Proposed Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY

August 12, 2026, 8:30 a.m. CDT

Sioux Falls One Stop, Conference Room Hazel A421
1501 S Highline Ave. Sioux Falls, SD 57110
OR
Microsoft Teams: Join the meeting now
Meeting ID: 231 287 096 475 94
Passcode: Yq3vQ222
or
Conference Call Number: +1 605.679.7263
Conference Code: 910 478 806#

A.	Call to Order (roll call)	Engelhart
B.	Approval of Agenda	ACTION
C.	Public Comment	Engelhart
D.	Nomination of Officers	ACTION
E.	Board to review Open Meetings laws	Rosenburg
F.	Approval of Minutes of Meeting June 18, 2026	ACTION
G.	Approval of Minutes of Contested Case Hearing 110-26	ACTION
H.	Approval of Certificate & Firm Permits	ACTION
I.	Approval of Financial Statements through July 2026	ACTION
J.	Report to Board on NASBA Annual Meeting	ACTION
K.	Grade Report	ACTION
L.	FY28 Proposed Budget	ACTION
M.	Executive Director's Report	Kasin
N.	10:30 Discussion with SD CPA Society	Engelhart

NASBA

O.	Private Equity Task Force Recommendation Memorandum	Engelhart
P.	Proposed Bylaw changes	Engelhart

EXECUTIVE SESSION pursuant to SDCL 1-25-2(6)

Q.	Equivalent Reviews	Engelhart

DECISIONS FROM EXECUTIVE SESSION

R.	Equivalent Reviews	ACTION

FUTURE MEETING DATES (all times CT**)**

S. Meeting Dates
   TBD

T. Adjournment

of the reasons therefor and findings of fact on each issue and conclusions of law necessary for the proposed decision. The final decision shall be made by a majority of the commission members, with each member's vote set forth in the written decision. The final decision shall be filed with the attorney general and shall be provided to the public entity and or public officer involved, the state's attorney, and any person that has made a written request for such determinations. If the commission finds a violation of this chapter, the commission shall issue a public reprimand to the offending official or governmental entity. However, no violation found by the commission may be subsequently prosecuted by the state's attorney or the attorney general. All findings and public censures of the commission shall be public records pursuant to § 1-27-1. Sections 1-25-6 to 1-25-9, inclusive, are not subject to the provisions of chapter 1-26.

1-25-8. OMC MEMBERS. The South Dakota Open Meeting Commission is comprised of five state's attorneys or deputy state's attorneys appointed by the attorney general. Each commissioner serves at the pleasure of the attorney general. The members of the commission shall choose a chair of the commission annually by majority vote.

1-25-12. DEFINITIONS. Terms used in the open meetings laws mean:

(1) "Official meeting," any meeting of a quorum of a public body at which official business or public policy of that public body is discussed or decided by the public body, whether in person or by means of teleconference or electronic means, including electronic mail, instant messaging, social media, text message, or virtual meeting platform, provided the term does not include communications solely to schedule a meeting or confirm attendance availability for a future meeting;

(2) "Political subdivision," any association, authority, board, municipality, commission, committee, council, county, school district, task force, town, township, or other local governmental entity, which is created by statute, ordinance, or resolution, and is vested with the authority to exercise any sovereign power derived from state law;

(3) "Public body," any political subdivision or the state;

(4) "State," each agency, board, commission, or department of the State of South Dakota, not including the Legislature; and

(5) "Teleconference," an exchange of information by any audio, video, or electronic medium, including the internet.

1-25-13. ANNUAL REVIEW OF OPEN MEETING LAWS. Any agency, as defined in § 1-26-1, or political subdivision of this state, that is required to provide public notice of its meetings pursuant to § 1-25-1.1 or 1-25-1.3 must annually review the following, during an official meeting of the agency or subdivision:

(1) The explanation of the open meeting laws of this state published by the attorney general, pursuant to § 1-11-1; and

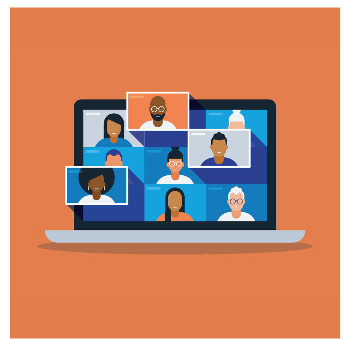
(2) Any other material pertaining to the open meeting laws of this state provided by the attorney general.

The agency or subdivision must include in the minutes of the official meeting an acknowledgement that the review was completed.

1-27-1.16. MEETING PACKETS AND MATERIALS. If a meeting is required to be open to the public pursuant to § 1-25-1 and if any printed material relating to an agenda item of the meeting is prepared or distributed by or at the direction of the governing body or any of its employees and the printed material is distributed before the meeting to all members of the governing body, the material shall either be posted on the governing body's website or made available at the official business office of the governing body at least twenty-four hours prior to the meeting or at the time the material is distributed to the governing body, whichever is later. If the material is not posted to the governing body's website, at least one copy of the printed material shall be available in the meeting room for inspection by any person while the governing body is considering the printed material. However, the provisions of this section do not apply to any printed material or record that is specifically exempt from disclosure under the provisions of this chapter or to any printed material or record regarding the agenda item of an executive or closed meeting held in accordance with § 1-25-2. A violation of this section is a Class 2 misdemeanor. However, the provisions of this section do not apply to printed material, records, or exhibits involving contested case proceedings held in accordance with the provisions of chapter 1-26.

1-27-1.17. DRAFT MINUTES. The unapproved, draft minutes of any public meeting held pursuant to § 1-25-1 that are required to be kept by law shall be available for inspection by any person within ten business days after the meeting. However, this section does not apply if an audio or video recording of the meeting is available to the public on the governing body's website within five business days after the meeting. A violation of this section is a Class 2 misdemeanor. However, the provisions of this section do not apply to draft minutes of contested case proceedings held in accordance with the provisions of chapter 1-26.

1-27-1.18. WORKING GROUP REPORTS. Any final recommendations, findings, or reports that result from a meeting of a committee, subcommittee, task force, or other working group which does not meet the definition of a political subdivision or public body pursuant to § 1-25-1, but was appointed by the governing body, shall be reported in open meeting to the governing body which appointed the committee, subcommittee, task force, or other working group. The governing body shall delay taking any official action on the recommendations, findings, or reports until the next meeting of the governing body.



Conducting the Public's Business in Public

An explanation of South Dakota's Open Meetings Laws

(Effective July 1, 2026)

Prepared by:
S.D. Attorney General's Office
in partnership with the
S.D. NewsMedia Association

Published by:
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Q: WHAT ARE SOUTH DAKOTA'S OPEN MEETINGS LAWS?

A: South Dakota's open meetings laws embody the principle that the public is entitled to the greatest possible information about public affairs and are intended to encourage public participation in government. SDCL Ch. 1-25 requires that official meetings of public bodies must be public and advance notice is to be given of such meetings. The statutes define an "official meeting" as one where a quorum of the public body is present and at which official business or public policy of the body is discussed or decided. **Openness in government is encouraged.**

Q: WHO DOES THE OPEN MEETINGS LAWS APPLY TO?

A: The open meetings laws apply to all public bodies of the state and its political subdivisions. SDCL 1-25-1, 1-25-12(3). This includes cities, counties, school boards and other public bodies created by ordinance or resolution, such as appointed boards, task forces, and committees, so long as they have authority to exercise sovereign power. SDCL 1-25-12(2). Although no court decisions have been issued on the subject, this probably does not include bodies that serve only in an advisory capacity. The State Constitution allows the Legislature and the Unified Judicial System to create rules regarding their own separate functions.

Q: WHAT MUST BE INCLUDED ON THE PROPOSED AGENDA?

A: A proposed agenda, as required by § 1-25-1.1 or 1-25-1.3, must list all items to be considered by a public body during any official meeting. The proposed agenda items must be described in sufficient detail to reasonably inform the public of any official business or public policy intended to be considered at the meeting.

Q: ARE TELECONFERENCES CONSIDERED PUBLIC MEETINGS?

A: Yes. The open meetings laws allow meetings, including executive or closed meetings, to be conducted by teleconference – defined as an exchange of information by audio, video, or electronic means (including the internet) – if a place is provided for the public to participate. SDCL 1-25-1.5, 1-25-12(5). In addition, for teleconferences where less than a quorum of the public body is present at the location open to the public, arrangements must also be made for the public to listen by telephone or internet (except for portions of meetings properly closed for executive sessions). SDCL 1-25-1.6. The media and public must be notified of teleconference meetings under the same notice requirements as any other meeting.

Q: HOW ARE THE PUBLIC AND MEDIA NOTIFIED WHEN PUBLIC BUSINESS IS BEING DISCUSSED?

A: SDCL 1-25-1.1 requires that all political subdivisions (except the state and its boards, commissions, or departments as provided in § 1-25-1.3) prominently post a notice and copy of the proposed agenda at the political subdivision's principal office. At a minimum, the proposed agenda must include the date, time, and location of the meeting and must be visible, readable, and accessible to the public for 24 continuous hours immediately preceding the meeting. Also, if the political subdivision has its own website, the notice must be posted on the website upon dissemination of the notice. For special or rescheduled meetings, political subdivisions must comply with the regular meeting notice requirements as much as circumstances permit. The notice must be delivered in person, by mail, by email, or by telephone to all local news media who have asked to be notified. It is good practice for local media to renew requests for notification of special or rescheduled meetings at least annually.

SDCL 1-25-1.3 varies slightly from SDCL 1-25-1.1 and requires the State and its agencies, boards, commissions, or departments to post a proposed agenda both on http://boardsandcommissions.

business or public policy intended to be considered at the meeting. A violation of this section is a Class 2 misdemeanor.

1-25-2. EXECUTIVE SESSION. An executive session or closed meetings may be held only for the purposes of:

(1) Discussing the character, competence, fitness, performance, or qualifications of any current or prospective public officer or employee, not including an independent contractor;

(2) Discussing a student's:

(a) Discipline, expulsion, or suspension;

(b) Assignment or educational program; or

(c) Eligibility to participate in interscholastic activities provided by the South Dakota High School Activities Association;

(3) Consulting with legal counsel, or reviewing communications from legal counsel, about proposed or pending litigation or contractual matters;

(4) Preparing for contract negotiations or negotiating with employees or employee representatives;

(5) Discussing marketing or pricing strategies by a board or commission of a business that is owned by the state or any of its political subdivisions, if public discussion may be harmful to the competitive position of the business; or

(6) Discussing the following information pertaining to the protection of public or private property and any person on or within the property:

(a) Any vulnerability assessment or response plan intended to prevent or mitigate criminal acts;

(b) Emergency management or response;

(c) Public safety information that would create a substantial likelihood of endangering public safety or property, if disclosed;

(d) Communications network schema, computer systems, cyber security plans, passwords, or user identification names;

(e) Guard schedules;

(f) Lock combinations; and

(g) Any blueprint, building plan, or infrastructure record regarding any building or facility, which would expose or create vulnerability through disclosure of the configuration, location, or security of critical systems of the building or facility;

(7) Discussing any emergency or disaster response plans or protocols, safety or security audits or reviews, or lists of emergency or disaster response personnel or material; and

(8) Discussing the location of or listing any:

(a) Ammunition or weapons;

(b) Biological, chemical, or nuclear agents; or

(c) Other military or law enforcement equipment or personnel.

An executive session or closed meeting may be held only upon a majority vote of the members of the public body present and voting at an otherwise open official meeting.

In the absence of a unanimous vote, any vote to enter executive session must be taken by roll call. A motion to enter executive session must state the applicable subdivision in this section, or any other applicable law, pursuant to which the executive session is to be held. The motion and vote to enter executive session must be reported in the minutes of the proceedings. Discussion during executive session is restricted to the purpose specified in the motion to enter executive session.

Any official action concerning the matters considered pursuant to this section must be taken at an open official meeting.

Nothing in § 1-25-1 or this section prevents an executive session or closed meeting if the federal or state Constitution or any federal or state statute permits or requires the session or meeting. A violation of this section is a Class 2 misdemeanor.

1-25-6. DUTY OF STATE'S ATTORNEY. If a complaint alleging a violation of chapter 1-25 is made pursuant to § 23A-2-1, the state's attorney shall take one of the following actions:

(1) Prosecute the case pursuant to Title 23A;

(2) Determine that there is no merit to prosecuting the case. Upon doing so, the state's attorney shall send a copy of the complaint and any investigation file to the attorney general. The attorney general shall use the information for statistical purposes and may publish abstracts of such information, including the name of the government body involved for purposes of public education; or

(3) Send the complaint and any investigation file to the South Dakota Open Meetings Commission for further action.

1-25-6.1. DUTY OF STATE'S ATTORNEY (COUNTY COMMISSION ISSUES). If a complaint alleges a violation of this chapter by a board of county commissioners, the state's attorney shall take one of the following actions:

(1) Prosecute the case pursuant to Title 23A;

(2) Determine that there is no merit to prosecuting the case. The attorney general shall use the information for statistical purposes and may publish abstracts of the information as provided by § 1-25-6;

(3) Send the complaint and any investigation file to the South Dakota Open Meetings Commission for further action; or

(4) Refer the complaint to another state's attorney or to the attorney general for action pursuant to § 1-25-6.

1-25-7. REFERRAL TO OMC. Upon receiving a referral from a state's attorney or the attorney general, the South Dakota Open Meetings Commission shall examine the complaint and investigatory file submitted by the state's attorney or the attorney general and shall also consider signed written submissions by the persons or entities that are directly involved. Based on the investigatory file submitted by the state's attorney or the attorney general and any written responses, the commission shall issue a written determination on whether the conduct violates this chapter, including a statement

PERTINENT S.D. OPEN MEETINGS STATUTES
(other specific provisions may apply depending on the public body involved)

1-25-1. OPEN MEETINGS.
An official meeting of a public body is open to the public unless a specific law is cited by the public body to close the official meeting to the public.

It is not an official meeting of one public body if its members provide information or attend the official meeting of another public body for which the notice requirements of § 1-25-1.1 or 1-25-1.3 have been met. It is not an official meeting of a public body if its members attend a press conference called by a representative of the public body.

For any event hosted by a nongovernmental entity to which a quorum of the public body is invited and public policy may be discussed, but the public body does not control the agenda, the public body may post a public notice of a quorum, in lieu of an agenda. The notice of a quorum must meet the posting requirements of § 1-25-1.1 or 1-25-1.3 and must contain, at a minimum, the date, time, and location of the event.

The public body shall reserve at every official meeting a period for public comment, limited at the public body's discretion as to the time allowed for each topic and the total time allowed for public comment, but not so limited as to provide for no public comment.

Public comment is not required at an official meeting held solely for the purpose of meeting in executive session, an inauguration, presentation of an annual report to the public body, or swearing in of a newly elected official, regardless of whether the activity takes place at the time and place usually reserved for an official meeting.

If a quorum of township supervisors, road district trustees, or trustees for a municipality of the third class meets solely for purposes of implementing previously publicly adopted policy; carrying out ministerial functions of that township, district, or municipality; or undertaking a factual investigation of conditions related to public safety; the meeting is not subject to the provisions of this chapter.

A violation of this section is a Class 2 misdemeanor.

1-25-1.1. PUBLIC NOTICE OF POLITICAL SUBDIVISIONS. Each political subdivision shall provide public notice, with proposed agenda, that is visible, readable, and accessible for at least an entire, continuous twenty-four hours immediately preceding any official meeting, by posting a copy of the notice, visible to the public, at the principal office of the political subdivision holding the meeting. The proposed agenda shall include the date, time, and location of the meeting. The notice shall also be posted on the political subdivision's website upon dissemination of the notice, if a website exists. For any special or rescheduled meeting, the information in the notice shall be delivered in person, by mail, by email, or by telephone, to members of the local news media who have requested notice. For any special or rescheduled meeting, each political subdivision shall also comply with the public notice provisions of this section for a regular meeting to the extent that circumstances permit. A violation of this section is a Class 2 misdemeanor.

1-25-1.3. PUBLIC NOTICE OF STATE. The state shall provide public notice of a meeting, at least seventy-two hours before the meeting is schedule to start, not including Saturday, Sunday, or any legal holiday, by posting a copy of the proposed agenda:

(1) At the principal office of the board, commission, or department holding the meeting;

(2) That includes the date, time, and location of the meeting;

(3) That is visible, readable, and accessible to the public; and

(4) On a state website, designated by the commissioner of the Bureau of Finance and Management.

For any special or rescheduled meeting, the information in the notice must be delivered in person, or by mail, email, or telephone, to members of the local news media who have requested notice. The state shall also comply with all other requirements of this section, for a special or rescheduled meeting, as circumstances permit. A violation of this section is a Class 2 misdemeanor.

1-25-1.5. TELECONFERENCE MEETING. Any official meeting may be conducted by teleconference. A teleconference may be used to conduct a hearing or take final disposition regarding an administrative rule pursuant to § 1-26-4. A member is deemed present if the member answers present to the roll call conducted by teleconference for the purpose of determining a quorum. Each vote at an official meeting held by teleconference may be taken by voice vote. If any member votes in the negative, the vote shall proceed to a roll call vote.

1-25-1.6. TELECONFERENCE PARTICIPATION. At any official meeting conducted by teleconference, there shall be provided one or more places at which the public may listen to and participate in the teleconference meeting. For any official meeting held by teleconference, that has less than a quorum of the members of the public body participating in the meeting who are present at the location open to the public, arrangements shall be provided for the public to listen to the meeting via telephone or internet. The requirement to provide one or more places for the public to listen to the teleconference does not apply to official meetings closed to the public pursuant to specific law.

1-25-1.7. AGENDA DETAILS ARE REQUIRED. A proposed agenda, as required by § 1-25-1.1 or 1-25-1.3, must list all items to be considered by a public body during any official meeting. The proposed agenda items must be described in sufficient detail to reasonably inform the public of any official

sd.gov and at their principal place of business at least 72 continuous hours before a meeting is scheduled to start (this does not include any weekend or legal holiday).

Q: WHO ARE LOCAL NEWS MEDIA?

A: There is no definition of “local news media” in SDCL ch. 1-25. “News media” is defined in SDCL 13-1-57 generally as those personnel of a newspaper, periodical, news service, radio station, or television station regardless of the medium through which their content is delivered. The Attorney General is of the opinion that “local news media” is all news media – broadcast and print – that regularly carry news to the community.

Q: IS A PUBLIC COMMENT PERIOD REQUIRED AT PUBLIC MEETINGS?

A: Yes. Public bodies are required to provide at every official meeting a period of time on their agenda for public comment. SDCL 1-25-1. Each public body has the discretion to limit public comment as to the time allowed for each topic commented on, and as to the total time allowed for public comment. Public comment is not required at meetings held solely for an executive session, inauguration, presentation of an annual report, or swearing in of elected officials.

Q: CAN PUBLIC MEETINGS BE RECORDED?

A: Yes, SDCL 1-25-11 requires public bodies to allow recording (audio or video) of their meetings if the recording is reasonable, obvious, and not disruptive. This requirement does not apply to those portions of a meeting confidential or closed to the public.

Q: WHEN CAN A MEETING BE CLOSED TO THE PUBLIC AND MEDIA?

A: SDCL 1-25-2 allows a public body to close a meeting for the following purposes: 1) to discuss personnel issues pertaining to officers or employees; 2) consideration of the performance or discipline of a student, or the student’s participation in interscholastic activities; 3) consulting with legal counsel, or reviewing communications from legal counsel about proposed or pending litigation or contractual matters; 4) employee contract negotiations; 5) to discuss marketing or pricing strategies of a publicly-owned competitive business; or 6) to discuss information related to the protection of public or private property such as emergency management response plans or other public safety information. The statute also recognizes that executive session may be appropriate to comport with other laws that require confidentiality or permit executive or closed meetings. Federal law pertaining to students and medical records will also cause school districts and other entities to conduct executive sessions or conduct meetings to refrain from releasing confidential information. Meetings may also be closed by cities and counties for certain economic development matters. SDCL 9-34-19.

Note that SDCL 1-25-2 and SDCL 9-34-19 do not require meetings be closed in any of these circumstances.

Any official action based on discussions in executive session must, however, be made at an open meeting.

Q: WHAT IS THE PROPER PROCEDURE FOR EXECUTIVE SESSIONS?

