Proposed Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY

October 22, 2026, 9:00 a.m. (CDT)

Microsoft Teams: Join the meeting now
Meeting ID: 231 287 096 475 94
Passcode: Yq3vQ222

Dial in by phone:
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.	Approval of Minutes of Meeting August 12, 2026	ACTION
E.	Approval of Certificate & Firm Permits	ACTION
F.	Approval of Financial Statements through September 2026	ACTION
G.	Executive Director's Report	Kasin
H.	9:00 – Contest Case Hearing in Disciplinary Case 116-26 a. Executive Session pursuant to SDCL 1-25-2 during hearing	Engelhart

NASBA

I.	Board of Directors Meeting Minutes April 24, 2026	Engelhart
J.	Board of Directors Meeting Minutes June 17, 2026	Engelhart
K.	Board of Directors Meeting Highlights July 21-22, 2026	Engelhart
L.	Private Equity Task Force Recommendation Memorandum	Engelhart
M.	Proposed Bylaw changes(revised)	Engelhart

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

N.	Equivalent Reviews	Engelhart

DECISIONS FROM EXECUTIVE SESSION

O.	Equivalent Reviews	ACTION

FUTURE MEETING DATES (all times CST)

P. Meeting Dates
December 17 – 9:00 Microsoft Teams

Q. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Sioux Falls One Stop and via Microsoft Teams
August 12, 2026 8:30 a.m. CDT

Chair Holly Engelhart called the meeting to order at 8:30 a.m. Kasin called the roll. A quorum was present.

Members Present: Jay Tolsma, Russell Olson, Cathy Harr, Kelly Klein, and Holly Engelhart.

Others Present: Nicole Kasin, Executive Director and Julie Iverson, Licensing Administrator. Andrea Rosenburg, DLR Staff Attorney joined via Microsoft Teams.

Not Present: Priscilla Romkema

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

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

Tolsma made a motion to approve the election of board officers as follows: Holly Engelhart-Chair, Russ Olson-Vice Chair, and Kelly Klein-Secretary/Treasurer. Harr seconded the motion. **MOTION PASSED.**

DLR Staff Attorney Rosenburg gave a PowerPoint presentation on open meetings and records laws and the Board conducted its annual review of open meeting laws pursuant to SDCL 1-25-13.

Olson made a motion affirming all board members completed the annual review of the revised open meetings laws with legal counsel. Harr seconded the motion. **MOTION PASSED.**

Klein made a motion to approve the June 18, 2026 meeting minutes. Tolsma seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the minutes of contested case hearing #110-26. Tolsma seconded the motion. **MOTION PASSED.**

Tolsma made a motion to approve the issuance of certificates and firm permits through August 6, 2026. Harr seconded the motion. **MOTION PASSED.**

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

The Board discussed NASBA's annual meeting, which will be held October 25 – 28, 2026, in Litchfield Park, AZ

Harr made a motion to approve travel for board members and the executive director to attend NASBA's annual meeting in Litchfield Park, AZ October 25-28, 2025. Tolsma seconded the motion. **MOTION PASSED**.

Klein made a motion to ratify the CPA exam scores for the 89th window through June 2026. Olson seconded the motion. **MOTION PASSED.**

The Board reviewed and discussed the proposed FY28 budget.

Olson made a motion to approve the FY28 budget as presented. Harr seconded the motion. **MOTION PASSED.**

DRAFT

Executive Director Kasin discussed her report on annual renewals for individuals and firms, CPE extensions, the July newsletter, NASBA MRA, NASBA annual meeting, NASBA's new vice-chair, and state's proposals on the pathways for licensure.

The Board discussed the NASBA Private Equity Task Force recommendation memorandum. The Board tabled this discussion to the next meeting.

The Board took a break from 10:20 a.m. to 10:35 a.m.

The regular meeting of the Board was reconvened at 10:35 a.m.

Tommy Pollema, Matt Mueller, Aaron Clayton with the South Dakota CPA Society joined the meeting at 10:35 a.m. Brady Larsen joined via Microsoft Teams at 10:35 a.m.

The Board and representatives from the SD CPA Society discussed CPA Exam Evolution, statute and administrative rule changes effective July 1, 2026, NASBA Private Equity/APS exposure draft, CPE task force, Society updates on their initiatives, and an open SD Board of Accountancy appointment.

Representatives from the SD CPA Society left the meeting at 11:46 a.m.

The Board discussed the NASBA Proposed Bylaw changes. The Board tabled this discussion to the next meeting.

Klein made a motion at 12:30 p.m. to enter executive session in accordance with SDCL 1-25-2(6) for peer reviews. Tolsma seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 12:32 p.m.

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

FUTURE MEETING DATES (all times CT)
October 22, 2026 – 9:00 a.m. Teams
December 17, 2026 – 9:00 a.m. Teams

Tolsma made a motion to adjourn the meeting at 12:43 p.m. Olson seconded the motion. **MOTION PASSED.**

DRAFT

CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY

Issued Through October 16, 2026

Number	Name	Date Issued	Location
3810	Bethany Anne Van Lingen (back dated)	7/31/26	Sioux Falls, SD
3811	Sage Nicole Beers	8/26/26	Sioux Falls, SD
3812	Caden Jack Milmine	9/16/26	Mitchell, SD
3813	Benjamin Michael Wirth	9/22/26	Aberdeen, SD
3814	Brandon Joseph Berzina	9/22/26	Rapid City, SD
3815	Grace Lillian Martin	9/22/26	Sioux Falls, SD
3816	Zachary Ryan Feil	9/23/26	Rapid City, SD
3817	Audrey Julia Paulson	9/29/26	Yankton, SD
3818	Joseph James Kooiman	10/01/26	Sioux Falls, SD
3819	Kylie McKenzie Kassube	10/01/26	Aberdeen, SD
3820	Caleb James Sterzinger	10/05/26	Sioux Falls, SD
3821	Elliott Thomas Cinco	10/05/26	Fountain Hills, AZ

FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY
BOARD COPY

Issued Through
October 16, 2026

Number	Name	Date Issued	Basis/Comments
1846	Casey, Menden, Faust & Nelson, P.A. Edina, MN	10/08/26	New Firm

