended budget by the Board, funds are appropriated by the Nebraska Legislature as recommended by the Governor. The budget can be reviewed on <https://das-nebs.ne.gov/public/faces/brdIndex.jsp>. Any questions pertaining to the proposed budget should be directed to Executive Director Dan Sweetwood at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov.

Revenue FY13



The Board currently has five programs as outlined below. The Chart shows generally where Board funds were utilized by program in FY2013.

Fiscal Year 13



* No State General Funds are used to support the Board

LICENSING STATISTICS 2013

**Report on permits/registrations issued from July 1, 2012 to June 30, 2013:
Prior year's statistics are given for comparison purposes.**

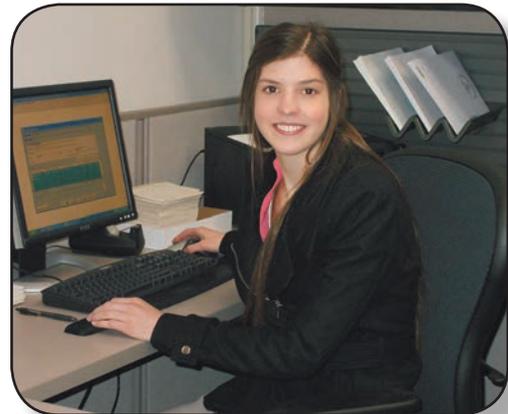
	2006-08	2007-09	2008-10	2009-11	2010-12	2011-13
CPA Permits	1087	1066	1008	1085	1120	1207
CPA Inactive Registrations	725	790	662	726	589	816
Total Individuals:	1812	1856	1670	1811	1709	2023
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Partnerships	20	20	15	17	14	17
Professional Corporations	202	195	214	202	214	231
Limited Liability Companies	48	47	55	56	75	86
Limited Liability Partnerships	32	34	38	35	45	57
Sole Proprietorships	287	209	250	256	279	314
Total Firms:	589	505	572	566	627	705

Certificates/ Permits/ Status Changes from - July 1, 2012 to June 30, 2013:

Certificates Issued	93
Reciprocal Certificates Issued	28
Initial Permits Issued	124
Certificate Revocation for Permit Non-Renewal per PAA 1-137	6
Certificate Revocation for Inactive Registrants Non-Renewal per PAA 1-137	69
Inactive – Retired Status	34
Voluntary Surrender of Certificate	41
Reinstatement to Active Permit	23

Enforcement Cases

New Cases opened in 2013	14
Discipline Issued in 2013	2
Open Cases Dismissed in 2013	6



Board Intern Lisa Steffensmeier, UN-L Accounting Major, reports for work. The Board has had great success utilizing honors accounting students to assist with paperwork, filing, and other assigned duties while they are exposed to State regulation of the accounting profession.

The 2013 Annual Register of licensed CPA and CPA Firms in Nebraska is available on the Boards Home page: www.nbpa.ne.gov





Nebraska Board of Public Accountancy
P.O. Box 94725
Lincoln, NE 68509

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2014 BOARD MEETINGS:

March 21 at 8:30 am
May 15 at 8:30 am
July 18 at 8:30 am
September 12 at 8:30 am
November 14 at 8:30 am

Board Members

Bernie Gutschewski, Public Member – Chair – Omaha, NE
Lori Druse, CPA – Vice Chair – Lincoln, NE
Jan Glenn, Public Member – Secretary – Gretna, NE
Michele Stromp, CPA – Omaha, NE
Michael McClure, CPA – Lincoln, NE
Marcy Luth, CPA – Grand Island, NE
Tom Purcell, CPA – Omaha, NE
Glen Waltemath, CPA – North Platte, NE

Staff

Dan Sweetwood, Executive Director
Jo Lowe, Administrator
Heather Myers, Administrative Assistant

Contact Information

P.O. Box 94725, Lincoln, NE 68509
1526 K Street, Suite 410, Lincoln, NE 68508
(402) 471-3595 or (800) 564-6111
Fax (402) 471-4484

Website: www.nbpa.ne.gov



We've Moved!

The Nebraska Board of Public Accountancy office has moved to the former Assurity Building located across the street from the State Capitol. Our new address is 1526 K Street, Suite 410.