A: A motion to enter executive session must be made and seconded, followed by a vote. If the motion does not receive a majority vote, a roll call vote is required. Both the motion and the resulting vote must be recorded in the minutes of the proceedings.

Q: WHAT MUST BE STATED IN A MOTION FOR EXECUTIVE SESSION?

A: Motions for executive sessions must refer to the specific state or federal law allowing for the executive session i.e. "pursuant to SDCL 1-25-2(3).” Also, best practice to avoid public confusion would be that public bodies explain the reason for going into executive session. For example, the motion might state "motion to go into executive session pursuant to SDCL 1-25-2(1) for the purposes of discussing a personnel matter,” or “motion to go into executive session pursuant to SDCL 1-25-2(3) for the purposes of consulting with legal counsel."

Discussion in the executive session must be strictly limited to the announced subject. No official votes may be taken on any matter during an executive session. The public body must return to open session before any official action can be taken.

Q: WHAT HAPPENS IF THE MEDIA OR PUBLIC IS IMPROPERLY EXCLUDED FROM A MEETING OR OTHER VIOLATIONS OF THE OPEN MEETING LAWS OCCUR?

A: Excluding the media or public from a meeting that has not been properly closed subjects the public body or the members involved to: (a) prosecution as a Class 2 misdemeanor punishable by a maximum sentence of 30 days in jail, a $500 fine or both; or (b) a reprimand by the Open Meeting Commission ("OMC"). The same penalties apply if the agenda for the meeting is not properly posted, or other open meeting violations occur.

Also, action taken during any meeting that is not open or has not been properly noticed could, if challenged, be declared null and void.

Q: HOW ARE ISSUES REFERRED TO THE OPEN MEETINGS COMMISSION ("OMC")?

A: Persons alleging violations of the open meetings laws must make their complaints with law enforcement officials in the county where the offense occurred. After a signed and notarized complaint is made under oath, and any necessary investigation is conducted, the State's Attorney may: (a) prosecute the case as a misdemeanor; (b) find that the matter has no merits and file a report with the Attorney General for statistical purposes; or (c) forward the complaint to the OMC for a determination. The OMC is comprised of five State's Attorneys or Deputy State's Attorneys appointed by the Attorney General. The OMC examines whether a violation has occurred and makes written public findings explaining its reasons. If you have questions on the procedures or status of a pending case, you may contact the Attorney General's Office at 605-773-3215 to talk to an assistant for the OMC. Procedures for the OMC are posted on the website for the Office of Attorney General. http://atg.sd.gov/.

Q: WHAT DOES THE TERM "SOVEREIGN POWER" MEAN?

A: The open meetings laws do not define this term, but it generally means the power to levy taxes, impose penalties, make special assessments, create ordinances, abate nuisances, regulate the conduct of others, or perform other traditional government functions. The term may include the exercise of many other governmental functions. If an entity is unclear whether it is exercising "sovereign power" it should consult with legal counsel.

Q: MAY AGENDA ITEMS BE CONSIDERED IF THEY ARE ADDED LESS THAN 24 HOURS BEFORE A MEETING?

A: Proposed agendas for public meetings must be posted at least 24 hours in advance of the meeting. The purpose of providing advance notice of the topics to be discussed at a meeting is to provide information to interested members of the public concerning the governing body's anticipated business. Typically, the public body adopts the final agenda upon convening the meeting. At the time the final agenda is adopted, the governing body may add or delete agenda items and may also change the order of business. See In re Yankton County Commission, Open Meetings Commission Decision # 20-03, December 31, 2020. New items cannot be added after the agenda has been adopted by the governing body.

Public bodies are strongly encouraged to provide at least 24 hours' notice of all agenda items so as to be fair to the public and to avoid dispute.

For special or rescheduled meetings, public bodies are to comply to the extent circumstances permit. In other words, posting less than 24 hours in advance may be permissible in emergencies.

Q: ARE EMAIL DISCUSSIONS "MEETINGS" FOR PURPOSES OF THE OPEN MEETINGS LAWS?

A: The definition of an "official meeting" in SDCL 1-25-12(1) specifically includes meetings conducted by "electronic means, including electronic mail, instant messaging, social media, text message, or virtual meeting platform[.]" A quorum of a public body that discusses official business of that body via electronic means is conducting an official meeting for purposes of the open meetings laws. Electronic communications made solely for scheduling purposes do not fall within the definition of an official meeting.

Q: WHAT RECORDS MUST BE AVAILABLE TO THE PUBLIC IN CONJUNCTION WITH PUBLIC MEETINGS?

A: SDCL 1-25-1.4 requires state boards, commissions, or departments to make public meeting materials available on http://boardsandcommissions.sd.gov. SDCL 1-27-1.16 requires that any other public body must post meeting materials on the public body's website or make those materials available to the public at least twenty-four hours prior to the hearing or when made available to the members of the public body, whichever is later. Finally, SDCL 1-27-1.17 requires that draft minutes of public meetings must be made available to the public at the principal place of business for the public body within 10 business days after the meeting (or any audio and visual recording must be made available on the website for the public body within five business days).

These laws are in addition to any specific requirements for public bodies (i.e., publication requirements in state laws pertaining to cities, counties, or school districts). Enforcement of public records laws contained in SDCL Ch. 1-27 are handled by separate procedures found in SDCL 1-27-35, et. seq. rather than the open meeting procedures described above. Violations of SDCL 1-27-1.16 and 1-27-1.17 are also Class 2 misdemeanors.

Q: WHAT REQUIREMENTS APPLY TO TASK FORCES, COMMITTEES AND WORKING GROUPS?

A: Task forces and committees that exercise "sovereign power," and are created by statute, ordinance, or proclamation are required to comply with the open meetings laws. SDCL 1-25-12(1). Task forces, committees, and working groups that are not created by statute, ordinance, or proclamation, or are advisory only, may not be subject to the open meetings laws, but are encouraged to comply to the extent possible when public matters are discussed. Ultimately, if such advisory task forces, committees and working groups present any reports or recommendations to public bodies, the public bodies must wait until the next meeting (or later) before taking final action on the recommendations. SDCL 1-27-1.18.

Q: ARE PUBLIC BODIES REQUIRED TO REVIEW THE OPEN MEETINGS LAWS?

A: Public bodies must annually review an explanation of the open meetings laws provided by the Attorney General, along with any other material pertaining to the open meetings laws made available by the Attorney General. SDCL 1-25-13. Each public body must report in its minutes that the annual review of the open meetings laws was completed.

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Meeting via Microsoft Teams
June 18, 2026 9:00 a.m. CDT

Chair Holly Engelhart called the meeting to order at 9:00 a.m. Kasin called the roll. A quorum was present.

Members Present: Russell Olson, Cathy Harr, Kelly Klein, Priscilla Romkema, and Holly Engelhart.

Others Present: Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; Andrea Rosenburg, DLR Staff Attorney; and Gerald McCabe, DLR Director.

Not Present: Jay Tolsma

Olson made a motion to approve the agenda. Romkema seconded the motion. **MOTION PASSED.**

The Chair opened the floor for public comment. No comments were received.

Klein made a motion to approve the April 30, 2026, meeting minutes. Romkema seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the issuance of certificates and firm permits through June 11, 2026. Harr seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the financial statements through May 2026. Romkema seconded the motion. **MOTION PASSED.**

Executive Director Kasin discussed her report on the budget, topics for upcoming August board meeting with the SD CPA Society, NASBA Western Regional meeting June 23-25, 2026; NASBA Annual meeting October 25-28, 2026; NASBA nominating committee representative; NASBA selection for Vice Chair; and state proposals on the pathways for licensure.

The Board discussed the NASBA January 23, 2026 Board of Directors meeting minutes and the April 24, 2026 Board of Directors meeting highlights.

Harr made a motion at 9:27 a.m. to enter executive session in accordance with SDCL 1-25-2(6) for peer reviews and Amendment to Decision #110-26. Olson seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 9:30 a.m.

Klein made a motion to accept the peer reviews as discussed in executive session. Harr seconded the motion. **MOTION PASSED.**

Olson made a motion to have an Amendment to Decision #110-26 requiring payment of costs in thirty days or next business day after thirty days. Romkema seconded the motion. **MOTION PASSED.**

FUTURE MEETING DATES (all times CT)
August 12, 2026 – 8:30 a.m. Sioux Falls One Stop

Olson made a motion to adjourn the meeting at 9:37 a.m. Klein seconded the motion. **MOTION PASSED.**

ADMINISTRATIVE HEARING MINUTES
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Meeting Via Microsoft Teams
April 30, 2026 9:00 a.m. CST

The South Dakota Board of Accountancy convened at 9:04 a.m. on Thursday, April 30, 2026 via Microsoft Teams.

The purpose of the administrative hearing was to hear the matter of Paula Dockendorf, Case No. 110-26.

Members of the Board in Attendance: Holly Engelhart (Chair), Kelly Klein, Priscilla Romkema, Jay Tolsma, and Russell Olson.

Others in Attendance: Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; Jennifer Doubledee, DLR Staff Attorney; and Paula Dockendorf.

Chair Engelhart began the hearing in the matter of Paula Dockendorf, license no. 2978, case file no. 110-26.

Chair Engelhart swore in witness Nicole Kasin and Paula Dockendorf.

DLR Staff Attorney Doubledee presented the Board office case. Nicole Kasin testified as a witness for the Board office.

Board office offered pre-marked exhibits 1 to 6, all of which were received as marked and entered into evidence.

Paula Dockendorf questioned Nicole Kasin.

Paula Dockendorf presented her case. Jennifer Doubledee questioned Paula Dockendorf.

DLR Staff Attorney Doubledee made a closing statement.

Paula Dockendorf made a closing statement.

Chair Engelhart closed the record of the hearing at 9:39 a.m.

Olson made a motion to enter executive session in accordance with SDCL 1-25-2(3) for the purpose of deliberation. Tolsma seconded the motion. **MOTION PASSED.**

Chair Engelhart moved the Board into executive session for the purpose of deliberation**.** and to confer with Gerald McCabe.

The Board came out of executive session at 10:14 a.m.
Engelhart rendered the decision on Dockendorf as follows:

1. Dockendorf is in violation of SDCL 36-20B-4(3) and SDCL 36-20B-40(6).

2. Dockendorf's license will be suspended for a period of one year from the date the document is executed.

3. Dockendorf will pay the cost of the administrative hearing as detailed in the Affidavit of Costs.

Tolsma made a motion to adopt the decision as presented. Olson seconded the motion. **MOTION PASSED.**

The hearing concluded at 10:16 a.m.

CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY

Issued Through August 6, 2026

Number	Name	Date Issued	Location
3805	Desmon Jon Riley	6/29/26	Yankton, SD
3806	Morgan Faith Edelman	6/30/26	Parkston, SD
3807	Lincoln James Flakus	6/30/26	Aberdeen, SD
3808	Megan Noelle Pickering	8/03/26	Sioux Falls, SD
3809	Matthew Stephen McGill	8/03/26	Rapid City, SD

FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY
BOARD COPY

Issued Through
August 6, 2026

Number	Name	Date Issued	Basis/Comments
1845	Sorren CPAs, PC Meridian, ID	06/16/26	New Firm

CASH CENTER BALANCES
AS OF: 06/30/2026

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	298,367.67	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			298,367.67	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			298,367.67	DR **	
BUDGET UNIT TOTAL 1031			298,367.67	DR ***	

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMPANY NO 6503
COMPANY NAME PROFESSIONAL & LICENSING BOARDS

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	51010100	CGEX260528	06/03/2026					3,788.07	DR
6503	103100061802	51010100	CGEX260611	06/16/2026					3,350.65	DR
	OBJSUB: 5101010	F-T EMP SAL & WAGES							7,138.72	DR *
6503	103100061802	51010200	CGEX260528	06/03/2026					2,543.20	DR
6503	103100061802	51010200	CGEX260611	06/16/2026					2,734.63	DR
	OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES							5,277.83	DR *
	OBJECT: 5101	EMPLOYEE SALARIES							12,416.55	DR **
6503	103100061802	51020100	CGEX260528	06/03/2026					433.78	DR
6503	103100061802	51020100	CGEX260611	06/16/2026					414.92	DR
6503	103100061802	51020100	CGEX260629	07/03/2026	341727				1.08	DR
	OBJSUB: 5102010	OASI-EMPLOYER'S SHARE							849.78	DR *
6503	103100061802	51020200	CGEX260528	06/03/2026					334.41	DR
6503	103100061802	51020200	CGEX260611	06/16/2026					319.63	DR
	OBJSUB: 5102020	RETIREMENT-ER SHARE							654.04	DR *
6503	103100061802	51020600	CGEX260528	06/03/2026					1,094.51	DR
6503	103100061802	51020600	CGEX260611	06/16/2026					1,032.34	DR
	OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE							2,126.85	DR *
6503	103100061802	51020800	CGEX260528	06/03/2026					9.52	DR
6503	103100061802	51020800	CGEX260611	06/16/2026					9.13	DR
	OBJSUB: 5102080	WORKER'S COMPENSATION							18.65	DR *
6503	103100061802	51020900	CGEX260528	06/03/2026					3.06	DR
6503	103100061802	51020900	CGEX260611	06/16/2026					2.92	DR
	OBJSUB: 5102090	UNEMPLOYMENT COMPENSATION							5.98	DR *
	OBJECT: 5102	EMPLOYEE BENEFITS							3,655.30	DR **
	GROUP: 51	PERSONAL SERVICES							16,071.85	DR ***
6503	103100061802	52031400	CGEX260629	07/03/2026	341727				14.00	DR
	OBJSUB: 5203140	TAXABLE MEALS/IN-STATE							14.00	DR *
	OBJECT: 5203	TRAVEL							14.00	DR **
6503	103100061802	52041800	DP605097	06/17/2026					901.05	DR
	OBJSUB: 5204180	COMPUTER SERVICES-STATE							901.05	DR *
6503	103100061802	52042000	PL605062	06/10/2026					334.76	DR
	OBJSUB: 5204200	CENTRAL SERVICES							334.76	DR *
6503	103100061802	52042200	IN1369287	06/05/2026	02663819	ABBUSINESS	12036980		73.25	DR
	OBJSUB: 5204220	EQUIPMENT SERV & MAINT							73.25	DR *
6503	103100061802	52042300	BG603036	06/16/2026					426.41	DR

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	52042300	E106-243	06/03/2026					169.22	DR
6503	103100061802	52042300	E106-262	06/22/2026					167.67	DR
6503	103100061802	52042300	E106-286	07/03/2026					167.72	DR
	OBJSUB: 5204230	JANITORIAL & MAINT SERV							931.02	DR *
6503	103100061802	52043300	PCEX012042	06/30/2026					1,220.24	DR
	OBJSUB: 5204330	COMPUTER SOFTWARE LEASE							1,220.24	DR *
6503	103100061802	52045250	E106-261	06/22/2026					3,508.28	DR
6503	103100061802	52045250	E106-285	07/03/2026					3,508.28	DR
	OBJSUB: 5204525	REVENUE BOND LEASE PYMTS							7,016.56	DR *
6503	103100061802	52045300	E0163-162	06/30/2026					13.30	DR
6503	103100061802	52045300	TL605051	06/30/2026					141.00	DR
6503	103100061802	52045300	8381416X05242026	06/16/2026	329654	ATTMOBILIT	12279233		102.50	DR
	OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							256.80	DR *
6503	103100061802	52045400	E106-243	06/03/2026					292.69	DR
6503	103100061802	52045400	E106-286	07/03/2026					546.36	DR
	OBJSUB: 5204540	ELECTRICITY							839.05	DR *
6503	103100061802	52045500	E106-243	06/03/2026					8.36	DR
6503	103100061802	52045500	E106-262	06/22/2026					8.64	DR
6503	103100061802	52045500	E106-286	07/03/2026					8.20	DR
	OBJSUB: 5204550	GARBAGE & SEWER							25.20	DR *
6503	103100061802	52045600	E106-243	06/03/2026					4.34	DR
6503	103100061802	52045600	E106-286	07/03/2026					10.41	DR
	OBJSUB: 5204560	WATER							14.75	DR *
6503	103100061802	52047400	CI106A-035	06/10/2026	433095				142.04	DR
	OBJSUB: 5204740	BANK FEES AND CHARGES							142.04	DR *
6503	103100061802	52049600	E106-243	06/03/2026					103.17	DR
6503	103100061802	52049600	E106-262	06/22/2026					94.92	DR
6503	103100061802	52049600	E106-286	07/03/2026					77.81	DR
6503	103100061802	52049600	1426	06/10/2026	01024517	NATIONALAS	12005047		7,619.57	DR
6503	103100061802	52049600	3349	06/03/2026	01024016	UPNORTHREC	12734554		45.00	DR
	OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							7,940.47	DR *
	OBJECT: 5204	CONTRACTUAL SERVICES							19,695.19	DR **
6503	103100061802	52050200	E106-243	06/03/2026					25.96	DR
6503	103100061802	52050200	E106-286	07/03/2026					31.11	DR
6503	103100061802	52050200	IN5121673	06/03/2026	02663558	INNOVATIVE	12550348		51.12	DR
6503	103100061802	52050200	232908-1	06/16/2026	02665255	INNOVATIVE	12550348		285.99	DR
	OBJSUB: 5205020	OFFICE SUPPLIES							394.18	DR *
6503	103100061802	52053200	40110	06/22/2026	340483	PREFERREDP	12308425		26.95	DR

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
	OBJSUB: 5205320	PRINTING-COMMERCIAL							26.95	DR *
6503	103100061802	52053500	643329/83413610	06/05/2026	02663692	QUALIFIEDP	12011039		101.60	DR
6503	103100061802	52053500	8341-3988	06/16/2026	02664883	QUALIFIEDP	12011039		61.74	DR
	OBJSUB: 5205350	POSTAGE							163.34	DR *
6503	103100061802	52055100	E106-243	06/03/2026					48.17	DR
	OBJSUB: 5205510	HEATING & COOKING FUELS							48.17	DR *
6503	103100061802	52055400	E106-243	06/03/2026					2.26	DR
6503	103100061802	52055400	E106-262	06/22/2026					11.23	DR
	OBJSUB: 5205540	FINISHED SIGNS & DECALS							13.49	DR *
6503	103100061802	52056000	E106-243	06/03/2026					.58	DR
6503	103100061802	52056000	E106-243	06/03/2026					.58	DR
6503	103100061802	52056000	E106-243	06/03/2026					.58	CR
6503	103100061802	52056000	E106-262	06/22/2026					.58	DR
	OBJSUB: 5205600	EXTERMINATORS/INSECTICIDE							1.16	DR *
	OBJECT: 5205	SUPPLIES & MATERIALS							647.29	DR **
6503	103100061802	520790100	IN0468524	06/03/2026	02663498	RIVERSIDET	12163031		638.00	DR
6503	103100061802	520790100	IN0468641	06/03/2026	02663498	RIVERSIDET	12163031		4,396.00	DR
	OBJSUB: 5207901	COMPUTER HARDWARE							5,034.00	DR *
	OBJECT: 5207	CAPITAL OUTLAY							5,034.00	DR **
6503	103100061802	5228000	T106-097	06/03/2026					873.71	DR
6503	103100061802	5228000	T106-108	06/30/2026					737.65	DR
6503	103100061802	5228000	T106-114	07/03/2026					.04	DR
	OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT							1,611.40	DR *
	OBJECT: 5228	NONOP EXP/NONBGTD OP TR							1,611.40	DR **
	GROUP: 52	OPERATING EXPENSES							27,001.88	DR ***
	COMP: 6503								43,073.73	DR ****
	CNTR: 103100061802								43,073.73	DR *****
	B. UNIT: 1031								43,073.73	DR ******

07/23/26

South Dakota Board of Accountancy
Balance Sheet
As of June 30, 2026

	Jun 30, 26
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	397.58
1140000 · Pool Cash State of SD	298,367.67
Total Checking/Savings	298,765.25
Other Current Assets	
1131000 · Interest Income Receivable	17,899.21
1213000 · Investment Income Receivable	2,454.43
Total Other Current Assets	20,353.64
Total Current Assets	319,118.89
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	**319,118.89**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	357.01
Total Accounts Payable	357.01
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	61,936.67
Total Other Current Liabilities	78,664.91
Total Current Liabilities	79,021.92
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	124,691.22
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-166,798.74
Net Income	43,401.39
Total Equity	194,427.67
TOTAL LIABILITIES & EQUITY	**319,118.89**