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	632,450.59	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			632,450.59	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			632,450.59	DR **	
BUDGET UNIT TOTAL 1031			632,450.59	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
COMPANY NO 6503											
COMPANY NAME PROFESSIONAL & LICENSING BOARDS											
6503	103100061802	51010100		CGEX260812	08/14/2026					3,506.76	DR
	OBJSUB:	5101010	F-T EMP SAL & WAGES							3,506.76	DR *
6503	103100061802	51010200		CGEX260812	08/14/2026					2,824.33	DR
	OBJSUB:	5101020	P-T/TEMP EMP SAL & WAGES							2,824.33	DR *
	OBJECT:	5101	EMPLOYEE SALARIES							6,331.09	DR **
6503	103100061802	51020100		CGEX260812	08/14/2026					438.64	DR
6503	103100061802	51020100		CGEX260827	08/31/2026	438501				1.07	DR
	OBJSUB:	5102010	OASI-EMPLOYER'S SHARE							439.71	DR *
6503	103100061802	51020200		CGEX260812	08/14/2026					336.81	DR
	OBJSUB:	5102020	RETIREMENT-ER SHARE							336.81	DR *
6503	103100061802	51020600		CGEX260812	08/14/2026					1,045.68	DR
	OBJSUB:	5102060	HEALTH/LIFE INS.-ER SHARE							1,045.68	DR *
6503	103100061802	51020800		CGEX260812	08/14/2026					6.33	DR
	OBJSUB:	5102080	WORKER'S COMPENSATION							6.33	DR *
6503	103100061802	51020900		CGEX260812	08/14/2026					2.91	DR
	OBJSUB:	5102090	UNEMPLOYMENT COMPENSATION							2.91	DR *
	OBJECT:	5102	EMPLOYEE BENEFITS							1,831.44	DR **
	GROUP:	51	PERSONAL SERVICES							8,162.53	DR ***
6503	103100061802	52030200		CGEX260827	08/31/2026	438499				148.37	DR
	OBJSUB:	5203020	AUTO PRIV (IN-ST.) L/RTE							148.37	DR *
6503	103100061802	52030300		CGEX260827	08/31/2026	438498				570.50	DR
6503	103100061802	52030300		CGEX260827	08/31/2026	438500				285.60	DR
6503	103100061802	52030300		CGEX260827	08/31/2026	438501				102.20	DR
	OBJSUB:	5203030	AUTO-PRIV (IN-ST.) H/RTE							958.30	DR *
6503	103100061802	52031400		CGEX260827	08/31/2026	438501				14.00	DR
	OBJSUB:	5203140	TAXABLE MEALS/IN-STATE							14.00	DR *
6503	103100061802	52031500		CGEX260827	08/31/2026	438500				54.00	DR
6503	103100061802	52031500		CGEX260827	08/31/2026	438498				54.00	DR
6503	103100061802	52031500		CGEX260827	08/31/2026	438499				40.00	DR
	OBJSUB:	5203150	NON-TAXABLE MEALS/IN-ST							148.00	DR *
	OBJECT:	5203	TRAVEL							1,268.67	DR **
6503	103100061802	52040200		0007761	08/14/2026	01033849	NATIONALAS	12005047		3,200.00	DR
	OBJSUB:	5204020	DUES & MEMBERSHIP FEES							3,200.00	DR *
6503	103100061802	52041800		DP707100	08/26/2026					1,009.05	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: 5204180	COMPUTER SERVICES-STATE							1,009.05	DR *
6503	103100061802	52042000	PL707057	08/31/2026					426.28	DR
	OBJSUB: 5204200	CENTRAL SERVICES							426.28	DR *
6503	103100061802	52042200	IN1386130	08/07/2026	02673123	ABBUSINESS	12036980		72.42	DR
6503	103100061802	52042200	IN1395140	08/31/2026	02676974	ABBUSINESS	12036980		75.05	DR
	OBJSUB: 5204220	EQUIPMENT SERV & MAINT							147.47	DR *
6503	103100061802	52045300	8381416X07242026	08/07/2026	00092869	ATTMOBILIT	12279233		102.76	DR
	OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							102.76	DR *
6503	103100061802	52047400	CI107A-007	08/12/2026	438427				6,786.72	DR
	OBJSUB: 5204740	BANK FEES AND CHARGES							6,786.72	DR *
6503	103100061802	52049600	1448	08/31/2026	01036237	NATIONALAS	12005047		7,555.96	DR
	OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							7,555.96	DR *
	OBJECT: 5204	CONTRACTUAL SERVICES							19,228.24	DR **
6503	103100061802	52053500	647544/83415880	08/26/2026	02675855	QUALIFIEDP	12011039		72.99	DR
6503	103100061802	52053500	648517/83416261	08/31/2026	02676894	QUALIFIEDP	12011039		69.38	DR
6503	103100061802	52053500	8341-5111	08/05/2026	02672347	QUALIFIEDP	12011039		34.17	DR
	OBJSUB: 5205350	POSTAGE							176.54	DR *
	OBJECT: 5205	SUPPLIES & MATERIALS							176.54	DR **
6503	103100061802	5228000	T107-007	08/12/2026					1,232.10	DR
	OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT							1,232.10	DR *
	OBJECT: 5228	NONOP EXP/NONBGTD OP TR							1,232.10	DR **
	GROUP: 52	OPERATING EXPENSES							21,905.55	DR ***
	COMP: 6503								30,068.08	DR ****
	CNTR: 103100061802								30,068.08	DR *****
	B. UNIT: 1031								30,068.08	DR ******

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

	Aug 31, 26
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	4,898.16
1140000 · Pool Cash State of SD	632,450.59
Total Checking/Savings	637,348.75
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	657,702.39
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	**657,702.39**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	8,658.99
Total Accounts Payable	8,658.99
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	60,656.13
Total Other Current Liabilities	77,384.37
Total Current Liabilities	86,043.36
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	131,712.66
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-127,197.35
Net Income	335,362.06
Total Equity	525,989.73
TOTAL LIABILITIES & EQUITY	**657,702.39**