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2025 through June 2026

	Jul '25 - Jun...	Budget	$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	6,650.00	3,400.00	3,250.00	195.6%
4293551 · Certificate Renewals-Active	123,060.00	111,350.00	11,710.00	110.5%
4293552 · Certificate Renewals-Inactive	34,000.00	30,770.00	3,230.00	110.5%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	2,300.00	1,275.00	1,025.00	180.4%
4293555 · Firm Permit Renewals	28,300.00	25,500.00	2,800.00	111.0%
4293557 · Initial Audit	680.00	700.00	-20.00	97.1%
4293558 · Re-Exam Audit	2,870.00	1,800.00	1,070.00	159.4%
4293560 · Late Fees-Initial Certificate	1,500.00	0.00	1,500.00	100.0%
4293561 · Late Fees-Certificate Renewals	4,700.00	3,000.00	1,700.00	156.7%
4293562 · Late Fees-Firm Permits	100.00			
4293563 · Late Fees-Firm Permit Renewals	1,000.00	500.00	500.00	200.0%
4293564 · Late Fees-Peer Review	2,125.00	1,300.00	825.00	163.5%
4293566 · Firm Permit Owners	185,490.00	203,500.00	-18,010.00	91.1%
4293567 · Peer Review Admin Fee	7,325.00	5,500.00	1,825.00	133.2%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	100.0%
4293569 · Initial FAR	2,660.00	960.00	1,700.00	277.1%
4293570 · Initial REG	560.00	540.00	20.00	103.7%
4293571 · Inital BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	2,280.00	1,260.00	1,020.00	181.0%
4293573 · Re-Exam REG	2,400.00	1,650.00	750.00	145.5%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	40.00	150.00	-110.00	26.7%
4293576 · Initial ISC	40.00	150.00	-110.00	26.7%
4293577 · Initial TCP	280.00	150.00	130.00	186.7%
4293578 · Re-Exam BAR	440.00	210.00	230.00	209.5%
4293579 · Re-Exam ISC	280.00	210.00	70.00	133.3%
4293580 · Re-Exam TCP	1,600.00	210.00	1,390.00	761.9%
4491000 · Interest and Dividend Revenue	16,634.34	0.00	16,634.34	100.0%
4896021 · Legal Recovery Cost	9,321.69	1,000.00	8,321.69	932.2%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	0.00			
Total Income	440,816.03	405,385.00	35,431.03	108.7%
Gross Profit	440,816.03	405,385.00	35,431.03	108.7%
Expense				
5101010 · F-T Emp Sal & Wages	93,946.76	103,778.00	-9,831.24	90.5%
5101020 · P-T/Temp Emp Sal & Wages	67,770.51	58,621.00	9,149.51	115.6%
5101030 · Board & Comm Mbrs Fees	10,790.00	11,910.00	-1,120.00	90.6%
5102010 · OASI-Employer's Share	11,988.16	12,423.00	-434.84	96.5%
5102020 · Retirement-ER Share	8,520.20	9,744.00	-1,223.80	87.4%
5102060 · Health /Life Ins.-ER Share	26,636.25	33,447.00	-6,810.75	79.6%
5102080 · Worker's Compensation	242.70	227.00	15.70	106.9%
5102090 · Unemployment Insurance	75.44	162.00	-86.56	46.6%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	232.99	400.00	-167.01	58.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	245.34	600.00	-354.66	40.9%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2025 through June 2026

	Jul '25 - Jun...	Budget	$ Over Bud...	% of Budget
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals-Not Overnight	28.00	100.00	-72.00	28.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	400.00	-240.00	40.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	260.38	200.00	60.38	130.2%
5203260 · OS-Air Commercial Carrier	6,101.10	9,000.00	-2,898.90	67.8%
5203280 · OS-Other Public Carrier	686.24	700.00	-13.76	98.0%
5203300 · OS-Lodging	10,383.12	12,500.00	-2,116.88	83.1%
5203320 · OS-Incidentals to Travel	434.00	750.00	-316.00	57.9%
5203350 · OS-Non Taxable Meals-Overnight	1,182.00	1,350.00	-168.00	87.6%
5204010 · Subscriptions	583.60	1,000.00	-416.40	58.4%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	4,400.00	4,800.00	-400.00	91.7%
5204050 · Consultant Fees - Computer	27,025.84	32,000.00	-4,974.16	84.5%
5204160 · Workshop Registration Fees	4,239.00	9,500.00	-5,261.00	44.6%
5204180 · Computer Services-State	11,172.60	11,000.00	172.60	101.6%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	9,483.74	13,000.00	-3,516.26	73.0%
5204220 · Equipment Service & Maintenance	57.37	0.00	57.37	100.0%
5204230 · Janitorial/Maintenance Services	3,954.31	600.00	3,354.31	659.1%
5204330 · Computer Software Lease	1,792.29	1,000.00	792.29	179.2%
5204360 · Advertising-Newspapers	136.90	500.00	-363.10	27.4%
5204460 · Equipment Rental	759.00	6,000.00	-5,241.00	12.7%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	2,940.00	43,650.00	-40,710.00	6.7%
5204525 · OneStop Building Lease	45,638.46			
5204530 · Telecommunications Services	2,876.70	5,500.00	-2,623.30	52.3%
5204540 · Electricity	2,949.45	400.00	2,549.45	737.4%
5204550 · Garbage / Sewage	91.51			
5204560 · Water	45.12	240.00	-194.88	18.8%
5204590 · Insurance Premiums/Surety Bonds	1,658.66	2,500.00	-841.34	66.3%
5204740 · Bank Fees and Charges	8,619.13	8,650.00	-30.87	99.6%
5204960 · Other Contractual Services	2,163.43	0.00	2,163.43	100.0%
5205020 · Office Supplies	1,824.86	3,000.00	-1,175.14	60.8%
5205040 · Education & Instr. Supplies	0.00	500.00	-500.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	231.00	1,000.00	-769.00	23.1%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	1,095.60	2,000.00	-904.40	54.8%
5205510 · Heating / Natural Gas	172.43			
5205540 · Finished Signs & Decals	13.49	500.00	-486.51	2.7%
5205600 · Exterminators / Insecticides	8.64			
5205700 · Retail Gasoline	0.00	100.00	-100.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207451 · Office Furniture & Fixtures	4,003.56	3,500.00	503.56	114.4%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware				
5207901 · Computer Hardware	5,034.00			
5207900 · Computer Hardware - Other	104.04	6,800.00	-6,695.96	1.5%
Total 5207900 · Computer Hardware	5,138.04	6,800.00	-1,661.96	75.6%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	10,096.62	11,000.00	-903.38	91.8%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	397,414.64	436,902.00	-39,487.36	91.0%
Net Ordinary Income	43,401.39	-31,517.00	74,918.39	-137.7%
Net Income	**43,401.39**	**-31,517.00**	**74,918.39**	**-137.7%**

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
June 2026

	Jun 26	Jun 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	200.00	125.00	75.00	60.0%
4293554 · Initial Firm Permits	200.00	50.00	150.00	300.0%
4293557 · Initial Audit	120.00	30.00	90.00	300.0%
4293558 · Re-Exam Audit	320.00	270.00	50.00	18.5%
4293560 · Late Fees-Initial Certificate	200.00	50.00	150.00	300.0%
4293564 · Late Fees-Peer Review	800.00	500.00	300.00	60.0%
4293566 · Firm Permit Owners	2,075.00	1,000.00	1,075.00	107.5%
4293567 · Peer Review Admin Fee	1,875.00	1,275.00	600.00	47.1%
4293569 · Initial FAR	400.00	30.00	370.00	1,233.3%
4293570 · Initial REG	40.00	0.00	40.00	100.0%
4293572 · Re-Exam FAR	280.00	240.00	40.00	16.7%
4293573 · Re-Exam REG	360.00	150.00	210.00	140.0%
4293576 · Initial ISC	0.00	30.00	-30.00	-100.0%
4293578 · Re-Exam BAR	40.00	30.00	10.00	33.3%
4293579 · Re-Exam ISC	80.00	60.00	20.00	33.3%
4293580 · Re-Exam TCP	320.00	180.00	140.00	77.8%
4491000 · Interest and Dividend Revenue	0.21	-18,219.43	18,219.64	100.0%
4920045 · Undistributed Earnings	0.00	20,435.09	-20,435.09	-100.0%
Total Income	7,310.21	6,235.66	1,074.55	17.2%
Gross Profit	7,310.21	6,235.66	1,074.55	17.2%
Expense				
5101000 · Annual/Sick Leave Compensation	0.00	9,982.62	-9,982.62	-100.0%
5101010 · F-T Emp Sal & Wages	7,138.72	3,626.96	3,511.76	96.8%
5101020 · P-T/Temp Emp Sal & Wages	5,277.83	2,488.76	2,789.07	112.1%
5101030 · Board & Comm Mbrs Fees	0.00	996.00	-996.00	-100.0%
5102010 · OASI-Employer's Share	849.78	996.96	-147.18	-14.8%
5102020 · Retirement-ER Share	654.04	322.02	332.02	103.1%
5102060 · Health /Life Ins.-ER Share	2,126.85	1,031.32	1,095.53	106.2%
5102080 · Worker's Compensation	18.65	10.40	8.25	79.3%
5102090 · Unemployment Insurance	5.98	0.97	5.01	516.5%
5203020 · In State-Auto-Priv. Low Miles	0.00	135.30	-135.30	-100.0%
5203140 · InState-Tax Meals-Not Overnight	14.00	14.00	0.00	0.0%
5204200 · Central Services	334.76	416.62	-81.86	-19.7%
5204220 · Equipment Service & Maintenance	0.00	7.27	-7.27	-100.0%
5204230 · Janitorial/Maintenance Services	504.61	200.00	304.61	152.3%
5204460 · Equipment Rental	0.00	69.00	-69.00	-100.0%
5204521 · Revenue Bond Lease Payment	0.00	1,470.00	-1,470.00	-100.0%
5204525 · OneStop Building Lease	7,016.56	0.00	7,016.56	100.0%
5204530 · Telecommunications Services	256.80	135.63	121.17	89.3%
5204540 · Electricity	839.05	0.00	839.05	100.0%
5204550 · Garbage / Sewage	25.20	0.00	25.20	100.0%
5204560 · Water	14.75	0.00	14.75	100.0%
5204740 · Bank Fees and Charges	142.04	205.58	-63.54	-30.9%
5204960 · Other Contractual Services	275.90	3,677.37	-3,401.47	-92.5%
5205020 · Office Supplies	343.06	66.18	276.88	418.4%
5205320 · Printing/Duplicating/Binding Co	0.00	202.51	-202.51	-100.0%
5205510 · Heating / Natural Gas	48.17	0.00	48.17	100.0%
5205540 · Finished Signs & Decals	13.49	0.00	13.49	100.0%
5205600 · Exterminators / Insecticides	1.16	0.00	1.16	100.0%
5228000 · Operating Transfers Out-NonBudg	1,611.40	3,543.94	-1,932.54	-54.5%
Total Expense	27,512.80	29,599.41	-2,086.61	-7.1%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
June 2026

	Jun 26	Jun 25	$ Change	% Change
Net Ordinary Income	-20,202.59	-23,363.75	3,161.16	13.5%
Other Income/Expense				
Other Expense				
5228090 · Security Lending Rebate Fees	0.00	-4.94	4.94	100.0%
Total Other Expense	0.00	-4.94	4.94	100.0%
Net Other Income	0.00	4.94	-4.94	-100.0%
Net Income	**-20,202.59**	**-23,358.81**	**3,156.22**	**13.5%**

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2025 through June 2026

	Jul '25 - Jun 26	Jul '24 - Jun 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	6,650.00	2,125.00	4,525.00	212.9%
4293551 · Certificate Renewals-Active	123,060.00	67,190.00	55,870.00	83.2%
4293552 · Certificate Renewals-Inactive	34,000.00	19,050.00	14,950.00	78.5%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	2,300.00	750.00	1,550.00	206.7%
4293555 · Firm Permit Renewals	28,300.00	15,150.00	13,150.00	86.8%
4293557 · Initial Audit	680.00	330.00	350.00	106.1%
4293558 · Re-Exam Audit	2,870.00	1,770.00	1,100.00	62.2%
4293560 · Late Fees-Initial Certificate	1,500.00	250.00	1,250.00	500.0%
4293561 · Late Fees-Certificate Renewals	4,700.00	2,100.00	2,600.00	123.8%
4293562 · Late Fees-Firm Permits	100.00	0.00	100.00	100.0%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	50.00	950.00	1,900.0%
4293564 · Late Fees-Peer Review	2,125.00	1,250.00	875.00	70.0%
4293566 · Firm Permit Owners	185,490.00	140,185.00	45,305.00	32.3%
4293567 · Peer Review Admin Fee	7,325.00	3,375.00	3,950.00	117.0%
4293568 · Firm Permit Name Change	100.00	100.00	0.00	0.0%
4293569 · Initial FAR	2,660.00	1,140.00	1,520.00	133.3%
4293570 · Initial REG	560.00	210.00	350.00	166.7%
4293572 · Re-Exam FAR	2,280.00	1,860.00	420.00	22.6%
4293573 · Re-Exam REG	2,400.00	1,800.00	600.00	33.3%
4293575 · Initial BAR	40.00	90.00	-50.00	-55.6%
4293576 · Initial ISC	40.00	60.00	-20.00	-33.3%
4293577 · Initial TCP	280.00	0.00	280.00	100.0%
4293578 · Re-Exam BAR	440.00	420.00	20.00	4.8%
4293579 · Re-Exam ISC	280.00	270.00	10.00	3.7%
4293580 · Re-Exam TCP	1,600.00	720.00	880.00	122.2%
4491000 · Interest and Dividend Revenue	16,634.34	-83.34	16,717.68	20,059.6%
4896021 · Legal Recovery Cost	9,321.69	3,100.00	6,221.69	200.7%
4920045 · Undistributed Earnings	0.00	20,435.09	-20,435.09	-100.0%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	440,816.03	285,646.75	155,169.28	54.3%
Gross Profit	440,816.03	285,646.75	155,169.28	54.3%
Expense				
5101000 · Annual/Sick Leave Compensation	0.00	9,982.62	-9,982.62	-100.0%
5101010 · F-T Emp Sal & Wages	93,946.76	86,128.60	7,818.16	9.1%
5101020 · P-T/Temp Emp Sal & Wages	67,770.51	64,640.58	3,129.93	4.8%
5101030 · Board & Comm Mbrs Fees	10,790.00	13,114.00	-2,324.00	-17.7%
5102010 · OASI-Employer's Share	11,988.16	11,951.18	36.98	0.3%
5102020 · Retirement-ER Share	8,520.20	7,978.91	541.29	6.8%
5102060 · Health /Life Ins.-ER Share	26,636.25	24,621.02	2,015.23	8.2%
5102080 · Worker's Compensation	242.70	256.33	-13.63	-5.3%
5102090 · Unemployment Insurance	75.44	24.19	51.25	211.9%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	232.99	1,228.47	-995.48	-81.0%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,607.37	-247.27	-15.4%
5203100 · In State-Lodging	245.34	2,028.41	-1,783.07	-87.9%
5203140 · InState-Tax Meals-Not Overnight	28.00	70.00	-42.00	-60.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	674.00	-514.00	-76.3%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2025 through June 2026

	Jul '25 - Jun 26	Jul '24 - Jun 25	$ Change	% Change
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	260.38	1,497.06	-1,236.68	-82.6%
5203260 · OS-Air Commercial Carrier	6,101.10	3,846.15	2,254.95	58.6%
5203280 · OS-Other Public Carrier	686.24	229.06	457.18	199.6%
5203300 · OS-Lodging	10,383.12	9,658.51	724.61	7.5%
5203320 · OS-Incidentals to Travel	434.00	600.00	-166.00	-27.7%
5203350 · OS-Non Taxable Meals-Overnight	1,182.00	872.00	310.00	35.6%
5204010 · Subscriptions	583.60	999.00	-415.40	-41.6%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	4,400.00	4,300.00	100.00	2.3%
5204050 · Consultant Fees - Computer	27,025.84	26,277.22	748.62	2.9%
5204160 · Workshop Registration Fees	4,239.00	8,114.00	-3,875.00	-47.8%
5204180 · Computer Services-State	11,172.60	11,028.60	144.00	1.3%
5204200 · Central Services	9,483.74	9,364.67	119.07	1.3%
5204220 · Equipment Service & Maintenance	57.37	63.16	-5.79	-9.2%
5204230 · Janitorial/Maintenance Services	3,954.31	2,400.00	1,554.31	64.8%
5204330 · Computer Software Lease	1,792.29	572.05	1,220.24	213.3%
5204360 · Advertising-Newspapers	136.90	291.71	-154.81	-53.1%
5204460 · Equipment Rental	759.00	3,517.44	-2,758.44	-78.4%
5204521 · Revenue Bond Lease Payment	2,940.00	17,461.50	-14,521.50	-83.2%
5204525 · OneStop Building Lease	45,638.46	0.00	45,638.46	100.0%
5204530 · Telecommunications Services	2,876.70	2,687.11	189.59	7.1%
5204540 · Electricity	2,949.45	594.72	2,354.73	395.9%
5204550 · Garbage / Sewage	91.51	0.00	91.51	100.0%
5204560 · Water	45.12	178.95	-133.83	-74.8%
5204590 · Insurance Premiums/Surety Bonds	1,658.66	1,740.09	-81.43	-4.7%
5204740 · Bank Fees and Charges	8,619.13	6,116.05	2,503.08	40.9%
5204960 · Other Contractual Services	2,163.43	9,098.53	-6,935.10	-76.2%
5205020 · Office Supplies	1,824.86	937.55	887.31	94.6%
5205040 · Education & Instr. Supplies	0.00	283.00	-283.00	-100.0%
5205320 · Printing/Duplicating/Binding Co	231.00	410.41	-179.41	-43.7%
5205330 · Supplemental Publications	0.00	583.60	-583.60	-100.0%
5205350 · Postage	1,095.60	1,200.00	-104.40	-8.7%
5205510 · Heating / Natural Gas	172.43	0.00	172.43	100.0%
5205540 · Finished Signs & Decals	13.49	0.00	13.49	100.0%
5205600 · Exterminators / Insecticides	8.64	0.00	8.64	100.0%
5207451 · Office Furniture & Fixtures	4,003.56	0.00	4,003.56	100.0%
5207900 · Computer Hardware	5,138.04	1,655.98	3,482.06	210.3%
5228000 · Operating Transfers Out-NonBudg	10,096.62	10,202.65	-106.03	-1.0%
Total Expense	397,414.64	364,394.53	33,020.11	9.1%
Net Ordinary Income	43,401.39	-78,747.78	122,149.17	155.1%
Other Income/Expense				
Other Expense				
5228090 · Security Lending Rebate Fees	0.00	-4.94	4.94	100.0%
Total Other Expense	0.00	-4.94	4.94	100.0%
Net Other Income	0.00	4.94	-4.94	-100.0%
Net Income	**43,401.39**	**-78,742.84**	**122,144.23**	**155.1%**

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	476,852.62	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			476,852.62	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			476,852.62	DR **	
BUDGET UNIT TOTAL 1031			476,852.62	DR ***	