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

	Jul - Aug 26	Budget	$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	700.00	4,000.00	-3,300.00	17.5%
4293551 · Certificate Renewals-Active	122,900.00	117,500.00	5,400.00	104.6%
4293552 · Certificate Renewals-Inactive	30,400.00	32,000.00	-1,600.00	95.0%
4293553 · Certificate Renewals-Retired	3,780.00	4,000.00	-220.00	94.5%
4293554 · Initial Firm Permits	100.00	1,500.00	-1,400.00	6.7%
4293555 · Firm Permit Renewals	27,600.00	27,000.00	600.00	102.2%
4293557 · Initial Audit	160.00	400.00	-240.00	40.0%
4293558 · Re-Exam Audit	840.00	2,000.00	-1,160.00	42.0%
4293560 · Late Fees-Initial Certificate	0.00	200.00	-200.00	0.0%
4293561 · Late Fees-Certificate Renewals	9,200.00	3,500.00	5,700.00	262.9%
4293563 · Late Fees-Firm Permit Renewals	1,800.00	500.00	1,300.00	360.0%
4293564 · Late Fees-Peer Review	1,600.00	1,500.00	100.00	106.7%
4293566 · Firm Permit Owners	172,925.00	180,000.00	-7,075.00	96.1%
4293567 · Peer Review Admin Fee	1,500.00	6,500.00	-5,000.00	23.1%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	600.00	1,280.00	-680.00	46.9%
4293570 · Initial REG	120.00	320.00	-200.00	37.5%
4293572 · Re-Exam FAR	960.00	2,480.00	-1,520.00	38.7%
4293573 · Re-Exam REG	800.00	1,800.00	-1,000.00	44.4%
4293575 · Initial BAR	40.00	120.00	-80.00	33.3%
4293576 · Initial ISC	0.00	80.00	-80.00	0.0%
4293577 · Initial TCP	40.00	40.00	0.00	100.0%
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	320.00	960.00	-640.00	33.3%
4491000 · Interest and Dividend Revenue	17,040.65	0.00	17,040.65	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%
Total Income	393,585.65	400,700.00	-7,114.35	98.2%
Gross Profit	393,585.65	400,700.00	-7,114.35	98.2%
Expense				
5101010 · F-T Emp Sal & Wages	14,252.63	105,232.00	-90,979.37	13.5%
5101020 · P-T/Temp Emp Sal & Wages	11,387.17	59,442.00	-48,054.83	19.2%
5101030 · Board & Comm Mbrs Fees	2,988.00	12,076.00	-9,088.00	24.7%
5102010 · OASI-Employer's Share	2,007.99	12,610.00	-10,602.01	15.9%
5102020 · Retirement-ER Share	1,345.06	9,890.00	-8,544.94	13.6%
5102060 · Health /Life Ins.-ER Share	4,210.28	33,447.00	-29,236.72	12.6%
5102080 · Worker's Compensation	25.63	230.00	-204.37	11.1%
5102090 · Unemployment Insurance	11.77	164.00	-152.23	7.2%
5203010 · In State-Auto-State Owned	240.24	250.00	-9.76	96.1%
5203020 · In State-Auto-Priv. Low Miles	148.37	400.00	-251.63	37.1%
5203030 · In State-Auto-Priv. High Miles	1,025.50	1,400.00	-374.50	73.3%
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	162.00	100.00	62.00	162.0%
5203150 · InState-Non Tax Meals-Overnight	0.00	400.00	-400.00	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%

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

	Jul - Aug 26	Budget	$ Over Bud...	% of Budget
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	3,200.00	3,500.00	-300.00	91.4%
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%
5204160 · Workshop Registration Fees	0.00	8,900.00	-8,900.00	0.0%
5204180 · Computer Services-State	1,934.30	12,000.00	-10,065.70	16.1%
5204181 · Computer Development Serv-State	0.00	500.00	-500.00	0.0%
5204200 · Central Services	2,379.84	11,000.00	-8,620.16	21.6%
5204220 · Equipment Service & Maintenance	14.13	0.00	14.13	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	207.00	2,000.00	-1,793.00	10.4%
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%
5204530 · Telecommunications Services	337.26	3,500.00	-3,162.74	9.6%
5204540 · Electricity	0.00	400.00	-400.00	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	6,946.52	8,650.00	-1,703.48	80.3%
5204960 · Other Contractual Services	1,140.40	0.00	1,140.40	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	242.20	800.00	-557.80	30.3%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	1,881.61	2,000.00	-118.39	94.1%
5205540 · Finished Signs & Decals	0.00	250.00	-250.00	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				
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	1,232.10	11,000.00	-9,767.90	11.2%
Total Expense	58,223.59	427,431.00	-369,207.41	13.6%
Net Ordinary Income	335,362.06	-26,731.00	362,093.06	-1,254.6%
Net Income	**335,362.06**	**-26,731.00**	**362,093.06**	**-1,254.6%**