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMPANY NO 6503
COMPANY NAME PROFESSIONAL & LICENSING BOARDS

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	51010100	CGEX260626	07/02/2026					3,659.96	DR
6503	103100061802	51010100	CGEX260713	07/17/2026					3,560.18	DR
6503	103100061802	51010100	CGEX260728	07/31/2026					3,525.73	DR
	OBJSUB: 5101010	F-T EMP SAL & WAGES							10,745.87	DR *
6503	103100061802	51010200	CGEX260626	07/02/2026					2,957.57	DR
6503	103100061802	51010200	CGEX260713	07/17/2026					2,858.10	DR
6503	103100061802	51010200	CGEX260728	07/31/2026					2,747.17	DR
	OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES							8,562.84	DR *
6503	103100061802	51010300	CGEX260713	07/17/2026					2,988.00	DR
	OBJSUB: 5101030	BOARD & COMM MBRS FEES							2,988.00	DR *
	OBJECT: 5101	EMPLOYEE SALARIES							22,296.71	DR **
6503	103100061802	51020100	CGEX260626	07/02/2026					460.31	DR
6503	103100061802	51020100	CGEX260713	07/17/2026					673.83	DR
6503	103100061802	51020100	CGEX260728	07/31/2026					434.14	DR
	OBJSUB: 5102010	OASI-EMPLOYER'S SHARE							1,568.28	DR *
6503	103100061802	51020200	CGEX260626	07/02/2026					344.75	DR
6503	103100061802	51020200	CGEX260713	07/17/2026					330.11	DR
6503	103100061802	51020200	CGEX260728	07/31/2026					333.39	DR
	OBJSUB: 5102020	RETIREMENT-ER SHARE							1,008.25	DR *
6503	103100061802	51020600	CGEX260626	07/02/2026					1,064.40	DR
6503	103100061802	51020600	CGEX260713	07/17/2026					1,052.20	DR
6503	103100061802	51020600	CGEX260728	07/31/2026					1,048.00	DR
	OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE							3,164.60	DR *
6503	103100061802	51020800	CGEX260626	07/02/2026					6.61	DR
6503	103100061802	51020800	CGEX260713	07/17/2026					6.42	DR
6503	103100061802	51020800	CGEX260728	07/31/2026					6.27	DR
	OBJSUB: 5102080	WORKER'S COMPENSATION							19.30	DR *
6503	103100061802	51020900	CGEX260626	07/02/2026					3.04	DR
6503	103100061802	51020900	CGEX260713	07/17/2026					2.94	DR
6503	103100061802	51020900	CGEX260728	07/31/2026					2.88	DR
	OBJSUB: 5102090	UNEMPLOYMENT COMPENSATION							8.86	DR *
	OBJECT: 5102	EMPLOYEE BENEFITS							5,769.29	DR **
	GROUP: 51	PERSONAL SERVICES							28,066.00	DR ***
6503	103100061802	52030100	MP606053	07/15/2026					240.24	DR
	OBJSUB: 5203010	AUTO-STATE OWNED-IN STATE							240.24	DR *
6503	103100061802	52032300	CGEX260729	07/29/2026	413634				67.20	DR

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
	OBJSUB: 5203230	AUTO-PRIV.(OUT-STATE) H/R							67.20	DR *
6503	103100061802	52033200	CGEX260721	07/22/2026	406848				88.00	DR
6503	103100061802	52033200	CGEX260721	07/22/2026	406849				72.00	DR
6503	103100061802	52033200	CGEX260729	07/29/2026	413634				48.00	DR
	OBJSUB: 5203320	INCIDENTALS-OUT-OF-STATE							208.00	DR *
6503	103100061802	52033500	CGEX260721	07/22/2026	406849				56.00	DR
6503	103100061802	52033500	CGEX260721	07/22/2026	406850				56.00	DR
6503	103100061802	52033500	CGEX260721	07/22/2026	406848				56.00	DR
6503	103100061802	52033500	CGEX260729	07/29/2026	413634				84.00	DR
	OBJSUB: 5203350	NON-TAXABLE MEALS/OUT-ST							252.00	DR *
	OBJECT: 5203	TRAVEL							767.44	DR **
6503	103100061802	52041800	DP606097	07/17/2026					925.05	DR
	OBJSUB: 5204180	COMPUTER SERVICES-STATE							925.05	DR *
6503	103100061802	52042000	FM606073	07/22/2026					1,536.65	DR
6503	103100061802	52042000	PL606057	07/22/2026					216.38	DR
6503	103100061802	52042000	PM606048	07/22/2026					41.54	DR
6503	103100061802	52042000	PP606049	07/22/2026					39.31	DR
6503	103100061802	52042000	RM606049	07/10/2026					119.68	DR
	OBJSUB: 5204200	CENTRAL SERVICES							1,953.56	DR *
6503	103100061802	52042200	IN1377831	07/03/2026	02667916	ABBUSINESS	12036980		73.66	DR
	OBJSUB: 5204220	EQUIPMENT SERV & MAINT							73.66	DR *
6503	103100061802	52042300	BG606036	07/24/2026					443.59	DR
	OBJSUB: 5204230	JANITORIAL & MAINT SERV							443.59	DR *
6503	103100061802	52045300	TL606051	07/29/2026					132.00	DR
6503	103100061802	52045300	8381416X06242026	07/03/2026	00091899	ATTMOBILIT	12279233		102.50	DR
	OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							234.50	DR *
6503	103100061802	52047400	CI107A-001	07/10/2026	435922				159.80	DR
6503	103100061802	52047400	C107A-001	07/06/2026					159.80	DR
6503	103100061802	52047400	C107A-001	07/06/2026					159.80	CR
	OBJSUB: 5204740	BANK FEES AND CHARGES							159.80	DR *
6503	103100061802	52049600	1440	07/06/2026	401695	NATIONALAS	12005047		8,270.70	DR
	OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							8,270.70	DR *
	OBJECT: 5204	CONTRACTUAL SERVICES							12,060.86	DR **
6503	103100061802	52053200	40310	07/06/2026	401693	PREFERREDP	12308425		26.95	DR
6503	103100061802	52053200	40311	07/06/2026	401694	PREFERREDP	12308425		196.00	DR
	OBJSUB: 5205320	PRINTING-COMMERCIAL							222.95	DR *
6503	103100061802	52053500	645820/83414736	07/22/2026	02670613	QUALIFIEDP	12011039		1,587.67	DR
6503	103100061802	52053500	8341-4368	07/03/2026	02667827	QUALIFIEDP	12011039		55.08	DR

AGENCY 10 LABOR & REGULATION
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
OBJSUB:	5205350	POSTAGE							1,642.75	DR *
OBJECT:	5205	SUPPLIES & MATERIALS							1,865.70	DR **
GROUP:	52	OPERATING EXPENSES							14,694.00	DR ***
COMP:	6503								42,760.00	DR ****
CNTR:	103100061802								42,760.00	DR *****
B. UNIT:	1031								42,760.00	DR ******

South Dakota Board of Accountancy
Balance Sheet
As of July 31, 2026

08/05/26

	Jul 31, 26
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	52,365.90
1140000 · Pool Cash State of SD	476,852.62
Total Checking/Savings	529,218.52
Other Current Assets	
1131000 · Interest Income Receivable	17,899.21
1213000 · Investment Income Receivable	2,454.43
Total Other Current Assets	20,353.64
Total Current Assets	549,572.16
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	**549,572.16**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	400.18
Total Accounts Payable	400.18
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	63,585.66
Total Other Current Liabilities	80,313.90
Total Current Liabilities	80,714.08
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	126,383.38
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-128,122.40
Net Income	233,486.16
Total Equity	423,188.78
TOTAL LIABILITIES & EQUITY	**549,572.16**

08/05/26

Accrual Basis

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2026

	Jul 26	Budget	$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	300.00	4,000.00	-3,700.00	7.5%
4293551 · Certificate Renewals-Active	84,800.00	117,500.00	-32,700.00	72.2%
4293552 · Certificate Renewals-Inactive	22,700.00	32,000.00	-9,300.00	70.9%
4293553 · Certificate Renewals-Retired	2,780.00	4,000.00	-1,220.00	69.5%
4293554 · Initial Firm Permits	100.00	1,500.00	-1,400.00	6.7%
4293555 · Firm Permit Renewals	20,400.00	27,000.00	-6,600.00	75.6%
4293557 · Initial Audit	120.00	400.00	-280.00	30.0%
4293558 · Re-Exam Audit	600.00	2,000.00	-1,400.00	30.0%
4293560 · Late Fees-Initial Certificate	0.00	200.00	-200.00	0.0%
4293561 · Late Fees-Certificate Renewals	0.00	3,500.00	-3,500.00	0.0%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	0.00	500.00	-500.00	0.0%
4293564 · Late Fees-Peer Review	1,350.00	1,500.00	-150.00	90.0%
4293566 · Firm Permit Owners	131,225.00	180,000.00	-48,775.00	72.9%
4293567 · Peer Review Admin Fee	1,250.00	6,500.00	-5,250.00	19.2%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	160.00	1,280.00	-1,120.00	12.5%
4293570 · Initial REG	40.00	320.00	-280.00	12.5%
4293571 · Inital BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	480.00	2,480.00	-2,000.00	19.4%
4293573 · Re-Exam REG	520.00	1,800.00	-1,280.00	28.9%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	0.00	120.00	-120.00	0.0%
4293576 · Initial ISC	0.00	80.00	-80.00	0.0%
4293577 · Initial TCP	0.00	40.00	-40.00	0.0%
4293578 · Re-Exam BAR	0.00	560.00	-560.00	0.0%
4293579 · Re-Exam ISC	160.00	360.00	-200.00	44.4%
4293580 · Re-Exam TCP	200.00	960.00	-760.00	20.8%
4491000 · Interest and Dividend Revenue	2.18	0.00	2.18	100.0%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
4920045 · Undistributed Earnings	0.00	11,000.00	-11,000.00	0.0%
4950000 · Prior Period Refund Account	0.00	0.00	0.00	0.0%
Total Income	267,187.18	400,700.00	-133,512.82	66.7%
Gross Profit	267,187.18	400,700.00	-133,512.82	66.7%
Expense				
5101010 · F-T Emp Sal & Wages	10,745.87	105,232.00	-94,486.13	10.2%
5101020 · P-T/Temp Emp Sal & Wages	8,562.84	59,442.00	-50,879.16	14.4%
5101030 · Board & Comm Mbrs Fees	2,988.00	12,076.00	-9,088.00	24.7%
5102010 · OASI-Employer's Share	1,568.28	12,610.00	-11,041.72	12.4%
5102020 · Retirement-ER Share	1,008.25	9,890.00	-8,881.75	10.2%
5102060 · Health /Life Ins.-ER Share	3,164.60	33,447.00	-30,282.40	9.5%
5102080 · Worker's Compensation	19.30	230.00	-210.70	8.4%
5102090 · Unemployment Insurance	8.86	164.00	-155.14	5.4%
5203010 · In State-Auto-State Owned	240.24	250.00	-9.76	96.1%
5203020 · In State-Auto-Priv. Low Miles	0.00	400.00	-400.00	0.0%
5203030 · In State-Auto-Priv. High Miles	67.20	1,400.00	-1,332.80	4.8%
5203060 · In State-Air Commercial Carrier	0.00	0.00	0.00	0.0%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2026

	Jul 26	Budget	$ Over Bud...	% of Budget
5203100 · In State-Lodging	0.00	600.00	-600.00	0.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals-Not Overnight	0.00	100.00	-100.00	0.0%
5203150 · InState-Non Tax Meals-Overnight	0.00	400.00	-400.00	0.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	0.00	200.00	-200.00	0.0%
5203260 · OS-Air Commercial Carrier	0.00	9,000.00	-9,000.00	0.0%
5203280 · OS-Other Public Carrier	0.00	700.00	-700.00	0.0%
5203300 · OS-Lodging	0.00	12,500.00	-12,500.00	0.0%
5203320 · OS-Incidentals to Travel	208.00	750.00	-542.00	27.7%
5203350 · OS-Non Taxable Meals-Overnight	252.00	1,350.00	-1,098.00	18.7%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	0.00	3,500.00	-3,500.00	0.0%
5204030 · Legal Document Fees	0.00	0.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	4,800.00	-4,800.00	0.0%
5204050 · Consultant Fees - Computer	0.00	32,000.00	-32,000.00	0.0%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	0.00	8,900.00	-8,900.00	0.0%
5204180 · Computer Services-State	0.00	12,000.00	-12,000.00	0.0%
5204181 · Computer Development Serv-State	0.00	500.00	-500.00	0.0%
5204200 · Central Services	1,953.56	11,000.00	-9,046.44	17.8%
5204220 · Equipment Service & Maintenance	4.66	0.00	4.66	100.0%
5204230 · Janitorial/Maintenance Services	443.59	600.00	-156.41	73.9%
5204330 · Computer Software Lease	0.00	1,000.00	-1,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	69.00	2,000.00	-1,931.00	3.5%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	0.00	43,650.00	-43,650.00	0.0%
5204525 · OneStop Building Lease	0.00	0.00	0.00	0.0%
5204530 · Telecommunications Services	243.50	3,500.00	-3,256.50	7.0%
5204540 · Electricity	0.00	400.00	-400.00	0.0%
5204550 · Garbage / Sewage	0.00	0.00	0.00	0.0%
5204560 · Water	0.00	240.00	-240.00	0.0%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,500.00	-2,500.00	0.0%
5204740 · Bank Fees and Charges	159.80	8,650.00	-8,490.20	1.8%
5204960 · Other Contractual Services	93.60	0.00	93.60	100.0%
5205020 · Office Supplies	0.00	2,000.00	-2,000.00	0.0%
5205040 · Education & Instr. Supplies	0.00	500.00	-500.00	0.0%
5205310 · Printing State	0.00	100.00	-100.00	0.0%
5205320 · Printing/Duplicating/Binding Co	222.95	800.00	-577.05	27.9%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	1,676.92	2,000.00	-323.08	83.8%
5205510 · Heating / Natural Gas	0.00	0.00	0.00	0.0%
5205540 · Finished Signs & Decals	0.00	250.00	-250.00	0.0%
5205600 · Exterminators / Insecticides	0.00	0.00	0.00	0.0%
5205700 · Retail Gasoline	0.00	100.00	-100.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207451 · Office Furniture & Fixtures	0.00	3,500.00	-3,500.00	0.0%
5207900 · Computer Hardware				
5207901 · Computer Hardware	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware - Other	0.00	6,800.00	-6,800.00	0.0%
Total 5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	0.00	11,000.00	-11,000.00	0.0%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	33,701.02	427,431.00	-393,729.98	7.9%
Net Ordinary Income	233,486.16	-26,731.00	260,217.16	-873.5%
Net Income	**233,486.16**	**-26,731.00**	**260,217.16**	**-873.5%**

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
July 2026

08/05/26
Accrual Basis

	Jul 26	Jul 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	300.00	1,000.00	-700.00	-70.0%
4293551 · Certificate Renewals-Active	84,800.00	93,500.00	-8,700.00	-9.3%
4293552 · Certificate Renewals-Inactive	22,700.00	27,500.00	-4,800.00	-17.5%
4293553 · Certificate Renewals-Retired	2,780.00	3,240.00	-460.00	-14.2%
4293554 · Initial Firm Permits	100.00	0.00	100.00	100.0%
4293555 · Firm Permit Renewals	20,400.00	21,600.00	-1,200.00	-5.6%
4293557 · Initial Audit	120.00	80.00	40.00	50.0%
4293558 · Re-Exam Audit	600.00	310.00	290.00	93.6%
4293560 · Late Fees-Initial Certificate	0.00	300.00	-300.00	-100.0%
4293564 · Late Fees-Peer Review	1,350.00	850.00	500.00	58.8%
4293566 · Firm Permit Owners	131,225.00	126,400.00	4,825.00	3.8%
4293567 · Peer Review Admin Fee	1,250.00	1,075.00	175.00	16.3%
4293569 · Initial FAR	160.00	140.00	20.00	14.3%
4293570 · Initial REG	40.00	40.00	0.00	0.0%
4293572 · Re-Exam FAR	480.00	320.00	160.00	50.0%
4293573 · Re-Exam REG	520.00	280.00	240.00	85.7%
4293579 · Re-Exam ISC	160.00	0.00	160.00	100.0%
4293580 · Re-Exam TCP	200.00	80.00	120.00	150.0%
4491000 · Interest and Dividend Revenue	2.18	1.90	0.28	14.7%
Total Income	267,187.18	276,716.90	-9,529.72	-3.4%
Gross Profit	267,187.18	276,716.90	-9,529.72	-3.4%
Expense				
5101010 · F-T Emp Sal & Wages	10,745.87	7,669.27	3,076.60	40.1%
5101020 · P-T/Temp Emp Sal & Wages	8,562.84	5,678.13	2,884.71	50.8%
5101030 · Board & Comm Mbrs Fees	2,988.00	3,984.00	-996.00	-25.0%
5102010 · OASI-Employer's Share	1,568.28	1,225.15	343.13	28.0%
5102020 · Retirement-ER Share	1,008.25	701.53	306.72	43.7%
5102060 · Health /Life Ins.-ER Share	3,164.60	2,202.24	962.36	43.7%
5102080 · Worker's Compensation	19.30	20.05	-0.75	-3.7%
5102090 · Unemployment Insurance	8.86	4.31	4.55	105.6%
5203010 · In State-Auto-State Owned	240.24	22.57	217.67	964.4%
5203030 · In State-Auto-Priv. High Miles	67.20	0.00	67.20	100.0%
5203230 · OS-Auto Private High Mileage	0.00	156.78	-156.78	-100.0%
5203260 · OS-Air Commercial Carrier	0.00	3,428.20	-3,428.20	-100.0%
5203280 · OS-Other Public Carrier	0.00	348.36	-348.36	-100.0%
5203300 · OS-Lodging	0.00	4,851.94	-4,851.94	-100.0%
5203320 · OS-Incidentals to Travel	208.00	176.00	32.00	18.2%
5203350 · OS-Non Taxable Meals-Overnight	252.00	588.00	-336.00	-57.1%
5204050 · Consultant Fees - Computer	0.00	6,711.16	-6,711.16	-100.0%
5204180 · Computer Services-State	0.00	1,922.10	-1,922.10	-100.0%
5204200 · Central Services	1,953.56	1,673.68	279.88	16.7%
5204220 · Equipment Service & Maintenance	4.66	5.00	-0.34	-6.8%
5204230 · Janitorial/Maintenance Services	443.59	200.00	243.59	121.8%
5204460 · Equipment Rental	69.00	69.00	0.00	0.0%
5204521 · Revenue Bond Lease Payment	0.00	1,470.00	-1,470.00	-100.0%
5204530 · Telecommunications Services	243.50	240.28	3.22	1.3%
5204540 · Electricity	0.00	77.35	-77.35	-100.0%
5204740 · Bank Fees and Charges	159.80	155.39	4.41	2.8%
5204960 · Other Contractual Services	93.60	0.00	93.60	100.0%
5205020 · Office Supplies	0.00	26.85	-26.85	-100.0%

	Jul 26	Jul 25	$ Change	% Change
5205320 · Printing/Duplicating/Binding Co	222.95	0.00	222.95	100.0%
5205350 · Postage	1,676.92	0.00	1,676.92	100.0%
Total Expense	33,701.02	43,607.34	-9,906.32	-22.7%
Net Ordinary Income	233,486.16	233,109.56	376.60	0.2%
Net Income	**233,486.16**	**233,109.56**	**376.60**	**0.2%**

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2026

	Jul 26	Jul 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	300.00	1,000.00	-700.00	-70.0%
4293551 · Certificate Renewals-Active	84,800.00	93,500.00	-8,700.00	-9.3%
4293552 · Certificate Renewals-Inactive	22,700.00	27,500.00	-4,800.00	-17.5%
4293553 · Certificate Renewals-Retired	2,780.00	3,240.00	-460.00	-14.2%
4293554 · Initial Firm Permits	100.00	0.00	100.00	100.0%
4293555 · Firm Permit Renewals	20,400.00	21,600.00	-1,200.00	-5.6%
4293557 · Initial Audit	120.00	80.00	40.00	50.0%
4293558 · Re-Exam Audit	600.00	310.00	290.00	93.6%
4293560 · Late Fees-Initial Certificate	0.00	300.00	-300.00	-100.0%
4293564 · Late Fees-Peer Review	1,350.00	850.00	500.00	58.8%
4293566 · Firm Permit Owners	131,225.00	126,400.00	4,825.00	3.8%
4293567 · Peer Review Admin Fee	1,250.00	1,075.00	175.00	16.3%
4293569 · Initial FAR	160.00	140.00	20.00	14.3%
4293570 · Initial REG	40.00	40.00	0.00	0.0%
4293572 · Re-Exam FAR	480.00	320.00	160.00	50.0%
4293573 · Re-Exam REG	520.00	280.00	240.00	85.7%
4293579 · Re-Exam ISC	160.00	0.00	160.00	100.0%
4293580 · Re-Exam TCP	200.00	80.00	120.00	150.0%
4491000 · Interest and Dividend Revenue	2.18	1.90	0.28	14.7%
Total Income	267,187.18	276,716.90	-9,529.72	-3.4%
Gross Profit	267,187.18	276,716.90	-9,529.72	-3.4%
Expense				
5101010 · F-T Emp Sal & Wages	10,745.87	7,669.27	3,076.60	40.1%
5101020 · P-T/Temp Emp Sal & Wages	8,562.84	5,678.13	2,884.71	50.8%
5101030 · Board & Comm Mbrs Fees	2,988.00	3,984.00	-996.00	-25.0%
5102010 · OASI-Employer's Share	1,568.28	1,225.15	343.13	28.0%
5102020 · Retirement-ER Share	1,008.25	701.53	306.72	43.7%
5102060 · Health /Life Ins.-ER Share	3,164.60	2,202.24	962.36	43.7%
5102080 · Worker's Compensation	19.30	20.05	-0.75	-3.7%
5102090 · Unemployment Insurance	8.86	4.31	4.55	105.6%
5203010 · In State-Auto-State Owned	240.24	22.57	217.67	964.4%
5203030 · In State-Auto-Priv. High Miles	67.20	0.00	67.20	100.0%
5203230 · OS-Auto Private High Mileage	0.00	156.78	-156.78	-100.0%
5203260 · OS-Air Commercial Carrier	0.00	3,428.20	-3,428.20	-100.0%
5203280 · OS-Other Public Carrier	0.00	348.36	-348.36	-100.0%
5203300 · OS-Lodging	0.00	4,851.94	-4,851.94	-100.0%
5203320 · OS-Incidentals to Travel	208.00	176.00	32.00	18.2%
5203350 · OS-Non Taxable Meals-Overnight	252.00	588.00	-336.00	-57.1%
5204050 · Consultant Fees - Computer	0.00	6,711.16	-6,711.16	-100.0%
5204180 · Computer Services-State	0.00	1,922.10	-1,922.10	-100.0%
5204200 · Central Services	1,953.56	1,673.68	279.88	16.7%
5204220 · Equipment Service & Maintenance	4.66	5.00	-0.34	-6.8%
5204230 · Janitorial/Maintenance Services	443.59	200.00	243.59	121.8%
5204460 · Equipment Rental	69.00	69.00	0.00	0.0%
5204521 · Revenue Bond Lease Payment	0.00	1,470.00	-1,470.00	-100.0%
5204530 · Telecommunications Services	243.50	240.28	3.22	1.3%
5204540 · Electricity	0.00	77.35	-77.35	-100.0%
5204740 · Bank Fees and Charges	159.80	155.39	4.41	2.8%
5204960 · Other Contractual Services	93.60	0.00	93.60	100.0%
5205020 · Office Supplies	0.00	26.85	-26.85	-100.0%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2026

	Jul 26	Jul 25	$ Change	% Change
5205320 · Printing/Duplicating/Binding Co	222.95	0.00	222.95	100.0%
5205350 · Postage	1,676.92	0.00	1,676.92	100.0%
Total Expense	33,701.02	43,607.34	-9,906.32	-22.7%
Net Ordinary Income	233,486.16	233,109.56	376.60	0.2%
Net Income	**233,486.16**	**233,109.56**	**376.60**	**0.2%**

REPORT TO BOARD ON NASBA ANNUAL MEETING

The Annual Meeting for NASBA will be held October 25-28, 2026. The location of the meeting will be in Litchfield Park, AZ.

This is a request for a board motion to approve travel for Board Members and the Executive Director to attend the NASBA Annual meeting.

Tentative Itinerary

Sunday, October 25, 2026
3:00 – 5:00 pm Registration
3:30 – 5:30 pm CPT Ethics Workshop
6:00 – 8:00 pm Welcome Reception

Monday, October 26, 2026
7:30 – 9:00 am Complimentary Headshots
8:00 – 9:00 am Breakfast
9:00 – 10:45 am General Session
10:45 – 11:00 am Break
11:00 am – 12:30 pm General Session
12:30 – 1:30 pm Lunch
1:30 – 3:00 pm Break
3:00 – 4:45 pm General Session
4:45 – 5:45 pm CPT Fundraiser
DINNER ON YOUR OWN

Tuesday, October 27, 2026
7:30 – 10:00 am Complimentary Headshots
7:45 – 10:00 am Regional Breakout Breakfasts
8:30 – 10:00 am Breakfast
10:00 – 11:30 am Annual Business Meeting
11:30 am – 12:00 pm General Session
12:00 – 1:30 pm Lunch
1:30 – 3:15 pm General Session
3:15 – 3:30 pm Break
3:30 – 4:45 pm General Session
6:30 pm Closing Celebration (OFFSITE)

Wednesday, October 28, 2026
7:30 – 9:15 am Complimentary Headshots
7:45 – 9:15 am ED Breakfast & Presidents'/Chairs' Breakfast
8:00 – 9:15 am Breakfast
9:15 – 12:00 pm General Session
12:00 pm Adjourn

GRADE REPORT

Nicole Kasin

The grades were posted for review for the 89th window. These grades are through June 2026. CPA Evolution exam became effective starting January 2024.

Here are the pass rates and information from NASBA on 2Q26:

CPA Evolution Exam	National Pass Rate	South Dakota Pass Rate
AUD	**49.4%**	**41.4%**
FAR	**42.5%**	**40.7%**
REG	**66.9%**	**65.0%**
BAR	**45.7%**	**
ISC	**68.0%**	**
TCP	**79.8%**	**87.5%**

** SD didn't have 3 or more candidates in this section to post a percentage rate. There were 65 candidates that sat for 86 parts.

The Board needs to ratify the scores of the 2026-2 (89th Window) grades.

		FY28 BUDGET WORKSHEET					
		State Act	State Act	QB Act	FY27	Expand-	FY28
Income	**Description**	**FY25**	**FY26**	**FY26**	**Budget**	**Reduce**	**Budget**
4293550	Initial Individual Certificate	2,050.00	6,650.00	6,650.00	4,000.00	500.00	4,500.00
4293551	Cert Renew-Active	54,090.00	123,060.00	123,060.00	117,500.00	5,500.00	123,000.00
4293552	Cert Renew-Inactive	14,150.00	34,000.00	34,000.00	32,000.00	500.00	32,500.00
4293553	Cert Renew-Retired	1,440.00	4,080.00	4,080.00	4,000.00	0.00	4,000.00
4293554	Initial Firm Permit	750.00	2,300.00	2,300.00	1,500.00	0.00	1,500.00
4293555	Firm Permit Renew	11,450.00	28,300.00	28,300.00	27,000.00	0.00	27,000.00
4293557	Initial Audit	3,203.36	5,188.83	680.00	400.00	120.00	520.00
4293558	Re-exam Audit	16,641.28	21,961.74	2,870.00	2,000.00	720.00	2,720.00
4293560	Late Fee-Initial Certificate	200.00	1,500.00	1,500.00	200.00	0.00	200.00
4293561	Late Fees-Cert Renew	2,100.00	4,700.00	4,700.00	3,500.00	500.00	4,000.00
4293562	Late Fees-Firm Permits	0.00	100.00	100.00	0.00	0.00	0.00
4293563	Late Fees-Firm Perm Renewals	50.00	1,000.00	1,000.00	500.00	500.00	1,000.00
4293564	Late Fees- Peer Review	900.00	2,125.00	2,125.00	1,500.00	300.00	1,800.00
4293566	Firm Permit Owners	116,205.00	185,490.00	185,490.00	180,000.00	3,500.00	183,500.00
4293567	Peer Review Admin Fee	2,925.00	7,325.00	7,325.00	6,500.00	500.00	7,000.00
4293568	Firm Permit Name Change	100.00	100.00	100.00	100.00	0.00	100.00
4293569	Initial FAR	11,104.64	20,441.47	2,660.00	1,280.00	520.00	1,800.00
4293570	Initial REG	2,048.48	4,275.05	560.00	320.00	0.00	320.00
4293571	Initial BEC	0.00	0.00	0.00	0.00	0.00	0.00
4293572	Re-Exam FAR	17,511.36	17,394.05	2,280.00	2,480.00	(200.00)	2,280.00
4293573	Re-exam REG	17,195.20	18,313.69	2,400.00	1,800.00	200.00	2,000.00
4293574	Re-exam BEC	0.00	0.00	0.00	0.00	0.00	0.00
4293575	Initial BAR	877.92	305.57	40.00	120.00	(80.00)	40.00
4293576	Initial ISC	585.28	305.57	40.00	80.00	(40.00)	40.00
4293577	Initial TCP	0.00	2,138.99	280.00	40.00	0.00	40.00
4293578	Re-Exam BAR	4,081.28	3,361.27	440.00	560.00	(120.00)	440.00
4293579	Re-Exam ISC	2,633.76	2,138.99	280.00	360.00	(40.00)	320.00
4293580	Re-Exam TCP	6,430.24	12,216.94	1,600.00	960.00	520.00	1,480.00
4491000	Interest and Dividend Revenue	0.00	0.00	16,634.34	0.00	0.00	0.00
4896021	Legal Recovery Cost	3,100.00	9,321.69	9,321.69	1,000.00	0.00	1,000.00
4920045	NonOperating Revenues	18,133.20	16,629.23	0.00	11,000.00	4,000.00	15,000.00
4950	Refund Prior Years Expenses	0.00	243.14	0.00	0.00	0.00	0.00
	Total Income	**309,956.00**	**534,966.22**	**440,816.03**	**400,700.00**	**17,400.00**	**418,100.00**
		State Act	**State Act**	**QB Act**	**FY27**	**Expand-**	**FY28**
Expenses -Sal & Benefits		**FY25**	**FY26**	**FY26**	**Budget**	**Reduce**	**Budget**
5101010	F-T Emp Sal & Wages	86,128.60	93,946.76	93,946.76	105,232.00	0.00	105,232.00
5101020	P-T Emp Sal & Wages	64,640.58	67,770.51	67,770.51	59,442.00	0.00	59,442.00
5101030	Board & Comm. Members	13,114.00	10,790.00	10,790.00	12,076.00	0.00	12,076.00
5102010	OASI - Employers	11,453.80	11,988.16	11,988.16	12,610.00	0.00	12,610.00
5102020	Retirement - Employers	7,978.91	8,520.20	8,520.20	9,890.00	0.00	9,890.00
5102060	Health Insurance	24,621.02	26,636.25	26,636.25	33,447.00	0.00	33,447.00
5102080	Workers Comp	256.33	242.70	242.70	230.00	0.00	230.00
5102090	Unemployment	24.19	75.44	75.44	164.00	0.00	164.00
	Sal & Benefits Totals	**208,217.43**	**219,970.02**	**219,970.02**	**233,091.00**	**0.00**	**233,091.00**
		State Act	**State Act**	**QB Act**	**FY27**	**Expand-**	**FY28**
Expenses - Operational		**FY25**	**FY26**	**FY26**	**Budget**	**Reduce**	**Budget**
5203010	Auto - State Vehicle	0.00	-	0.00	250.00	0.00	250.00
5203020	Auto Private In State -employees	1,228.47	232.99	232.99	400.00	0.00	400.00
5203030	Auto Private In State- Board	1,607.37	1,360.10	1,360.10	1,400.00	0.00	1,400.00
5203100	Lodging In State	2,028.41	488.48	245.34	600.00	0.00	600.00
5203120	Incidentals to Travel- In State	0.00	-	0.00	100.00	0.00	100.00
5203140	Meals Not Overnight - In State	70.00	28.00	28.00	100.00	0.00	100.00
5203150	Meals Overnight - In State	674.00	160.00	160.00	400.00	(100.00)	300.00
5203220	Auto Private Out of State - Board/LOW	108.08	-	0.00	0.00	0.00	0.00
5203230	Auto Private Out of State - Board	1,497.06	260.38	260.38	200.00	0.00	200.00
5203260	Air Travel-Out of State	3,846.15	6,101.10	6,101.10	9,000.00	0.00	9,000.00
5203280	Other Public Transp Out of State	229.06	686.24	686.24	700.00	100.00	800.00
5203300	Lodging Out of State	9,658.51	10,383.12	10,383.12	12,500.00	0.00	12,500.00

Income	Description	State Act FY25	State Act FY26	QB Act FY26	FY27 Budget	Expand-Reduce	FY28 Budget
5203320	Incidentals to Travel- Out of State	600.00	434.00	434.00	750.00	0.00	750.00
5203350	Meals Overnight - Out of State	872.00	1,182.00	1,182.00	1,350.00	0.00	1,350.00
5204010	Subscriptions	0.00	583.60	583.60	1,000.00	0.00	1,000.00
5204020	Dues & Membership Fees	3,200.00	3,200.00	3,200.00	3,500.00	0.00	3,500.00
5204030	Legal Document Fees	0.00	-	0.00	0.00	0.00	0.00
5204040	Consultant Fees - Audit	4,300.00	4,400.00	4,400.00	4,800.00	400.00	5,200.00
5204050	Computer Consultant - Database	26,277.22	27,025.84	27,025.84	32,000.00	0.00	32,000.00
5204080	Consultant Fees - Legal	0.00	-	0.00	0.00	0.00	0.00
5204160	Workshop Registration Fees	8,114.00	4,239.00	4,239.00	8,900.00	0.00	8,900.00
5204180	Computer Services - State	11,028.60	11,172.60	11,172.60	12,000.00	2,000.00	14,000.00
5204181	Computer Dev. State	0.00	-	0.00	500.00	0.00	500.00
5204200	Central Services	9,364.67	9,483.74	9,483.74	11,000.00	0.00	11,000.00
5204220	Equipment Service & Maint	891.16	816.37	57.37	0.00	1,000.00	1,000.00
5204230	Janitorial	2,400.00	3,954.31	3,954.31	600.00	4,000.00	4,600.00
5204330	Computer Software Lease	572.05	1,792.29	1,792.29	1,000.00	1,000.00	2,000.00
5204340	Computer-Tech Support	0.00	-	0.00	0.00	0.00	0.00
5204360	Advertising-Newspaper	291.71	136.90	136.90	500.00	(250.00)	250.00
5204440	Newsletter Publishing	0.00	-	0.00	0.00	0.00	0.00
5204460	Equipment Rental	2,689.44	-	759.00	2,000.00	0.00	2,000.00
5204480	Microfilm Processing	0.00	-	0.00	0.00	0.00	0.00
5204490	Rents-Private	0.00	-	0.00	0.00	0.00	0.00
5204510	Rents-Other	0.00	-	0.00	500.00	(250.00)	250.00
5204521	Revenue Bond Lease Pymts (Rent)	17,461.50	2,940.00	2,940.00	43,650.00	(43,650.00)	0.00
5204525	Revenue Bond Lease Pymts (SFOS)		45,638.46	45,638.46		47,000.00	47,000.00
5204530	Telecommunications	2,687.11	2,876.70	2,876.70	3,500.00	0.00	3,500.00
5204540	Electricity	594.72	2,949.45	2,949.45	400.00	3,100.00	3,500.00
5204550	Garbage & Sewer		91.51	91.51		150.00	150.00
5204560	Water	0.00	45.12	45.12	240.00	(140.00)	100.00
5204590	Insurance Premiums	1,740.09	1,658.66	1,658.66	2,500.00	0.00	2,500.00
5204740	Bank Svc Chrge (Credit Card Fees)	6,116.05	8,619.13	8,619.13	8,650.00	500.00	9,150.00
5204960	Other Contractual - NASBA	75,582.69	86,238.77	2,163.43	0.00	0.00	0.00
5205020	Office Supplies	1,116.50	1,824.86	1,824.86	2,000.00	0.00	2,000.00
5205028	Office Supplies	0.00	-	0.00	0.00	0.00	0.00
5205040	Education & Instruction Supplies	1,865.60	-	0.00	500.00	(500.00)	0.00
5205310	Printing/Copying State	0.00	-	0.00	100.00	0.00	100.00
5205320	Printing Commercial	410.41	231.00	231.00	800.00	(300.00)	500.00
5205330	Supplement Publications & Ref	0.00	-	0.00	700.00	(200.00)	500.00
5205340	Microfilm Supplies & Material	0.00	-	0.00	0.00	0.00	0.00
5205350	Postage	1,200.00	1,095.60	1,095.60	2,000.00	0.00	2,000.00
5205510	Heating & Cooking Fuels		172.43	172.43		250.00	250.00
5205540	Finished Signs & Decals	0.00	13.49	13.49	250.00	(150.00)	100.00
5205600	Exterminator/insecticide	0.00	8.64	8.64		15.00	15.00
5205700	Gasoline - Retail	0.00	-	0.00	100.00	0.00	100.00
5207430	Office Machines	0.00	-	0.00	100.00	0.00	100.00
5207451	Office Furniture & Fixtures	0.00	4,003.56	4,003.56	3,500.00	(3,000.00)	500.00
5207490	Telephone Equipment	0.00	-	0.00	0.00	0.00	0.00
5207900	Computer	0.00	104.04	104.04	6,800.00	0.00	6,800.00
5207901	Computer Hardware	1,655.98	5,034.00	5,034.00	0.00	0.00	0.00
5207905	Computer Systems	0.00	-	0.00	0.00	0.00	0.00
5207950	Computer Hardware	0.00	-	0.00	500.00	0.00	500.00
5207955	Computer Hardware	0.00	-	0.00	500.00	0.00	500.00
5207960	Computer Software	0.00	-	0.00	500.00	0.00	500.00
5207961	Computer Software	0.00	-	0.00	0.00	0.00	0.00
5228000	DOL Overhead Allocated Fees	8,856.54	10,096.62	10,096.62	11,000.00	0.00	11,000.00
5228030	Depreciation	0.00	-	0.00	0.00	0.00	0.00
	Object Totals	**210,835.15**	**261,763.10**	**177,444.62**	**194,340.00**	**10,975.00**	**205,315.00**
	Total Expenses	**419,052.58**	**481,733.12**	**397,414.64**	**427,431.00**	**10,975.00**	**438,406.00**
	Net Income (Loss)	**-109,096.58**	**53,233.10**	**43,401.39**	**-26,731.00**	**6,425.00**	**-20,306.00**

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Renewals for individuals and firms

Paper renewal forms were available on our website on July 1, 2026. Online renewals opened July 1, 2026. A postcard was sent on July 1, 2026, to individuals and firms indicating renewals were due August 1. July 21, the newsletter was sent to remind those of the deadline. Here is the status of renewals through August 5, 2026:

Entity	Renewed thru 7/31/2026	Pending renewals thru 7/31/2027	Completed renewals thru 7/31/2027
Firms	287	33	254
Individuals – Active	1267	87	1182
Individuals – Inactive	325	48	277
Individuals – Retired	195	50	167

CPE Extensions

There were 57 administrative extensions granted for the CPE reporting period ending June 30, 2026. The extensions are valid through September 30, 2026.

Newsletter

On July 21, an electronic newsletter was emailed to candidates, licenses, firms, state boards, board members, SD CPA Society, and other interested parties. There were 2171 emails sent with a 99.12% delivery rate and 0.88% of the emails bounced. The open rate was 37%.

The newsletter had a reminder about the renewal deadline of August 1, and indicated that this was the last year for postcards to be sent and going forward the notice will be sent via email.

NASBA Issues/Topics

1. NASBA MRA (email 6-18-26)
   a. Mexico – in effect
   b. Canada and Bermuda – for cause termination since they declined to ratify the agreement. New agreement drafted with Canadian provinces, territories and Bermuda (PTB) entities signed with NASBA and AICPA was informed of plans.
2. NASBA Annual meeting October 25-28, 2026
3. NASBA selected Katrina Salazer for 2026-2027 Vice Chair nominee. Colter Baker has resigned as the current vice-chair due to health reasons. Therefore, Salazer is now the Chair nominee and J. Andy Bonner, Jr. is the Vice-Chair nominee.

State Proposals for Pathway/Substantial Equivalence/Practice Privilege

July 1, 2026, Statute and Administrative rules became effective for the additional pathway for licensure. Candidates may also now qualify to sit for the exam with a bachelor's degree or graduate degree.

Update from NAASBA as of 7-14-26:

46 states had pathways signed into law
40 states have individual mobility signed into law

Board Discussion

- Any New Business/topics?