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
August 2026

	Aug 26	Aug 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	400.00	600.00	-200.00	-33.3%
4293551 · Certificate Renewals-Active	8,500.00	28,400.00	-19,900.00	-70.1%
4293552 · Certificate Renewals-Inactive	4,300.00	5,300.00	-1,000.00	-18.9%
4293553 · Certificate Renewals-Retired	600.00	840.00	-240.00	-28.6%
4293554 · Initial Firm Permits	0.00	400.00	-400.00	-100.0%
4293555 · Firm Permit Renewals	2,800.00	5,700.00	-2,900.00	-50.9%
4293558 · Re-Exam Audit	240.00	160.00	80.00	50.0%
4293560 · Late Fees-Initial Certificate	0.00	100.00	-100.00	-100.0%
4293561 · Late Fees-Certificate Renewals	9,200.00	2,500.00	6,700.00	268.0%
4293563 · Late Fees-Firm Permit Renewals	1,800.00	600.00	1,200.00	200.0%
4293564 · Late Fees-Peer Review	150.00	0.00	150.00	100.0%
4293566 · Firm Permit Owners	4,825.00	40,850.00	-36,025.00	-88.2%
4293567 · Peer Review Admin Fee	250.00	0.00	250.00	100.0%
4293569 · Initial FAR	320.00	160.00	160.00	100.0%
4293570 · Initial REG	40.00	0.00	40.00	100.0%
4293572 · Re-Exam FAR	440.00	160.00	280.00	175.0%
4293573 · Re-Exam REG	280.00	240.00	40.00	16.7%
4293575 · Initial BAR	40.00	0.00	40.00	100.0%
4293578 · Re-Exam BAR	0.00	40.00	-40.00	-100.0%
4293580 · Re-Exam TCP	120.00	80.00	40.00	50.0%
4491000 · Interest and Dividend Revenue	17,038.47	16,630.86	407.61	2.5%
4896021 · Legal Recovery Cost	0.00	1,327.33	-1,327.33	-100.0%
4950000 · Prior Period Refund Account	0.00	467.14	-467.14	-100.0%
Total Income	51,343.47	104,555.33	-53,211.86	-50.9%
Gross Profit	51,343.47	104,555.33	-53,211.86	-50.9%
Expense				
5101010 · F-T Emp Sal & Wages	3,506.76	11,861.17	-8,354.41	-70.4%
5101020 · P-T/Temp Emp Sal & Wages	2,824.33	8,486.90	-5,662.57	-66.7%
5101030 · Board & Comm Mbrs Fees	0.00	1,328.00	-1,328.00	-100.0%
5102010 · OASI-Employer's Share	439.71	1,507.29	-1,067.58	-70.8%
5102020 · Retirement-ER Share	336.81	1,068.39	-731.58	-68.5%
5102060 · Health /Life Ins.-ER Share	1,045.68	3,353.82	-2,308.14	-68.8%
5102080 · Worker's Compensation	6.33	30.53	-24.20	-79.3%
5102090 · Unemployment Insurance	2.91	9.78	-6.87	-70.3%
5203010 · In State-Auto-State Owned	0.00	-22.57	22.57	100.0%
5203020 · In State-Auto-Priv. Low Miles	148.37	192.67	-44.30	-23.0%
5203030 · In State-Auto-Priv. High Miles	958.30	1,360.10	-401.80	-29.5%
5203100 · In State-Lodging	0.00	245.34	-245.34	-100.0%
5203140 · InState-Tax Meals-Not Overnight	162.00	14.00	148.00	1,057.1%
5203150 · InState-Non Tax Meals-Overnight	0.00	160.00	-160.00	-100.0%
5204020 · Dues and Membership Fees	3,200.00	0.00	3,200.00	100.0%
5204180 · Computer Services-State	0.00	961.05	-961.05	-100.0%
5204200 · Central Services	426.28	342.32	83.96	24.5%
5204220 · Equipment Service & Maintenance	6.05	6.36	-0.31	-4.9%
5204230 · Janitorial/Maintenance Services	0.00	200.00	-200.00	-100.0%
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	102.76	228.22	-125.46	-55.0%
5204540 · Electricity	0.00	125.04	-125.04	-100.0%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
August 2026

	Aug 26	Aug 25	$ Change	% Change
5204740 · Bank Fees and Charges	6,786.72	6,629.41	157.31	2.4%
5204960 · Other Contractual Services	1,046.80	0.00	1,046.80	100.0%
5205020 · Office Supplies	0.00	101.77	-101.77	-100.0%
5205320 · Printing/Duplicating/Binding Co	19.25	53.90	-34.65	-64.3%
5205350 · Postage	131.70	0.00	131.70	100.0%
5228000 · Operating Transfers Out-NonBudg	1,232.10	0.00	1,232.10	100.0%
Total Expense	22,451.86	39,782.49	-17,330.63	-43.6%
Net Ordinary Income	28,891.61	64,772.84	-35,881.23	-55.4%
Net Income	**28,891.61**	**64,772.84**	**-35,881.23**	**-55.4%**

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

	Jul - Aug 26	Jul - Aug 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	700.00	1,600.00	-900.00	-56.3%
4293551 · Certificate Renewals-Active	122,900.00	121,900.00	1,000.00	0.8%
4293552 · Certificate Renewals-Inactive	30,400.00	32,800.00	-2,400.00	-7.3%
4293553 · Certificate Renewals-Retired	3,780.00	4,080.00	-300.00	-7.4%
4293554 · Initial Firm Permits	100.00	400.00	-300.00	-75.0%
4293555 · Firm Permit Renewals	27,600.00	27,300.00	300.00	1.1%
4293557 · Initial Audit	160.00	80.00	80.00	100.0%
4293558 · Re-Exam Audit	840.00	470.00	370.00	78.7%
4293560 · Late Fees-Initial Certificate	0.00	400.00	-400.00	-100.0%
4293561 · Late Fees-Certificate Renewals	9,200.00	2,500.00	6,700.00	268.0%
4293563 · Late Fees-Firm Permit Renewals	1,800.00	600.00	1,200.00	200.0%
4293564 · Late Fees-Peer Review	1,600.00	850.00	750.00	88.2%
4293566 · Firm Permit Owners	172,925.00	167,250.00	5,675.00	3.4%
4293567 · Peer Review Admin Fee	1,500.00	1,075.00	425.00	39.5%
4293569 · Initial FAR	600.00	300.00	300.00	100.0%
4293570 · Initial REG	120.00	40.00	80.00	200.0%
4293572 · Re-Exam FAR	960.00	480.00	480.00	100.0%
4293573 · Re-Exam REG	800.00	520.00	280.00	53.9%
4293575 · Initial BAR	40.00	0.00	40.00	100.0%
4293577 · Initial TCP	40.00	0.00	40.00	100.0%
4293578 · Re-Exam BAR	0.00	40.00	-40.00	-100.0%
4293579 · Re-Exam ISC	160.00	0.00	160.00	100.0%
4293580 · Re-Exam TCP	320.00	160.00	160.00	100.0%
4491000 · Interest and Dividend Revenue	17,040.65	16,632.76	407.89	2.5%
4896021 · Legal Recovery Cost	0.00	1,327.33	-1,327.33	-100.0%
4950000 · Prior Period Refund Account	0.00	467.14	-467.14	-100.0%
Total Income	393,585.65	381,272.23	12,313.42	3.2%
Gross Profit	393,585.65	381,272.23	12,313.42	3.2%
Expense				
5101010 · F-T Emp Sal & Wages	14,252.63	19,530.44	-5,277.81	-27.0%
5101020 · P-T/Temp Emp Sal & Wages	11,387.17	14,165.03	-2,777.86	-19.6%
5101030 · Board & Comm Mbrs Fees	2,988.00	5,312.00	-2,324.00	-43.8%
5102010 · OASI-Employer's Share	2,007.99	2,732.44	-724.45	-26.5%
5102020 · Retirement-ER Share	1,345.06	1,769.92	-424.86	-24.0%
5102060 · Health /Life Ins.-ER Share	4,210.28	5,556.06	-1,345.78	-24.2%
5102080 · Worker's Compensation	25.63	50.58	-24.95	-49.3%
5102090 · Unemployment Insurance	11.77	14.09	-2.32	-16.5%
5203010 · In State-Auto-State Owned	240.24	0.00	240.24	100.0%
5203020 · In State-Auto-Priv. Low Miles	148.37	192.67	-44.30	-23.0%
5203030 · In State-Auto-Priv. High Miles	1,025.50	1,360.10	-334.60	-24.6%
5203100 · In State-Lodging	0.00	245.34	-245.34	-100.0%
5203140 · InState-Tax Meals-Not Overnight	162.00	14.00	148.00	1,057.1%
5203150 · InState-Non Tax Meals-Overnight	0.00	160.00	-160.00	-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%

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

	Jul - Aug 26	Jul - Aug 25	$ Change	% Change
5203350 · OS-Non Taxable Meals-Overnight	252.00	588.00	-336.00	-57.1%
5204020 · Dues and Membership Fees	3,200.00	0.00	3,200.00	100.0%
5204050 · Consultant Fees - Computer	0.00	6,711.16	-6,711.16	-100.0%
5204180 · Computer Services-State	1,934.30	2,883.15	-948.85	-32.9%
5204200 · Central Services	2,379.84	2,016.00	363.84	18.1%
5204220 · Equipment Service & Maintenance	14.13	11.36	2.77	24.4%
5204230 · Janitorial/Maintenance Services	443.59	400.00	43.59	10.9%
5204460 · Equipment Rental	207.00	138.00	69.00	50.0%
5204521 · Revenue Bond Lease Payment	0.00	2,940.00	-2,940.00	-100.0%
5204530 · Telecommunications Services	337.26	468.50	-131.24	-28.0%
5204540 · Electricity	0.00	202.39	-202.39	-100.0%
5204740 · Bank Fees and Charges	6,946.52	6,784.80	161.72	2.4%
5204960 · Other Contractual Services	1,140.40	0.00	1,140.40	100.0%
5205020 · Office Supplies	0.00	128.62	-128.62	-100.0%
5205320 · Printing/Duplicating/Binding Co	242.20	53.90	188.30	349.4%
5205350 · Postage	1,881.61	0.00	1,881.61	100.0%
5228000 · Operating Transfers Out-NonBudg	1,232.10	0.00	1,232.10	100.0%
Total Expense	58,223.59	83,389.83	-25,166.24	-30.2%
Net Ordinary Income	335,362.06	297,882.40	37,479.66	12.6%
Net Income	**335,362.06**	**297,882.40**	**37,479.66**	**12.6%**

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	618,057.56	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			618,057.56	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			618,057.56	DR **	
BUDGET UNIT TOTAL 1031			618,057.56	DR ***	

- 3,605.90 (CRT 107-015 deposited on 10/6)

614,451.66

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	CGEX260826	09/02/2026					3,852.64	DR
6503	103100061802	51010100	CGEX260911	09/16/2026					3,990.42	DR
	OBJSUB: 5101010	F-T EMP SAL & WAGES							7,843.06	DR *
6503	103100061802	51010200	CGEX260826	09/02/2026					2,592.64	DR
6503	103100061802	51010200	CGEX260911	09/16/2026					3,262.03	DR
	OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES							5,854.67	DR *
6503	103100061802	51010300	CGEX260826	09/02/2026					996.00	DR
6503	103100061802	51010300	CGEX260911	09/16/2026					166.00	DR
	OBJSUB: 5101030	BOARD & COMM MBRS FEES							1,162.00	DR *
	OBJECT: 5101	EMPLOYEE SALARIES							14,859.73	DR **
6503	103100061802	51020100	CGEX260826	09/02/2026					523.00	DR
6503	103100061802	51020100	CGEX260911	09/16/2026					521.02	DR
	OBJSUB: 5102010	OASI-EMPLOYER'S SHARE							1,044.02	DR *
6503	103100061802	51020200	CGEX260826	09/02/2026					340.58	DR
6503	103100061802	51020200	CGEX260911	09/16/2026					376.39	DR
	OBJSUB: 5102020	RETIREMENT-ER SHARE							716.97	DR *
6503	103100061802	51020600	CGEX260826	09/02/2026					1,087.93	DR
6503	103100061802	51020600	CGEX260911	09/16/2026					1,104.75	DR
	OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE							2,192.68	DR *
6503	103100061802	51020800	CGEX260826	09/02/2026					6.45	DR
6503	103100061802	51020800	CGEX260911	09/16/2026					7.26	DR
	OBJSUB: 5102080	WORKER'S COMPENSATION							13.71	DR *
6503	103100061802	51020900	CGEX260826	09/02/2026					2.95	DR
6503	103100061802	51020900	CGEX260911	09/16/2026					3.31	DR
	OBJSUB: 5102090	UNEMPLOYMENT COMPENSATION							6.26	DR *
	OBJECT: 5102	EMPLOYEE BENEFITS							3,973.64	DR **
	GROUP: 51	PERSONAL SERVICES							18,833.37	DR ***
6503	103100061802	52041800	DP708100	09/18/2026					1,009.05	DR
	OBJSUB: 5204180	COMPUTER SERVICES-STATE							1,009.05	DR *
6503	103100061802	52042000	PL708058	09/18/2026					86.66	DR
	OBJSUB: 5204200	CENTRAL SERVICES							86.66	DR *
6503	103100061802	52042200	IN1403679	09/30/2026	02682524	ABBUSINESS	12036980		74.44	DR
	OBJSUB: 5204220	EQUIPMENT SERV & MAINT							74.44	DR *
6503	103100061802	52045250	E107-042	09/18/2026					3,508.28	DR
6503	103100061802	52045250	E107-051	10/02/2026					3,508.28	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: 5204525	REVENUE BOND LEASE PYMTS							7,016.56	DR *
6503	103100061802	52045300	8381416X08242026	09/02/2026	00093642	ATTMOBILIT	12279233		105.02	DR
	OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							105.02	DR *
6503	103100061802	52047400	CI107A-011	09/09/2026	440678				1,187.90	DR
	OBJSUB: 5204740	BANK FEES AND CHARGES							1,187.90	DR *
6503	103100061802	52049600	1475	09/25/2026	01039867	NATIONALAS	12005047		7,220.21	DR
	OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							7,220.21	DR *
	OBJECT: 5204	CONTRACTUAL SERVICES							16,699.84	DR **
6503	103100061802	52053200	40617	09/02/2026	01037044	PREFERREDP	12308425		19.25	DR
	OBJSUB: 5205320	PRINTING-COMMERCIAL							19.25	DR *
6503	103100061802	52053500	649261/83416633	09/16/2026	02679366	QUALIFIEDP	12011039		62.32	DR
6503	103100061802	52053500	8341-7014	09/28/2026	02681995	QUALIFIEDP	12011039		181.42	DR
	OBJSUB: 5205350	POSTAGE							243.74	DR *
	OBJECT: 5205	SUPPLIES & MATERIALS							262.99	DR **
6503	103100061802	5228000	T107-015	09/04/2026					1,232.10	DR
	OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT							1,232.10	DR *
	OBJECT: 5228	NONOP EXP/NONBGTD OP TR							1,232.10	DR **
	GROUP: 52	OPERATING EXPENSES							18,194.93	DR ***
	COMP: 6503								37,028.30	DR ****
	CNTR: 103100061802								37,028.30	DR *****
	B. UNIT: 1031								37,028.30	DR ******