DISCUSSION WITH SD CPA SOCIETY

Discussion Points:

1. CPA Exam – CPA Evolution
    a. 1Q24 data 32 candidates sat for 33 sections
    b. 2Q24 data 50 candidates sat for 57 sections
    c. 3Q24 data 53 candidates sat for 64 sections
    d. 4Q24 data 54 candidates sat for 69 sections
    e. 1Q25 data 45 candidates sat for 53 sections
    f. 2Q25 data 57 candidates sat for 78 sections
    g. 3Q25 data 62 candidates sat for 80 sections
    h. 4Q25 data 66 candidates sat for 77 sections
    i. 1Q26 data 61 candidates sat for 67 sections
    j. 2Q26 data 65 candidates sat for 86 sections

Exam	AUD	FAR	REG	BAR	ISC	TCP
1Q24	68.69%	78.43%	70.63%	**	n/a	**
2Q24	75.0%	46.2%	94.1%	**	**	100%
3Q24	26.7%	42.9%	70.6%	**	**	**
4Q24	38.9%	61.9%	80.0%	12.5%	**	60.0%
1Q25	53.3%	29.2%	30.0%	0%	**	**
2Q25	45.5%	34.8%	62.5%	**	100%	75.0%
3Q25	63.2%	60.7%	65.0%	33.3%	**	100%
4Q25	66.7%	37.9%	66.7%	0%	**	100%
1Q26	50.0%	47.8%	61.5%	60.0%	**	100%
2Q26	41.4%	40.7%	65.0%	**	**	87.5%

** 3 or less scores in the section

2. 2026 Statute and Administration Rule Changes effective July 1
    a. Education and Experience – Board tracking data
    b. Mobility – with guardrails
    c. As of 7-14-26 46 states had pathways signed into law and 40 states have individual mobility signed into law
    d. 5 candidates have applied to sit for the exam under the new bachelor's pathway, we have not had an initial licensure application with a bachelor's degree and two years of experience.
    e. Any feedback from college/universities?
        i. Infographic

3. Private Equity/ APS
    a. Exposure Draft – Comment letters
    b. NASBA Private Equity Task Force Recommendation memo

4. CPE Task Force (NASBA and AICPA)

5. Society Updates on Initiatives
    a. Pipeline
    b. STEM Initiatives
    c. College outreach/scholarships
    d. Other topics

6. Open Appointments for SD Board of Accountancy

7. Open discussion for other topics

NASBA

RECOMMENDATION MEMORANDUM

Private Equity and Alternative Practice Structures in the Accounting Profession

Recommendations for State Boards of Accountancy

National Association of State Boards of Accountancy
Private Equity Task Force

August 2026

Introduction

Private equity (PE) participation in the accounting profession often involves Certified Public Accountant (CPA) firms operating within complex, multiparty alternative practice structure (APS),[1] and receiving support from non-CPA firms that may have PE investments. This type of PE investment in the accounting profession has accelerated in recent years, bringing capital, technology investment, and consolidation, along with complex governance, economic, and independence risks. Given the rising deal volumes, diversified financing mechanisms, and operational pathways through which investment and shared services arrangements can influence CPA firms, regulators and the accounting profession have recently begun to examine whether possible changes to the regulatory framework are needed.

With any review of a state board of accountancy's (SBOA) regulatory framework, it is important to consider a pragmatic approach. This approach should recognize the potential benefits associated with PE investment while maintaining appropriate regulatory oversight and public protection.

State governments and SBOAs facing complex, PE-backed APSs will weigh multiple considerations in determining their regulatory responses. Their next steps should reflect the specific laws, rules, and needs of their jurisdictions. These steps may include legislation, rulemaking, policy development, and practical measures to address licensure, renewal, and enforcement practices considering the evolving PE landscape. Most importantly, SBOAs should evaluate whether their existing statutory and regulatory frameworks adequately support the considerations and potential approaches outlined in this memorandum.

Following a deliberate review process that included feedback from SBOAs and other key stakeholders, the NASBA PE Task Force developed this memorandum. It provides a menu of policy options, examples, and implementation considerations that SBOAs can evaluate based on their jurisdictional authority, risk profile, and specific needs. The NASBA PE Task Force's recommendations, set forth in this memorandum, are intended to ensure:

1. Adherence to independence and professional standards;

[1] Under the AICPA Code of Professional Conduct Independence Rule ET §1.220.020: an "APS is a form of organization in which a firm that provides attest services is closely aligned with another public or private organization that performs other professional services."

2. Adequate disclosure to ensure public understanding and protection; and
3. An effective framework for SBOA regulatory oversight and enforcement.

This recommendation memorandum, and the future work of NASBA and the PE Task Force on this topic, seeks to provide a framework for addressing public protection within CPA firms that enter APS arrangements with outside investments. It should be noted, however, that individual jurisdiction's and SBOA's needs and requirements will vary. Consistent with NASBA's mission of supporting SBOAs, this recommendation memorandum is intended to be a resource, while not directing any particular action by an SBOA. Further, SBOA jurisdiction is limited to regulating the practice of public accountancy and licensed CPAs and CPA firms. Therefore, this recommendation memorandum focuses primarily on regulations, policies, or procedures that address CPA and CPA firm conduct, rather than the conduct of third parties.

NASBA will periodically revisit these recommendations to keep the memorandum current as rules, and standards evolve.

Background and Work of the NASBA Private Equity Task ForceIn May 2025, Immediate-Past NASBA Chair Maria Caldwell, CPA, appointed the NASBA Private Equity Task Force (PE Task Force) to evaluate the implications of PE investment in the accounting profession and identify ways to support SBOAs in their oversight responsibilities. The PE Task Force was also charged with exploring how PE ownership may impact the public interest, CPA firm independence, governance structures, and audit quality.

The members of the PE Task Force are:

- Dan Vuckovich, CPA, Chair—NASBA Board of Directors' Member; NASBA Mountain Regional Director; Member, Montana Board of Public Accountants
- Barry Berkowitz, CPA—NASBA Board of Directors' Directors-at-Large Member
- Boyd Busby, CPA—Executive Director, Alabama State Board of Public Accountancy
- Dominic Franzella—Executive Officer, California Board of Accountancy
- Dale Mullen, Esq.—Member, Virginia Board of Accountancy
- David Nance, CPA—Executive Director, North Carolina Board of CPA Examiners
- Steve Platau, CPA—Member, Florida Board of Accountancy
- Melissa Ruff, CPA—NASBA Board of Directors' Member; NASBA Central Regional Director; Chair, Nebraska Board of Public Accountancy

On October 24, 2025, the PE Task Force released a white paper titled *Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy*

(White Paper). The purpose of the White Paper was to educate SBOAs and policymakers about both the benefits and challenges of PE investment and raise key questions about how best to protect investors and the public interest.

The White Paper included a background on SBOA regulation of CPAs and CPA firms and an introduction to CPA firms operating in APS models that have PE investment.[2] It also raised 15 questions on SBOA needs and considerations around regulating PE investment in the accounting profession, divided between three main areas:

1. **Independence and Professional Standards**
2. **Disclosure and Public Understanding**
3. **Regulatory Oversight and Enforcement**

While posing these questions to SBOAs and other stakeholders, the White Paper did not intend to provide guidance on how SBOAs should modify their oversight practices or statutory frameworks. Instead, the White Paper produced thorough and thoughtful responses from SBOAs and other stakeholders. These responses are discussed below, along with content intended to guide future steps by NASBA, the PE Task Force, and the SBOAs.

Synopsis of the NASBA PE Task Force's findings

In response to its release of the White Paper, the PE Task Force received responses from 18 SBOAs.[3] Additionally, the AICPA, state societies,[4] and 12 individuals or CPA firms responded.[5] The PE Task Force reviewed all responses in developing this memorandum. Because the memorandum is intended primarily for SBOAs, the task force focused their actions on steps boards could take within their regulatory authority.

Across the 15 questions, several consistent themes emerged regarding SBOA and state society responses. SBOAs primarily focused on preserving independence, audit quality,

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[2] This memorandum uses the terms "CPA firm" and "non-CPA firm" throughout. This wording captures the two sides of a PE-backed APS: the licensed CPA firm, which performs audit and attest work, and any associated non-CPA firm entities. APSs often involve complex relationships between numerous CPA firms and non-CPA firm entities. Additionally, it should be noted that the focus of this memorandum is PE-backed APSs, but there are also numerous examples of non-PE funded APSs with CPA firm and non-CPA firm components, and this content may be relevant to those situations as well. For further details on the relationships and ownership structures, please see *Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy*.
[3] AZ, CA, DE, HI, ID, LA, MS, NC, NE, NH, NV, OH, OR, OK, PA, TN, TX, and VA.
[4] CA, IN, IL, NC, OK, PA, TX, and VA.
[5] Including the chairs of the MD and NH boards, responding in their individual capacity.

and clear regulatory authority in the face of increasingly complex APSs. SBOAs and other respondents emphasized the following priorities for SBOAs and other stakeholders in response to questions posed on the above-listed three main topics.

1. **Independence and Professional Standards:**
   - Implement guardrails regarding the relationships between CPA firms and non-CPA firms operating within an APS. For example:
     - Require a degree of financial independence by CPA firms operating in an APS.
     - Require documented assurances of CPA firm control over attest-related decisions.
     - Ensure adequate quality control by CPAs at CPA firms within APSs.
     - Ensure adequate independence safeguards regarding services provided by CPA firms to portfolio companies within a CPA firm's investment structure.
     - Require confidentiality obligations to apply both to CPA firms and non-CPA firms within an APS, both during the terms of their joint operations, but also if the APS's non-CPA firm exits its relationship with the CPA firm.
     - Require immediate disclosure to clients, and corrective action, in the event of an unauthorized disclosure of client information.

2. **Disclosure and Public Understanding:**
   - Ensure legislative clarity regarding permitted use of the CPA title by CPAs operating outside of CPA firms.
   - Require clarity in CPA firm advertising regarding relationships between CPA firms and non-CPA firms within an APS.
   - Enhance CPA firm disclosure requirements and CPA firm licensure and renewal requirements.
   - Encourage NASBA, AICPA, SBOAs, and/or state societies to facilitate:
     - Outreach to state legislatures and other key stakeholders to emphasize the importance of this issue and necessary regulations;
     - Public education via press releases, newsletter articles, and providing consumer guides explaining PE investment and APSs.

3. **Regulatory Oversight and Enforcement:**

- Ensure legal and regulatory requirements adequately address non-CPA firms within an APS, while not seeking to extend board jurisdiction over these entities beyond the limits of state laws and rules and professional standards.
- Require CPA firms to affirm that they, and non-CPA firm counterparts within their APS, have clear obligations to cooperate with regulators and peer reviewers.
- Strengthen peer review practices as a primary oversight tool.

The following sections address these three areas and presents recommendations that SBOAs can implement to address.

Some of these recommendations are tied directly to laws, rules, and standards that will be found in all or most jurisdictions. Other recommendations included in this memorandum, however, may not be based on existing laws, rules, or standards. In these cases, the fundamental first step for SBOAs would be to ensure an adequate statutory basis for their action.

Independence and Professional Standards

PE-backed APSs can introduce financial or operational pressures that affect CPA firm decisions, necessitating well-defined CPA firm control requirements. Additionally, ensuring that CPA firms maintain clear legal and operational separation from non-CPA firms within their APS helps preserve CPAs' professional judgment and safeguards the integrity of the attest function. Thus, to fulfill their regulatory mandates, SBOAs should be able to determine that CPA firms maintain exclusive authority over professional decisions, including independence, governance, engagement acceptance, staffing, and quality management processes.

This regulatory mandate could be fulfilled by requiring affirmative statements by CPA firms upon licensure and renewal, with these CPA firms noting that specific minimum independence requirements have been met within the APS context.[6] By placing these affirmative requirements on CPA firms, rather than necessitating SBOA investigation and oversight of PE-backed structures, SBOAs can fulfill their regulatory obligations without generating an unmanageable workload or routinely delving into confidential CPA firm operating details.

[6] Please see appendix 2 for example language on this issue.

Recommendations for SBOAs:

1. Review all relevant laws and rules to ensure that adequate subpoena and investigatory power exist to obtain necessary documents and other information from CPA firms within an APS.
2. Require that CPA firms' governing bodies retain final authority over all licensed functions, to ensure compliance with all relevant standards, laws, and rules.
3. Require CPA control of CPA firm management. Ensure that engagement acceptance/continuance, quality management, staffing, and fee setting for work performed by CPA firms shall be controlled exclusively by CPA firms' CPA leadership.
4. Review relevant laws and rules to ensure adequate language protecting clients and client records during a non-CPA firm's exit from an APS.
5. If SBOA concerns are not adequately addressed by AICPA's Professional Ethics Executive Committee (PEEC)'s forthcoming changes to the AICPA Code of Professional Conduct, consider rulemaking and legislative changes to address gaps.[7]

Disclosure and Public Understanding

APSs introduce complex ownership, governance, and shared services arrangements that can obscure where actual control resides and how professional decisions are made. This lack of transparency may result in lapses in public protection. Because APS models often share branding, technology systems, and service pipelines, the public may mistakenly believe that a non-CPA firm within the APS is licensed and subject to SBOA independence and regulatory requirements. Public clarification of which entity is licensed, and disclosure of how CPA firms maintain independence and quality, is essential for maintaining public trust and enabling informed decision-making.

Thus, for SBOAs to protect the public effectively, they require clear, enforceable standards that illuminate the economic and operational relationships within APS-backed structures.

Recommendations for SBOAs:

[7] At the time of release of this recommendation memo, PEEC's work was not yet concluded. Uniform Accountancy Act, Model Rules, and state law and rule changes may be considered depending on the outcome of PEEC's ongoing revisions.

1. Require CPA firms to report to SBOAs if they operate in an APS, and report whether the APS receives PE investment.
2. Require conspicuous disclosures by CPA firms operating in an APS. For example:
   - The CPA firm's engagement letter, website, advertising, and marketing should include plain language disclosures regarding the relationship between the CPA firm and non-CPA firm within an APS.
   - SBOAs may require a disclaimer to accompany all marketing and advertising material referring to a CPA's designation and his or her association with an unlicensed entity in the client practice of public accountancy. The following sample disclaimer language may be helpful to SBOAs and state legislatures as they consider this issue:

     Our organization operates within an Alternative Practice Structure (APS) that includes two legally distinct entities. [Licensed CPA Firm Name] is the entity licensed by the State Board of Accountancy and is solely responsible for performing attest services in accordance with applicable professional standards. [Non-Attest Affiliate Name] is a separate entity that provides tax, advisory, and other non-attest services and is not licensed by the State Board of Accountancy. Although the entities may share a common brand and certain support resources, the licensed CPA firm maintains exclusive authority over all attest services and the related independence and quality safeguards.

3. The PE Task Force also recommends that the Uniform Accountancy Act Committee consider Uniform Accountancy Act changes to clarify that CPAs operating outside of CPA firms may use their CPA title, to ensure public understanding of whether an activity is performed by a licensed CPA and potentially subject to SBOA oversight.

Regulatory Oversight and Enforcement

The PE Task Force recommends ensuring that regulators have unimpeded access to the information, personnel, and documentation needed to oversee the licensed entity effectively. Because APS and PE models often involve multiple affiliates, shared IT systems, and layered governance, regulators need full transparency into how decisions are made and how independence safeguards operate in practice. Cooperation obligations also require timely notice of governance, ownership, or operational changes that could affect the licensed CPA firm's control over its core functions. These requirements are essential mechanisms that uphold accountability, enable early risk detection, and ensure regulators can intervene when necessary to protect the public interest.

Recommendations for SBOAs:

1. SBOAs should evaluate whether additional monitoring and oversight of peer review is needed for CPA firms operating in APSs:
   - To facilitate peer review, SBOAs and stakeholders will ensure that laws and rules require full compliance with peer review standards and full participation in peer review programs, including requiring that CPA firms provide peer reviewers with immediate, unredacted access to engagement documentation, QC/QM materials, independence records, monitoring documentation, and relevant CPA firm policies.
2. Require CPA firms to affirm upon licensure and annual licensure renewal that in the event of an SBOA investigation or enforcement action they will:
   - Provide unredacted access to workpapers, quality control and management documentation, independence records, and partner/principal compensation policies without delay upon SBOA request.
   - Ensure access to partners, managers, and compliance leadership for SBOA interviews and testimony, as authorized by law.
   - Produce requested operational documents, including shared services agreements, policies, and procedures regarding CPA firm independence, and designate a compliance liaison with authority to coordinate responses and facilitate SBOA examinations.[8]

Conclusion

Based on input from SBOAs and other stakeholders, the PE Task Force developed a range of potential regulatory and other responses to the challenges posed by PE-backed APSs. This content is focused on SBOAs' roles as regulators of CPAs and CPA firms, without seeking to extend the scope or control of SBOAs to non-CPA firms.

The material is intended to serve as a resource for SBOAs, regulators, and other stakeholders, with the needs and priorities of individual states determining their paths forward. NASBA will be available to assist SBOAs with research and drafting as they

[8] See appendix 2 for additional details, including a sample checklist containing more detailed affirmations for CPA firms.

consider legislative or regulatory changes. NASBA may also help coordinate information sharing among boards l to issues that arise regarding CPA firms operating in PE-backed APSs.

Finally, the PE Task Force recognizes that while regulatory work on this topic may be guided by the PE Task Force's findings, SBOAs and NASBA will also need to monitor the ever-evolving APS landscape, to be able to respond as needed to new issues and needs.

Appendices

The following appendices set forth additional areas for consideration and use by SBOAs and other stakeholders in addressing the regulation of PE-backed APSs.

Appendix 1: Additional Comments and Suggestions

The following is a list of additional potential regulatory steps noted by White Paper respondents. These suggestions are not discussed in detail in the body of the memorandum because they may not align with existing laws, rules, or professional standards; may fall outside the authority of SBOAs; or may be difficult to operationalize. Instead, these suggestions are included here in the interest of providing a thorough review of White Paper responses, and to provide a range of ideas for stakeholder consideration.

Independence and Professional Standards

1. Upon licensure and renewal, SBOAs could require CPA firms to affirm their clear separation from non-CPA firms within their APS.

Disclosure and Public Understanding

1. State laws and rules could require that:
    - CPA firms' letterhead includes plain language disclosures regarding the relationship between the CPA firm and non-CPA firm within an APS.
    - CPA firms and non-CPA firms within an APS have different names and logos.
    - CPA firms bill their clients separately from non-CPA firms within an APS.

Regulatory Oversight and Enforcement

1. With regards to peer review, suggestions for AICPA and other stakeholders included:
    - The development of specific training modules for peer reviewers, technical reviewers, and peer review committees addressing peer review of CPA firms within complex APSs;
    - Enhanced guidance and checklists for evaluating independence of CPA firms within APSs;
    - The creation of consultation resources for SBOAs to aid in overseeing peer review for CPA firms within complex APSs;

    - The inclusion of APS-related experience and training codes in PRIMA to facilitate appropriate peer reviewer scheduling;
    - Law, rule, or standards requirements that CPA firms provide peer reviewers with immediate, unredacted access to engagement documentation, QC/QM materials, independence records, monitoring documentation, and relevant CPA firm policies.
2. CPA firms operating within APSs should be asked to affirm that:
    - Their CPA firm's shared services and vendor agreements include pass-through rights enabling SBOA access.
    - These agreements are arm's length, and include language addressing financial independence, confidentiality, independence firewalls, access controls, and data protections.

Appendix 2: Practical procedure and checklist content for SBOAs

The following list contains commitments that SBOAs could choose to require CPA firms to make upon initial licensure and then annually thereafter. This list could appear as a checklist or otherwise be displayed during the initial application and renewal process. These requirements are written to address concerns specific to CPA firms within APS structures, but SBOAs may find that they are relevant to all CPA firms.

Requiring these affirmations puts the onus on CPA firms, rather than regulators, to perform the checks needed to comply with relevant laws, rules, and standards. The PE Task Force recommends that SBOAs review laws, rules, and standards to ensure that they have adequate regulatory authority to require any new affirmations or processes. For example, state laws and rules may need to define, or reference AICPA definitions for, key terms such as "alternative practice structure" and "private equity."

Potential affirmations upon initial CPA firm licensure, with confirmation at annual CPA firm license renewal:

- **Does your CPA firm currently operate within an APS? If so:**
  - **Designate a licensed CPA as your compliance liaison to supervise your CPA firm's communications with the SBOA. The designated individual should be aligned with any state laws and rules.**
  - **Affirm the following commitments in the event of SBOA investigation/enforcement**:
    - In the event of an SBOA investigation or enforcement action, the CPA firm will disclose the names of the other entities within the APS.
    - Upon SBOA request, your CPA firm will provide the SBOA with your CPA firm's:
      - Relevant work papers;
      - Quality control policies, procedures, and agreements;
      - Management policies, procedures, and agreements, including partner/principal compensation policies.

- **During the peer review process, your firm will:**
  - Provide peer reviewers with QC/QM materials, independence records, monitoring documentation, and relevant CPA firm policies.
- **Affirm that the necessary documents are in place to ensure your CPA firm's independence:**
  - Your CPA firm's governing body retains final authority over all licensed functions.
  - CPAs maintain control over your CPA firm's management functions, including over engagement acceptance/continuance, quality management, staffing, and fee setting.
- **Affirm that laws, regulations, and standards regarding disclosures, advertising, and marketing are followed.**
  - This includes having relevant policies and procedures in place.
- **Affirm that your CPA firm adequately addresses all relevant laws, rules, and standards regarding a potential change to the APS structure, including the exit of your CPA firm.**
  - Ensure protections in place to protect your CPA firm clients' interests, and their records.

Appendix 3: Fact Sheets

Fact Sheet for State Legislatures

The following is a brief overview of the key issues arising from private equity investment in CPA firms. It is written for an audience of state legislators, who may be considering enacting laws that will impact SBOAs' ability to regulate on this issue.

Private Equity Investment in CPA Firms:
What State Legislators Should Know to Protect the Public Interest

Why This Issue Matters

State Boards of Accountancy are charged by legislatures with protecting the public by regulating Certified Public Accountants (CPAs) and CPA firms. Audits and other attest services performed by CPA firms help investors, lenders, businesses, and taxpayers rely on accurate financial information.

Private equity (PE) investment in the accounting profession through alternative practice structures (APSs) is a growing trend in the accounting profession.

What is Private Equity?

PE is investment capital provided by private investment firms that buy or invest in businesses with the goal of improving their value and generating a financial return over time.

What Is an Alternative Practice Structure?

An APS is a form of organization in which a CPA firm that provides attest services is closely aligned with another public or private organization that performs other professional services. The CPA firm must remain majority-owned and controlled by licensed CPAs under state law. Thus, the separate but affiliated non-CPA firm organization (not licensed nor regulated by the State Board of Accountancy) may provide operational support services to the CPA firm, with the two entities often sharing staff, and operating under similar logos and branding. Private equity investors typically invest in this affiliated non-CPA firm rather than directly in the CPA firm.

There are a number of potential benefits to PE investment in the accounting profession, including cost savings and access to better resources for CPA firms. However, the close relationships that accompany this investment can also raise public protection considerations.

Why Are CPA Firms Using APSs?

CPA firms may participate in APS structures and thus take advantage of private equity investment to access capital to support their operations, staffing, and technology needs. CPA firms of all sizes have adopted the APS model, with small firms relying on APSs for succession planning and increased resources, and larger firms taking advantage of cost savings.

Key Public Protection Considerations

The following are topics that regulators may address through lawmaking, and through support for State Board of Accountancy regulation.

1. Auditor Independence

Independence is the foundation of public trust in financial audits. Regulators may need to consider whether PE-backed structures could create pressure to prioritize profitability, growth, or investor returns over audit quality and professional judgment.

2. Public Transparency

APSs can blur the distinction between regulated CPA firms and non-CPA firms. Consumers and businesses may not fully understand which entity is regulated by a State Board of Accountancy, subject to independence standards, and what individual or entity controls parts of the CPA firm.

Regulators may consider whether additional disclosure and transparency requirements are needed for websites, advertising, and client communications.

3. Regulatory Oversight

Many PE-backed structures operate in the accounting profession across multiple states through complex ownership arrangements. Boards of Accountancy may face challenges monitoring and regulating PE-backed structures operating across multiple states. Regulators may need to keep these challenges in mind when drafting laws that address CPA firms within APSs. Given the importance of preserving CPA mobility across states, regulators may also seek to support interstate regulatory coordination and support adequate oversight authority for Boards of Accountancy.

Bottom Line

PE investment in the accounting profession presents both opportunities and risks. Policymakers play an important role in ensuring that innovation and access to capital do not compromise auditor independence, audit quality, or public trust in the CPA profession.

Strong oversight and clear safeguards will help maintain confidence in the financial reporting system that businesses, investors, lenders, and taxpayers depend upon every day.

Fact Sheet for Board Websites

The following is a fact sheet on PE investment in the accounting profession, written to be shared on an SBOA webpage. The aim is to educate the public on this subject and introduce some of the complexities that may not be readily apparent.

What the Public Should Know About Private Equity Investment in the Accounting Profession
Understanding Alternative Practice Structures

Why Does This Issue Matter?

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How Is the State Board of Accountancy Responding to This Issue?

Auditor independence is essential to public trust. When a CPA firm performs an audit, the public depends on that CPA firm to provide independent, objective, and unbiased professional judgment. The CPA firm must also follow all relevant laws, rules, and professional standards. State Boards of Accountancy and regulators ensure that these protections remain intact for CPA firms operating within the added layers of complexity produced by an APS and the presence of PE investment.

Key public concerns addressed by the State Board of Accountancy include:

- Whether financial or business pressures could influence audit decisions;
- Whether consumers clearly understand which entities are regulated CPA firms; and
- How regulators oversee CPA firms operating across multiple states and within complex business entities.

State Boards of Accountancy regulate CPAs and CPA firms to protect the public interest. They must continuously evaluate how existing laws, rules, professional standards, and oversight processes apply to APS structures and private equity investment.

Bottom Line

Private equity investment in the accounting profession may create opportunities for innovation, growth, and modernization. At the same time, regulators and policymakers are working to ensure these changes do not compromise audit quality, professional independence, or public trust in the CPA profession.

State Boards of Accountancy remain committed to protecting consumers and maintaining confidence in the integrity of financial reporting.

NASBA

BYLAWS

~~October 28, 2025~~Date

CONTENTS

NASBA Bylaws

(As Amended at the ~~2024~~ 2026 NASBA Annual Business Meeting)

ARTICLE I – Name

The name of this organization shall be the National Association of State Boards of Accountancy, Inc. (hereinafter, the "Association"). The location of the Association's principal office shall be within the continental United States as the Board of Directors shall determine.

ARTICLE II – Purpose

The purpose of the Association shall be to provide an organization to protect, promote, foster and advance the common interests and welfare of boards of accountancy of the various states of the United States, its territories and the District of Columbia. The Association shall provide a forum for the exchange of information and obtaining assistance in discharging such boards' responsibilities for the administration of public accountancy laws and for the protection of the public interest as it is affected by the practice of public accountancy. The Association shall also promote the general welfare of its members for the accomplishment of the objectives herein above set forth. The Association shall not be organized for profit or organized to engage in a regular business of a kind ordinarily carried on for profit or carry on any activities which are inconsistent with the exempt status of organizations described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any successor law.

ARTICLE III – Membership

3.1 Member Boards.

3.1.1 The members of the Association shall be the boards, departments or instrumentalities confirmed by the Board of Directors as legally constituted by their respective countries, states, provinces, territories, and the District of Columbia ~~of the United States of America~~ to pass on the qualifications of, or to examine applicants for certification or licensure as, certified public accountants or similar licensed categories, or to regulate the practice of public accountancy within their jurisdiction.

3.1.2 A legally constituted entity located outside the United States, its territories, and the District of Columbia, which passes on the qualifications of, or examines applicants for certification or licensure as certified public accountants or similar licensed categories, or regulates the practice of public accountancy within their jurisdiction, may be by recognized by the Board of Directors as either a Member Board or an International Affiliate Organization.

3.1.3 Acceptance or removal of a Member Board or International Affiliate Organization shall be by majority vote of the Board of Directors.

3.1.4 Subject to the requirements of Section 3.1.3, The Board of Directors will determine the procedure for acceptance or removal of a Member Board or International Affiliate Organization. International Affiliate Organizations are entitled to representation at all NASBA meetings and the other rights and privileges as determined by the Board of Directors.

3.2 Delegates.

All duly appointed or elected individuals who are members of the Member Boards as determined by the respective Member Board's laws shall be Delegates of the Association. Delegates shall have the privilege of the floor and may propose motions, resolutions, or other actions at all meetings of the Association and shall be eligible for service as Officers, Directors, and members of committees of the Association.

3.3 Associates.

All former Delegates or persons who have been members of Member Boards shall be deemed Associates of the Association provided that their dues, established in accordance with these bylaws, have been paid in full for the current fiscal year. Associate Dues will not be assessed for past NASBA Chairs and currently serving members of the Board of Directors. Associates shall have the privilege of the floor and may propose motions, resolutions or other actions at all meetings of the Association and shall be eligible for service as Officers, Directors and members of committees within the limitations established by these bylaws.

ARTICLE IV - Board of Directors and Officers

4.1 Board of Directors.

The business and affairs of the Association shall be under the direction of a Board of Directors.

4.2 Composition of Board of Directors.

The Board of Directors shall be composed of a Chair, Vice Chair, Past Chair, nine Directors-at-Large and a Regional Director from each Region established in accordance with the provisions of Article V of these bylaws. The Board of Directors shall also include the President of the Association and Chair of the Executive Directors Committee as *ex officio* non-voting members as provided in Sections 4.4 and 8.8, respectively.

4.3 Officers and Duties.

The Officers of the Board of Directors shall be a Chair, Vice Chair, Past Chair, Secretary and Treasurer. The Officers of the Board of Directors shall have the duties set forth herein. The duties of Directors shall be such as usually are attached to such offices and such other duties consistent with the provisions of these bylaws, resolutions or actions of the Member Boards at the Annual Meeting or any special meeting, or as may be determined from time to time by the Board of Directors. All members of the Board of Directors must meet the fiduciary duties of careful and prudent judgment, adherence to organizational purpose and rules, and avoidance of conflicts of interest. Neither Officers of the Board of Directors nor Directors shall receive compensation for their services to the Association.

4.3.1 Chair.

The Chair, when present, shall preside at all meetings, interpret these bylaws, appoint all committees that will be active during his or her tenure as Chair, and serve as an *ex officio* non-voting member of all committees except the Nominating Committee. ~~The Chair may also designate the Vice Chair to serve as an *ex officio* non-voting member of any standing or non-standing committee other than the Nominating Committee or the CPA Examination Review Committee.~~

4.3.2 Vice Chair.

The Vice Chair shall, in the absence of the Chair, exercise the duties of and possess all the powers of the Chair. The Vice Chair shall also serve as a member of the Administration and Finance Committee. The Vice Chair may also be designated by the Chair as an *ex officio* non-voting member of any other standing and non-standing Committee other than the Nominating Committee or the CPA Examination Review Committee.

4.3.3 Secretary.

The Secretary shall be elected by the Board of Directors from the Directors-at-Large as soon as practicable following the installation of the new Board of Directors at the Annual Meeting. The Secretary shall perform the duties usual and incidental to the office that are required to be performed by law and shall be responsible for the minutes of the Board of Directors. The Secretary may delegate to the President and other staff the actual performance of any or all of the office's appropriate duties and authorize the President or staff to sign under their respective titles the correspondence conducted by them.

4.3.4 Treasurer.

The Treasurer shall be elected by the Board of Directors from the Directors-at-Large as soon as practicable following the installation of the new Board of Directors at the Annual Meeting. The Treasurer shall be responsible for the activities of the Administration and Finance Committee and shall serve as its chair.

4.3.5 Regional Directors.

Regional Directors shall be elected as provided in Article VII and shall be responsible for communications with the ~~Boards of Accountancy~~Member Boards and International Affiliate Organizations in the Regions which they represent and for presiding over Regional Meetings.

4.3.6 Past Chair.

The Past Chair shall serve as chair of the Nominating Committee in accordance with Article VII of these bylaws.

4.4 President.

A President shall be appointed by the Board of Directors and shall serve as the Chief Executive Officer of the Association. The President shall manage the affairs of the Association and have such duties and responsibilities as the Board of Directors shall determine. The President shall be salaried and shall report directly to the Chair who, with the consent and approval of the Executive Committee of the Board of Directors, will assign duties and powers in his or her areas of responsibility. The President shall employ and terminate staff, enter into routine contracts, and obtain legal consultation. The President shall also serve without additional compensation, in such other capacity relating to the business of the Association to which he or she may be elected or appointed by the Executive Committee of the Board of Directors. The President may be removed with or without cause by a resolution of the Board of Directors. The President shall serve as an *ex officio* non-voting member of the Board of Directors and shall not be counted in determining the total number of authorized Directors. The President shall be granted the privilege of the floor at all meetings of the Association and the Board ofDirectors.

4.4.1 Selection Advisory Committee Guidelines.

If the Board of Directors determines there is a need for a Committee to search for a new President of the Association, then the current Chair shall establish a Selection Advisory Committee. The total number of Selection Advisory Committee members and operational guidelines for the Committee shall be determined by the Chair and approved by the Board of Directors. The Selection Advisory Committee members shall be appointed by the Chair, approved by the Board of Directors and should, at a minimum, consist of a representative from each Region of the Association (not currently serving on the Board of Directors), one Executive Director and one past chair. In the event a committee member is unable to serve, the Chair shall recommend an alternate for Board approval.

4.4.2 Interim President.

In the event of a vacancy in the office of the President, the Board of Directors may appoint an individual to serve as interim President and Chief Executive Officer of the Association with responsibility for oversight of the daily operating activities of the Association until a new President is selected pursuant to Section 4.4.1.

4.5 Qualification, Terms and Limitations of Office.

4.5.1 The Vice Chair and Directors shall be elected in accordance with these bylaws during the Business Session at the Annual Meeting of the Association. The Vice Chair shall serve as such from the adjournment of the Business Session at the Annual Meeting at which he or she is so elected until the adjournment of the Business Session at the next following Annual Meeting, at which time he or she shall become Chair and shall serve as such until the adjournment of the Business Session at the next following Business Session at the Annual Meeting, at which time he or she shall become Past Chair and shall serve as a Director of the Association in accordance with the provisions of Section 4.2 of these bylaws.

4.5.2 No incumbent shall be elected to succeed himself or herself in the offices of Chair or Vice Chair.

4.5.3 No Past Chair shall be eligible to be re-elected as an Officer or Director.

4.5.4 Directors-at-Large shall be elected for three-year terms and may serve a maximum of two complete terms.

4.5.5 Regional Directors shall be elected for one-year terms and may serve a maximum of three complete terms.

4.5.6 A person who has succeeded, acceded to, or been appointed to fill a vacancy (serve an unexpired term) shall not have that service counted in the limitation of terms that can be served, provided that in no event shall an individual be eligible for election or appointment to fill an unexpired term if the individual has already served two complete terms as a Director–at-Large. No individual shall be eligible for appointment to the Board of Directors to fill more than one unexpired term.

4.5.7 All members of the Board of Directors shall be Delegates or Associates. A simple majority of all members of the Board of Directors shall be Delegates at the time of or within six months of the Annual Business Meeting at which they are elected to their current office on the Board. For purposes of this section, the Immediate Past Chair shall be a delegate or associate but shall not be included in calculation of a majority.

4.5.8 All Regional Directors shall be Delegates at the time of or within six months prior to their election or appointment.

4.5.9 To be eligible to serve as Vice Chair, an individual must have served as a Director-at-Large or Regional Director for a minimum of two years but need not be a current member of the Board of Directors at the time of his or her election.

4.6 Board of Directors Vacancies.

4.6.1 A vacancy in the Chair position shall be filled by the Vice Chair.

4.6.2 A vacancy in the Vice Chair position shall be filled pursuant to Section 7.2.3. If necessary, the Chair shall continue to serve until this process is complete.

4.6.3 A vacancy in the Past Chair position shall not be filled until after the end of the current Chair's term.

4.6.4 All other vacancies on the Board of Directors shall be filled by the Board of Directors, and all such appointees shall serve the unexpired term of their predecessors in office.

4.7 Regular Meetings of the Board of Directors.

Regular meetings of the Board of Directors shall be held prior to the Annual Meeting of the Association and at such other times as the Board of Directors may designate.

4.8 Special Meetings of the Board of Directors.

The Chair may call special meetings of the Board of Directors at such time and place as he or she shall determine. Alternatively, the Chair shall call such special meetings at such time and place as may be designated in a written request of five or more members of the Board of Directors.

4.9 Notice and Waiver.

4.9.1 Notice of any regular or special meeting of the Board of Directors shall be sent by mail, e-mail, telephone or shall be delivered personally or by other appropriate means to each Member Board and to each member of the Board of Directors, at his or her mailing address, as shown in the official records of the Association, at least 21 days before such meeting if notified by mail, or five days if notified by other methods. Such notice, as far as practicable, shall contain a statement of the agenda for such meeting.

4.9.2 Meetings held and actions taken without notice as provided in these bylaws shall be valid if each member of the Board of Directors entitled to notice: (1) attends the meeting without protesting lack of notice either before or when such meeting convenes; or (2) signs a written waiver of notice or a written consent to holding the meeting or an approval of the minutes of the meeting, either before or after the meeting; and (3) such written consents or approvals are filed with the records of the meeting.

4.10 Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any regular or special meeting of the Board of Directors. If a majority of Directors are not present at any meeting of the Board of Directors, the majority of the Directors present may adjourn the meeting to a stated time and place without further notice. The vote of a majority of Directors present and voting at any meeting at which there is a quorum shall be an act of the Board of Directors.

4.11 Teleconference Meetings.

The Board of Directors meetings, annual meetings, regional meetings, special meetings~~,~~ ~~and~~ any NASBA committee meetings may be conducted by means of teleconference, provided that all persons participating in the meeting can communicate with one another, and participation in such a meeting shall constitute physical presence or attendance in person at such meeting. When used in these bylaws, the term "teleconference" shall be understood to also mean telephone call or similar audio or visual communication. When used in these bylaws, the term "place" shall be understood to include a virtual meeting, via teleconference. When used in Sections 5 and 7 of these bylaws, the term “in person” can mean via teleconference when all persons are participating by teleconference using both audio and video communication, or just audio communication when video communication is not available.

4.12 Ballot Submission.

The Chair may submit any action to the Board of Directors for vote by mail, e-mail, or other appropriate means, provided the subject matter has been previously reviewed and discussed by the Board of Directors. Only ballots returned in the prescribed time will be counted. Any action approved by a majority of the Board of Directors shall be an act of the Board of Directors and shall be recorded in the minutes of the Board of Directors.

4.13 Resignation or Removal.

4.13.1 Resignation. Any Officer or Director may resign at any time by giving written notice to the Chair, the Secretary, or the full Board of Directors. Such resignation shall take effect at the time specified therein or, if no time is specified, at the time of acceptance by the Chair, Secretary or Board of Directors.

4.13.2 Removal for Failure to Attend. As a condition for election and service, any Officer or Director who shall fail to attend two consecutive regular meetings of the Board of Directors shall be automatically removed from the Board of Directors. The Board of Directors may waive such automatic removal if it shall by majority vote determine that such failure to attend was caused by sufficient circumstances to excuse such absence. The position of Officer or Director removed under this provision shall be filled in accordance with Section 4.6 of this Article.

4.13.3 Removal for Other Cause. Any Officer or Director may be removed for any cause deemed sufficient as provided under Delaware law.

ARTICLE V - Regions

5.1 Purpose and Composition.

In order to establish closer communications between the Board of Directors~~, and~~ the Member Boards, and International Affiliate Organizations; as well as between Member Boards and International Affiliate Organizations within geographical areas, and to assist the Association in achieving its stated purpose, all of the ~~states, territories and the District of Columbia~~Member Boards and International Affiliate Organizations shall be divided into at least five, but not more than nine, geographical Regions. The names, number, and composition of Regions shall be determined from time to time by the Board of Directors.

5.2 Representation.

A Regional Director shall be nominated and elected in accordance with Article VII of these bylaws to serve terms as provided in Section 4.5.5 to represent the Board of Directors within each Region and to perform such other duties as may be designated by the Board of Directors. Each Region shall, in accordance with Article VII, elect one Delegate or Associate as a member of the Nominating Committee to represent in person their Region on the Nominating Committee and one Delegate or Associate as an alternate to participate in person in the event that the member cannot attend the meeting.

5.3 Regional Meetings.

Annually, each Region shall hold a Regional Meeting not less than 60 days prior to the Association's Annual Meeting. Pursuant to section 4.11, such meeting may be held by teleconference. The purposes of the Regional Meetings are to facilitate communications, elect the members and alternates of the Nominating Committee pursuant to Article VII and to transact other business. Pursuant to Section 4.3.5, the Regional Director shall preside over a Regional Meeting. Unless the Regional Director is the Designated Voting Representative of a Member Board as described in Section 6.6.1 and 6.6.2, the Regional Director shall not have a vote at the Regional Meeting. In the event the Regional Director is unable to preside, the Association Chair shall designate a Delegate or Associate to preside.