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

	Sep 30, 26
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	4,006.97
1140000 · Pool Cash State of SD	614,451.66
Total Checking/Savings	618,458.63
Other Current Assets	
1131000 · Interest Income Receivable	17,289.50
1213000 · Investment Income Receivable	2,157.67
Total Other Current Assets	19,447.17
Total Current Assets	637,905.80
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	**637,905.80**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	1,443.11
Total Accounts Payable	1,443.11
Other Current Liabilities	
2430000 · Accrued Wages Payable	13,710.56
2810000 · Amounts Held for Others	72,474.09
Total Other Current Liabilities	86,184.65
Total Current Liabilities	87,627.76
Long Term Liabilities	
2960000 · Compensated Absences Payable	47,274.93
Total Long Term Liabilities	47,274.93
Total Liabilities	134,902.69
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-122,891.77
Net Income	308,069.86
Total Equity	503,003.11
TOTAL LIABILITIES & EQUITY	**637,905.80**

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

	Jul - Sep 26	Budget	$ Over Bud...	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,200.00	4,000.00	-2,800.00	30.0%
4293551 · Certificate Renewals-Active	123,400.00	117,500.00	5,900.00	105.0%
4293552 · Certificate Renewals-Inactive	30,800.00	32,000.00	-1,200.00	96.3%
4293553 · Certificate Renewals-Retired	3,940.00	4,000.00	-60.00	98.5%
4293554 · Initial Firm Permits	0.00	1,500.00	-1,500.00	0.0%
4293555 · Firm Permit Renewals	27,900.00	27,000.00	900.00	103.3%
4293557 · Initial Audit	320.00	400.00	-80.00	80.0%
4293558 · Re-Exam Audit	1,040.00	2,000.00	-960.00	52.0%
4293560 · Late Fees-Initial Certificate	0.00	200.00	-200.00	0.0%
4293561 · Late Fees-Certificate Renewals	10,000.00	3,500.00	6,500.00	285.7%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	2,100.00	500.00	1,600.00	420.0%
4293564 · Late Fees-Peer Review	950.00	1,500.00	-550.00	63.3%
4293566 · Firm Permit Owners	172,525.00	180,000.00	-7,475.00	95.8%
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	840.00	1,280.00	-440.00	65.6%
4293570 · Initial REG	160.00	320.00	-160.00	50.0%
4293571 · Inital BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	1,080.00	2,480.00	-1,400.00	43.5%
4293573 · Re-Exam REG	840.00	1,800.00	-960.00	46.7%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	40.00	120.00	-80.00	33.3%
4293576 · Initial ISC	0.00	80.00	-80.00	0.0%
4293577 · Initial TCP	40.00	40.00	0.00	100.0%
4293578 · Re-Exam BAR	0.00	560.00	-560.00	0.0%
4293579 · Re-Exam ISC	200.00	360.00	-160.00	55.6%
4293580 · Re-Exam TCP	440.00	960.00	-520.00	45.8%
4491000 · Interest and Dividend Revenue	17,040.87	0.00	17,040.87	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	396,105.87	400,700.00	-4,594.13	98.9%
Gross Profit	396,105.87	400,700.00	-4,594.13	98.9%
Expense				
5101010 · F-T Emp Sal & Wages	22,095.69	105,232.00	-83,136.31	21.0%
5101020 · P-T/Temp Emp Sal & Wages	17,241.84	59,442.00	-42,200.16	29.0%
5101030 · Board & Comm Mbrs Fees	4,150.00	12,076.00	-7,926.00	34.4%
5102010 · OASI-Employer's Share	3,052.01	12,610.00	-9,557.99	24.2%
5102020 · Retirement-ER Share	2,062.03	9,890.00	-7,827.97	20.8%
5102060 · Health /Life Ins.-ER Share	6,402.96	33,447.00	-27,044.04	19.1%
5102080 · Worker's Compensation	39.34	230.00	-190.66	17.1%
5102090 · Unemployment Insurance	18.03	164.00	-145.97	11.0%
5203010 · In State-Auto-State Owned	240.24	250.00	-9.76	96.1%
5203020 · In State-Auto-Priv. Low Miles	148.37	400.00	-251.63	37.1%
5203030 · In State-Auto-Priv. High Miles	1,025.50	1,400.00	-374.50	73.3%
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 through September 2026

	Jul - Sep 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	162.00	100.00	62.00	162.0%
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	3,200.00	3,500.00	-300.00	91.4%
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	3,048.37	12,000.00	-8,951.63	25.4%
5204181 · Computer Development Serv-State	0.00	500.00	-500.00	0.0%
5204200 · Central Services	2,466.50	11,000.00	-8,533.50	22.4%
5204220 · Equipment Service & Maintenance	19.57	0.00	19.57	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	276.00	2,000.00	-1,724.00	13.8%
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	7,016.56	0.00	7,016.56	100.0%
5204530 · Telecommunications Services	337.26	3,500.00	-3,162.74	9.6%
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	8,134.42	8,650.00	-515.58	94.0%
5204960 · Other Contractual Services	1,140.40	0.00	1,140.40	100.0%
5205020 · Office Supplies	85.90	2,000.00	-1,914.10	4.3%
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	242.20	800.00	-557.80	30.3%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	2,063.03	2,000.00	63.03	103.2%
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	2,464.20	11,000.00	-8,535.80	22.4%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	88,036.01	427,431.00	-339,394.99	20.6%
Net Ordinary Income	308,069.86	-26,731.00	334,800.86	-1,152.5%
Net Income	**308,069.86**	**-26,731.00**	**334,800.86**	**-1,152.5%**