ARTICLE VI - Meetings of the Association and Voting

6.1 Annual Meeting.

The Association shall hold an Annual Meeting in the last quarter of the calendar year. The purposes of the Annual Meeting are to facilitate communications and hold a Business Session to elect the Vice Chair and Directors and to transact other business.

6.2 Special Meetings.

The Chair shall call special meetings of the Association when requested to do so by the Board of Directors or by at least one-third of the Member Boards on written application to the Chair, signed by the individual designated as the Presiding Officer of each of the said one-third of the Member Boards. Special meetings of the Association shall be held at such times and places as shall be designated by the Board ofDirectors.

6.3 Notice and Waiver.

6.3.1 Notice of each meeting of the Association or Regions shall be sent to each Member Board, and to each Delegate and Associate at the mailing address shown in the official records of the Association at least 60 days before such meeting. Such notice, as far as practicable, shall contain a statement of the general business to be transacted. Notice of the Annual Meeting shall contain the report of the Nominating Committee as provided in Section 7.3.1.

6.3.2 Meetings held and actions taken without notice as provided in these bylaws shall be valid if each Member Board entitled to notice: (1) attends the meeting without protesting lack of notice either before or when such meeting convenes; or (2) signs a written waiver of notice or a written consent to holding the meeting or an approval of the minutes of the meeting, either before or after the meeting; and (3) such written consents or approvals are filed with the records of the meeting.

6.4 Quorum.

A quorum for the transaction of business at any meeting of the Association shall be one or more Designated Voting Representatives from a majority of Member Boards. A quorum for the transaction of business at any meeting of a Region shall be one or more Designated Voting Representatives from a majority of the Member Boards of such Region. In the absence of a quorum at an Annual Meeting, Regional Meeting or a special meeting, the majority of the Member Boards represented at such meeting may adjourn the meeting to a stated time and place without further notice.

6.5 Advisory Vote on Matters Related to Member Boards' Regulatory Responsibilities.

Any issue being deliberated by the Board of Directors or any committee, that is determined by the Board of Directors to have a material impact on the regulatory responsibilities of the Member Boards, shall be submitted to the Member Boards for their advisory vote. Such advisory vote should ordinarily be taken at an Annual Meeting. However, if the timing of an issue will not allow the advisory vote to be conducted at an Annual Meeting, the Chair may call a special meeting.

6.6 Voting.

6.6.1 Each Member Board shall be entitled to only one vote on any matter brought before the Association, and each Member Board in the Region shall be entitled to only one vote on any matter brought before any Regional Meeting, which vote shall be cast on behalf of such Member Board by its Designated Voting Representative.

6.6.2 The Presiding Officer of a Member Board, if present, shall be presumed to be the Designated Voting Representative. If the Presiding Officer is unable or unwilling to serve, the Member Board may authorize another Delegate, Associate or Executive Director from that State to serve as its Voting Representative. The Member Board may authorize successive alternate Voting Representatives to ensure that the Member Board's one vote may be cast. The authorization shall be in writing (including email) and may be issued by the Member Board's Presiding Officer or the next highest ranking Board Member available prior to or upon registration for the relevant meeting.

6.6.3 Unless a greater vote is required by these bylaws for any action, a majority vote of all Member Boards shall be required to pass any motion or resolution of the Association.

6.7 Ballot Voting.

6.7.1 The Board of Directors, or a majority of the Member Boards of the Association present at any duly called meeting of the Association at which a quorum is present, may direct that the Chair of the Association submit any action to all Member Boards for their consent by mail, e-mail, or other appropriate means, except that the election of the Vice Chair, Directors and members and alternates of the Nominating Committee may not be done by written consent, except in filling an interim vacancy of the Vice Chair.

6.7.2 The Member Boards will have 45 days to return their ballots.

6.7.3 Any action taken or approved in such a ballot by two-thirds of the Member Boards voting shall be a resolution of the Member Boards of the Association provided that the number of Member Boards approving such action shall constitute a majority of the Member Boards of the Association.

6.8 Rules of Order.

The rules of parliamentary procedure contained in the latest edition of *Robert's Rules of Order, Newly Revised*, shall govern the Business Session of the Annual Meeting.

Article VII - Nominations and Elections

7.1 Nominating Committee Composition and Election.

The membership of the Nominating Committee shall consist of the Past Chair, who shall serve as Chair of the Nominating Committee, and one member from each Region elected as provided herein.

7.1.1 A Delegate or Associate is eligible for election to the Nominating Committee.

7.1.2 With the exception of the Past Chair, no member of the Nominating Committee may serve concurrently as a member of the Board of Directors and the Nominating Committee, and no member may be eligible for election to the Board of Directors through the entirety of his or her elected term on the Nominating Committee and through the adjournment of the next following Annual Meeting (the one-year cooling off period). For purposes of this subsection, an alternate of the Nominating Committee is considered a member of the Committee.

7.1.3 If the Past Chair cannot serve, or declines to serve, as Chair of the Nominating Committee, the Board of

Directors shall appoint another Delegate or Associate to serve as Nominating Committee Chair so long as the person is ineligible to serve on the Board of Directors for the year following his or her service on the Nominating Committee.

7.1.4 Nominating Committee members and alternates shall be elected for two-year terms and may serve two complete terms in succession plus any unexpired terms. The term begins immediately following the Business Session of the Annual Meeting. If an alternate never participates in a Nominating Committee meeting during his/her term, the alternate shall not be subject to the one-year cooling off period set forth in sub-section 7.1.2. However, if a Nominating Committee member or alternate resigns during his/her elected term, then the one-year cooling off provision is applicable and begins through the adjournment of the next Annual Meeting. The terms of the Nominating Committee members shall be staggered so that half of the Regions hold elections each year.

7.1.5 The election of members and alternates of the Nominating Committee shall require a majority vote of the Member Boards in the Region represented at the Regional Meeting, provided a quorum is met.

7.1.6 At the Regional Meeting, each Region whose Nominating Committee member's term is expiring at the current year's Annual Meeting shall elect a member and an alternate of the Nominating Committee to represent its Region. The Association shall send notices to the membership about the Nominating Committee selection process in those Regions whose Nominating Committee member's term is expiring at the current year's Annual Meeting no less than 60 and 30 days prior to the Regional Meeting. Those interested in representing their region on the Nominating Committee shall have his/her name submitted to the President of the Association within 14-days prior to the start of the Regional Meeting. Regions that have no candidate submit a name 14-days prior to the start of the Regional Meeting or have no qualified candidates at the time of election of member or alternate, may consider qualified candidates from the floor. Each member and alternate must have (i) served at least two years on a ~~state board of accountancy~~Member Board, (ii) attended~~, in person,~~ at least one NASBA Regional Meeting, (iii) attended~~, in person,~~ at least one NASBA Annual Meeting and (iv) served on a NASBA or NASBA-appointed committee, task force, working group, advisory group, or board (such as the Exam Review Board or International Qualifications Appraisal Board). The term "board" as used in this subsection does not refer to the Board of Directors.

7.1.7 If a Region's member and alternate are both unable to serve and the Nominating Committee will hold a meeting for the purpose of making nominations prior to that Region's next NASBA Regional Meeting, then an ad hoc committee consisting of one ~~state board member~~ Delegate from each Member Board in that Region shall meet to elect a member and alternate to serve for the unexpired terms of the former member and former alternate, who may be elected and serve up to two additional complete terms for the Region pursuant to Section 7.1.4.~~.~~

7.1.8 If a Region fails to elect a member or an alternate as provided in Section 7.1.~~1~~6 or 7.1.7~~ above~~, the Board of Directors shall appoint a member or an alternate to represent that Region on the Nominating Committee. If necessary, the Board of Directors may appoint a member or an alternate that does not meet all of the Section 7.1.6(i), (ii),~~ and~~ (iii), and (iv) criteria, or may appoint a member or an alternate whose service on a state board of accountancy was for a different Region's Member Board. In the event that a member or an alternate is selected by the Board of Directors pursuant to Section 7.1.8, that member or alternate will not stand for election for any subsequent terms if a member or alternate who meets the criteria of Section 7.1.6 is elected pursuant to Section 7.1.6.

7.1.9 In the event of a deadlocked vote in a Region's election of its member or alternate on the Nominating Committee, the Regional Director shall convene an ad hoc meeting pursuant to Section 7.1.7 to elect the Region's member or alternate on the Nominating Committee. If the election pursuant to Section 7.1.7 has not been completed within thirty (30) days after the conclusion of the respective Regional Meeting, the Region's Nominating Committee member and/or alternate shall be appointed by the Board of Directors pursuant to

Section 7.1.8.

7.2 Responsibilities of Nominating Committee.

7.2.1 Obligation to Attend Nominating Committee Meetings in Person.

7.2.1.1 In view of the importance of each Region being represented in person at meetings of the Nominating Committee when the Committee is meeting for the purpose of deliberating upon or voting for nominees, the member or alternate must be in attendance at such meetings in order to participate and vote. The alternate shall reserve the Nominating Committee meeting dates so he or she can attend a meeting on short notice if the member cannot attend. In the event the member cannot attend the meeting, it shall be the responsibility of the member to notify the Nominating Committee Chair and the Region's alternate as soon as possible so the alternate can attend the meeting.

7.2.1.2 Members of the Nominating Committee who miss more than one meeting (for the purpose of deliberating upon or voting for nominees) during their term may not stand for re-election.

7.2.1.3 The responsibility of the alternate is to serve in person in the event the member cannot attend the meeting or is no longer a Delegate or Associate.

7.2.2 Annual Nominations.

The Nominating Committee shall nominate annually one qualified candidate for Vice Chair, three candidates for Directors-at-Large for those whose terms are expiring at the Annual Meeting, and one candidate for Regional Director from each Region. Each year, the Nominating Committee will establish and communicate to the Member Boards, a nominating schedule including any deadlines for the submission of names of candidates seeking to be nominated for any of the offices to be elected at the Annual Meeting. The Nominating Committee may waive the deadlines by a majority vote. The Nominating Committee will consider the submitted names of interested candidates when considering nominees and may also consider other qualified candidates when deemed appropriate by the Nominating Committee. If the Vice Chair is unable to serve as Chair, then the Nominating Committee also shall nominate a candidate for Chair. The report of the Nominating Committee shall be submitted to the Chair and presented in accordance with the provisions of these bylaws.

7.2.3 Filling a Vice Chair Vacancy.

In the event of a vacancy in the Vice Chair position, the Nominating Committee Chair shall promptly call a meeting of the Nominating Committee to nominate a candidate for Vice Chair. If administratively possible, the Vice Chair nominee will be presented for consideration with the other nominees for the Board of Directors by the Nominating Committee at the next Annual Meeting. If the timing is such that a vote cannot occur at the Annual Meeting, written ballots containing the name of the proposed candidate shall be sent promptly to the Presiding Officers of all Member Boards for voting as set forth in Section 6.7.

7.2.4 Rescinding a Nomination - Amendment of the Nominating Committee Report.

The Nominating Committee in its sole discretion may reconsider and rescind said nomination with or without cause and nominate a different candidate. If said action would occur after the Nominating Committee's Report issued pursuant to Section 7.3.1 has been distributed with the notice of Annual Meeting as required in Section 7.3.2, then the Chair of the Nominating Committee may convene an emergency meeting of the Nominating Committee for the sole purpose of reconsidering, rescinding, and replacing a Nominee. Notice of this meeting will state that the meeting is being called to consider rescission of one or more nominations. Notwithstanding Section 7.2.1, for purposes of that meeting and that meeting only, one or more members or alternates of the

Nominating Committee can participate via teleconference pursuant to section 4.11. If the Nominating Committee votes to amend its Report, the Amended Nominating Committee Report shall be distributed to the Member Boards as soon as practicable. If the distribution of the Amended Nominating Committee Report cannot occur more than 30 days prior to the annual meeting, then upon the written request of 5 or more Member Boards or upon the recommendation of the Nominating Committee, the election regarding any new nominee may be conducted in the same manner as provided in Section 7.2.3. The new nominee(s) will be presented for consideration with the other nominees for the Board of Directors by the Nominating Committee at~~s~~ the Annual Meeting, if administratively feasible. If the timing is such that a vote cannot occur at the Annual Meeting, written ballots containing the name of the proposed candidate shall be sent promptly to the Presiding Officers of all Member Boards for voting as set forth in Section 6.7.

7.2.5 Withdrawal by a Nominee - Amendment of the Nominating Committee Report.

In the event a nominee selected by the Nominating Committee for election at the Annual Meeting withdraws from the process, the Nominating Committee Chair shall promptly call a meeting of the Nominating Committee to nominate a replacement nominee. If said action would occur after the Nominating Committee's Report issued pursuant to Section 7.3.1 has been distributed with the notice of Annual Meeting as required in Section 7.3.2, then the Chair of the Nominating Committee may convene an emergency meeting of the Nominating Committee for the sole purpose of replacing the nominee. Notice of this meeting will state that the meeting is being called to consider the replacement of a nomination. Notwithstanding Section 7.2.1, for purposes of that meeting and that meeting only, one or more members or alternates of the Nominating Committee can participate via teleconference pursuant to section 4.11. If the Nominating Committee votes to amend its report, the Amended Nominating Committee Report shall be distributed to the Member Boards as soon as practicable. If the distribution of the Amended Nominating Committee Report cannot occur more than 30 days prior to the Annual Meeting, then upon the written request of 5 or more Member Boards or upon the recommendation of the Nominating Committee, the new nominee(s) will be presented for consideration with the other nominees for the Board of Directors by the Nominating Committee at the Annual Meeting, if administratively feasible. If the timing is such that a vote cannot occur at the Annual Meeting, written ballots containing the name of the proposed candidate shall be sent promptly to the Presiding Officers of all Member Boards for voting as set forth in Section 6.7.

7.3 Nominations and Election Process.

7.3.1 At least 60 days preceding the date of the Annual Meeting of the Association, the Nominating Committee shall deliver to the Chair a report which shall include its Annual Nominations as described in Section 7.2.2.

7.3.2. The report shall be included with the notice of the Annual Meeting as described in Section 6.3, and shall be presented by the Nominating Committee during the Business Session at the Annual Meeting.

7.3.3 Nominations for any elected position, including a vacancy in the office of Vice Chair, may also be made by at least five Member Boards, if filed with the Chair at least 30 days prior to the Annual Meeting (or the due date set pursuant to Section 7.2.3 and Section 6.7 for the mail ballots for Vice Chair in the event of a vacancy).

7.3.4 No nominations from the floor or otherwise will be recognized.

7.3.5 A majority vote of the Member Boards represented during the Business Session at the Annual Meeting (or by mail ballots for Vice Chair) shall constitute an election, provided a quorum is met.

ARTICLE VIII – Committees, Task Forces and Boards

8.1 Standing Committees.

The standing committees of the Association shall include the Executive Committee, the Nominating Committee, the Administration and Finance Committee, the Audit Committee, the CPA Examination Review Board and the Executive Directors Committee. Unless otherwise provided in these bylaws, the members and chairs of the standing and other committees or task forces are appointed by the Chair.

8.2 Executive Committee.

There shall be an Executive Committee composed of the Past Chair, the Chair, the Vice Chair, the Secretary, and the Treasurer. The President shall serve as an *ex officio* non-voting member of the Executive Committee. The Executive Committee shall act for the Board of Directors between meetings of the Board. The Executive Committee (without the President) shall constitute the Compensation Committee. The Compensation Committee shall annually evaluate the performance and the compensation of the President. All actions taken by the Executive Committee and the Compensation Committee shall be presented to the Board of Directors for ratification at its next meeting.

8.3 Nominating Committee.

The election and duties of the Nominating Committee are described in Article VII. The Nominating Committee is not a committee of the Board of Directors.

8.4 Administration and Finance Committee.

The Administration and Finance Committee shall oversee and monitor the fiscal operations of the Association. The Treasurer shall serve as Chair of the Administration and Finance Committee.

8.5 Audit Committee.

The Audit Committee shall oversee the Association's annual financial statement audit and internal controls and shall recommend to the Board of Directors the firm to perform the audit. The Audit Committee shall receive the annual audited financial statements and the auditor's report thereon, consider the items of internal accounting control that arise from the audit process, and make a recommendation regarding the annual audited financial statements and the auditor's report thereon, to the Board of Directors.

8.6 CPA Examination Review Board.

8.6.1 The CPA Examination Review Board ("ERB") shall: evaluate and report on significant adherence with the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and the International Qualifications Examination used by boards of accountancy for the licensing of certified public accountants; to include observation, inquiry and inspection of pertinent records; and report annually on the ongoing reliability of such examinations for the licensing of certified public accountants. Member Boards and International Affiliate Organization representatives are eligible for service on the ERB if their jurisdiction utilizes the Uniform CPA Examination as the qualifying examination for licensed auditors.

8.7 Other Committees and Task Forces.

The Chair or the Board of Directors may appoint such other Committees and Task Forces as they deem desirable. Membership on such Committees and Task Forces may include, in addition to Delegates and Associates, executive directors and other persons with special expertise, including those from International Affiliate Organizations. ~~.~~ Task Forces within a Committee **may** be appointed by the Committee Chair, provided the Task Force members have already been appointed by the NASBA Chair to the Committee**.**

8.8 Executive Directors Committee.

There shall be an Executive Directors Committee. Its members shall be appointed by the NASBA Chair from the executive directors (or the highest-ranking staff member if another title is used by a ~~State Board~~Member Board or International Affiliate Organization). The Executive Directors Committee shall operate pursuant to a Mission Statement developed by the Committee and approved by the Board of Directors. The Chair of the Executive Directors Committee shall serve as liaison to and as an *ex officio* non-voting member of the Board of Directors.

ARTICLE IX - Finances

9.1 Fiscal Year.

The fiscal year of the Association shall be from August 1 of one year to July 31 of the next succeeding year.

9.2 Dues.

The dues for each Member Board and each Associate shall be determined by the Board of Directors and approved by the Member Boards at a regular Annual Meeting of the Association. The Board of Directors may waive, alter, or amend unpaid dues of Member Boards or International Affiliate Organizations. The dues of each Member Board shall be based on the number of persons regulated by that Member Board.

9.3 Other Fees.

The Board of Directors may establish such other fees for publications, programs and services as it shall deem appropriate, provided that no such fees or special assessments shall be levied if such fees or assessments impair the status of the Association under Section 501(c) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any successor law.

9.4 Audit.

The Board of Directors shall, for each fiscal year, appoint a licensed independent public accountant or licensed independent public accountants to express an opinion on the financial statements of the Association. The financial statements of the Association and the report of the auditor or auditors for each fiscal year shall be published for the information of the membership.

9.5 Contracts.

The Board of Directors may authorize the President, any Officer or Officers, agent or agents of the Association, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association and such authority may be general or confined to specific instances.

9.6 Checks, Drafts, etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall from time to time be determined by the Board of Directors.

9.7 Indemnification.

The Association shall, to the fullest extent permitted under Delaware law, defend and/or indemnify any and all of its Directors or Officers or former Directors or Officers against expenses actually and reasonably incurred by them in connection with the defense of any action, suit or proceeding in which they or any of them are made parties, or a party, by reason of being or having been a Director or Officer of the Association.

9.8 Insurance.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was an Officer, Director, President, committee member, or is serving at the request of the Association, against any liability incurred by such person in any such capacity, or arising out of that person's status as such, whether or not the Association would have the power to indemnify that person against such liability under this Article.

9.9 Dissolution.

The Association shall use its funds only to accomplish the purposes specified in these bylaws and no part of said funds shall inure, or be distributed, to the Member Boards or International Affiliate Organizations of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, education, scientific or philanthropic organizations to be selected by the Board of Directors.

ARTICLE X – Amendments

Any of these bylaws may be altered, amended, or repealed, and new bylaws may be adopted by a two-thirds vote of Member Boards represented at any regular or special meeting by one or more Designated Voting Representatives, provided a quorum is present, and provided that the Member Boards approving such an amendment constitute a majority of the Member Boards of the Association. Proposed amendments to these Bylaws must be presented in writing to the Chair at least 60 days before the meeting at which they are to be voted upon; however, this requirement may be waived by the Chair or by a three-fourths vote of Member Boards represented at any regular or special meeting. Any amendments to these bylaws shall become effective on the first day following the Annual Business Meeting unless another day is specified.