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
September 2026

	Sep 26	Sep 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	500.00	900.00	-400.00	-44.4%
4293551 · Certificate Renewals-Active	500.00	700.00	-200.00	-28.6%
4293552 · Certificate Renewals-Inactive	400.00	300.00	100.00	33.3%
4293553 · Certificate Renewals-Retired	160.00	0.00	160.00	100.0%
4293554 · Initial Firm Permits	0.00	200.00	-200.00	-100.0%
4293555 · Firm Permit Renewals	300.00	500.00	-200.00	-40.0%
4293557 · Initial Audit	160.00	120.00	40.00	33.3%
4293558 · Re-Exam Audit	440.00	360.00	80.00	22.2%
4293560 · Late Fees-Initial Certificate	0.00	200.00	-200.00	-100.0%
4293561 · Late Fees-Certificate Renewals	800.00	900.00	-100.00	-11.1%
4293563 · Late Fees-Firm Permit Renewals	300.00	400.00	-100.00	-25.0%
4293564 · Late Fees-Peer Review	0.00	75.00	-75.00	-100.0%
4293566 · Firm Permit Owners	1,600.00	3,665.00	-2,065.00	-56.3%
4293567 · Peer Review Admin Fee	0.00	125.00	-125.00	-100.0%
4293569 · Initial FAR	320.00	240.00	80.00	33.3%
4293570 · Initial REG	80.00	200.00	-120.00	-60.0%
4293572 · Re-Exam FAR	200.00	240.00	-40.00	-16.7%
4293573 · Re-Exam REG	200.00	240.00	-40.00	-16.7%
4293577 · Initial TCP	0.00	40.00	-40.00	-100.0%
4293578 · Re-Exam BAR	0.00	80.00	-80.00	-100.0%
4293579 · Re-Exam ISC	120.00	40.00	80.00	200.0%
4293580 · Re-Exam TCP	240.00	200.00	40.00	20.0%
4491000 · Interest and Dividend Revenue	0.22	0.23	-0.01	-4.4%
4896021 · Legal Recovery Cost	0.00	1,287.58	-1,287.58	-100.0%
Total Income	6,320.22	11,012.81	-4,692.59	-42.6%
Gross Profit	6,320.22	11,012.81	-4,692.59	-42.6%
Expense				
5101010 · F-T Emp Sal & Wages	7,843.06	3,818.28	4,024.78	105.4%
5101020 · P-T/Temp Emp Sal & Wages	5,854.67	2,711.37	3,143.30	115.9%
5101030 · Board & Comm Mbrs Fees	1,162.00	0.00	1,162.00	100.0%
5102010 · OASI-Employer's Share	1,044.02	450.32	593.70	131.8%
5102020 · Retirement-ER Share	716.97	346.27	370.70	107.1%
5102060 · Health /Life Ins.-ER Share	2,192.68	1,098.79	1,093.89	99.6%
5102080 · Worker's Compensation	13.71	9.80	3.91	39.9%
5102090 · Unemployment Insurance	6.26	3.13	3.13	100.0%
5204020 · Dues and Membership Fees	0.00	3,200.00	-3,200.00	-100.0%
5204160 · Workshop Registration Fees	0.00	2,550.00	-2,550.00	-100.0%
5204180 · Computer Services-State	105.02	961.05	-856.03	-89.1%
5204200 · Central Services	86.66	435.04	-348.38	-80.1%
5204220 · Equipment Service & Maintenance	5.44	4.27	1.17	27.4%
5204230 · Janitorial/Maintenance Services	0.00	200.00	-200.00	-100.0%
5204330 · Computer Software Lease	0.00	572.05	-572.05	-100.0%
5204460 · Equipment Rental	69.00	69.00	0.00	0.0%
5204525 · OneStop Building Lease	7,016.56	7,660.50	-643.94	-8.4%
5204530 · Telecommunications Services	0.00	228.22	-228.22	-100.0%
5204740 · Bank Fees and Charges	1,187.90	697.11	490.79	70.4%
5204960 · Other Contractual Services	0.00	389.25	-389.25	-100.0%
5205020 · Office Supplies	85.90	940.99	-855.09	-90.9%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
September 2026

	Sep 26	Sep 25	$ Change	% Change
5205350 · Postage	181.42	168.59	12.83	7.6%
5207451 · Office Furniture & Fixtures	0.00	0.00	0.00	0.0%
5228000 · Operating Transfers Out-NonBudg	1,232.10	0.00	1,232.10	100.0%
Total Expense	28,803.37	26,514.03	2,289.34	8.6%
Net Ordinary Income	-22,483.15	-15,501.22	-6,981.93	-45.0%
Net Income	**-22,483.15**	**-15,501.22**	**-6,981.93**	**-45.0%**

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

	Jul - Sep 26	Jul - Sep 25	$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,200.00	2,500.00	-1,300.00	-52.0%
4293551 · Certificate Renewals-Active	123,400.00	122,600.00	800.00	0.7%
4293552 · Certificate Renewals-Inactive	30,800.00	33,100.00	-2,300.00	-7.0%
4293553 · Certificate Renewals-Retired	3,940.00	4,080.00	-140.00	-3.4%
4293554 · Initial Firm Permits	0.00	600.00	-600.00	-100.0%
4293555 · Firm Permit Renewals	27,900.00	27,800.00	100.00	0.4%
4293557 · Initial Audit	320.00	200.00	120.00	60.0%
4293558 · Re-Exam Audit	1,040.00	830.00	210.00	25.3%
4293560 · Late Fees-Initial Certificate	0.00	600.00	-600.00	-100.0%
4293561 · Late Fees-Certificate Renewals	10,000.00	3,400.00	6,600.00	194.1%
4293563 · Late Fees-Firm Permit Renewals	2,100.00	1,000.00	1,100.00	110.0%
4293564 · Late Fees-Peer Review	950.00	925.00	25.00	2.7%
4293566 · Firm Permit Owners	172,525.00	170,915.00	1,610.00	0.9%
4293567 · Peer Review Admin Fee	1,250.00	1,200.00	50.00	4.2%
4293569 · Initial FAR	840.00	540.00	300.00	55.6%
4293570 · Initial REG	160.00	240.00	-80.00	-33.3%
4293572 · Re-Exam FAR	1,080.00	720.00	360.00	50.0%
4293573 · Re-Exam REG	840.00	760.00	80.00	10.5%
4293575 · Initial BAR	40.00	0.00	40.00	100.0%
4293577 · Initial TCP	40.00	40.00	0.00	0.0%
4293578 · Re-Exam BAR	0.00	120.00	-120.00	-100.0%
4293579 · Re-Exam ISC	200.00	40.00	160.00	400.0%
4293580 · Re-Exam TCP	440.00	360.00	80.00	22.2%
4491000 · Interest and Dividend Revenue	17,040.87	16,632.99	407.88	2.5%
4896021 · Legal Recovery Cost	0.00	2,614.91	-2,614.91	-100.0%
4950000 · Prior Period Refund Account	0.00	467.14	-467.14	-100.0%
Total Income	396,105.87	392,285.04	3,820.83	1.0%
Gross Profit	396,105.87	392,285.04	3,820.83	1.0%
Expense				
5101010 · F-T Emp Sal & Wages	22,095.69	23,348.72	-1,253.03	-5.4%
5101020 · P-T/Temp Emp Sal & Wages	17,241.84	16,876.40	365.44	2.2%
5101030 · Board & Comm Mbrs Fees	4,150.00	5,312.00	-1,162.00	-21.9%
5102010 · OASI-Employer's Share	3,052.01	3,182.76	-130.75	-4.1%
5102020 · Retirement-ER Share	2,062.03	2,116.19	-54.16	-2.6%
5102060 · Health /Life Ins.-ER Share	6,402.96	6,654.85	-251.89	-3.8%
5102080 · Worker's Compensation	39.34	60.38	-21.04	-34.9%
5102090 · Unemployment Insurance	18.03	17.22	0.81	4.7%
5203010 · In State-Auto-State Owned	240.24	0.00	240.24	100.0%
5203020 · In State-Auto-Priv. Low Miles	148.37	192.67	-44.30	-23.0%
5203030 · In State-Auto-Priv. High Miles	1,025.50	1,360.10	-334.60	-24.6%
5203100 · In State-Lodging	0.00	245.34	-245.34	-100.0%
5203140 · InState-Tax Meals-Not Overnight	162.00	14.00	148.00	1,057.1%
5203150 · InState-Non Tax Meals-Overnight	0.00	160.00	-160.00	-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%

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

	Jul - Sep 26	Jul - Sep 25	$ Change	% Change
5203350 · OS-Non Taxable Meals-Overnight	252.00	588.00	-336.00	-57.1%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	0.00	6,711.16	-6,711.16	-100.0%
5204160 · Workshop Registration Fees	0.00	2,550.00	-2,550.00	-100.0%
5204180 · Computer Services-State	3,048.37	3,844.20	-795.83	-20.7%
5204200 · Central Services	2,466.50	2,451.04	15.46	0.6%
5204220 · Equipment Service & Maintenance	19.57	15.63	3.94	25.2%
5204230 · Janitorial/Maintenance Services	443.59	600.00	-156.41	-26.1%
5204330 · Computer Software Lease	0.00	572.05	-572.05	-100.0%
5204460 · Equipment Rental	276.00	207.00	69.00	33.3%
5204521 · Revenue Bond Lease Payment	0.00	2,940.00	-2,940.00	-100.0%
5204525 · OneStop Building Lease	7,016.56	7,660.50	-643.94	-8.4%
5204530 · Telecommunications Services	337.26	696.72	-359.46	-51.6%
5204540 · Electricity	0.00	202.39	-202.39	-100.0%
5204740 · Bank Fees and Charges	8,134.42	7,481.91	652.51	8.7%
5204960 · Other Contractual Services	1,140.40	389.25	751.15	193.0%
5205020 · Office Supplies	85.90	1,069.61	-983.71	-92.0%
5205320 · Printing/Duplicating/Binding Co	242.20	53.90	188.30	349.4%
5205350 · Postage	2,063.03	168.59	1,894.44	1,123.7%
5207451 · Office Furniture & Fixtures	0.00	0.00	0.00	0.0%
5228000 · Operating Transfers Out-NonBudg	2,464.20	0.00	2,464.20	100.0%
Total Expense	88,036.01	109,903.86	-21,867.85	-19.9%
Net Ordinary Income	308,069.86	282,381.18	25,688.68	9.1%
Net Income	**308,069.86**	**282,381.18**	**25,688.68**	**9.1%**

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 October 15, 2026:

Entity	Renewed thru 7/31/2026	Expired renewals thru 7/31/2026	Renewed thru 7/31/2027
Firms	287	9	277
Individuals – Active	1267	15	1248
Individuals – Inactive	325	16	309
Individuals – Retired	195	18	194

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. On September 24, 2026, 59% of those granted extensions had reported their completed CPE. The remaining 41% were sent an email reminder to report the CPE with a deadline provided. As of October 15, 99% have reported their completed CPE.

CPE Audits

The list of licensees has been selected for CPE audits. Emails and letters were sent out to those selected on September 15, 2026. The documentation is due in our office no later than October 30, 2026. The following is the current status of the audits.

	Selected	**Complied**	**Not Complied**	**Granted Extension**	**Approved CPE Audit**	**Failed CPE Audit**
CPA (Active)	123	92	31	0	49	0
CPA – Out of State Affidavit	103	0	0	0	0	0

NASBA Issues/Topics

1. NASBA Strategic Plan member survey emailed 9-9-26
2. NASBA Annual meeting October 25-28, 2026
3. CPA exam notice sent from AICPA for blackout dates on testing starting 3Q27 due to new technology delivery platform and changes to the user interface.

Board Discussion

- Any New Business/topics?

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
BOARD OF ACCOUNTANCY

In the Matter of:

Brandon Eberhard,
Licensee.

License No. SD CPA 2952 (Expired)

Eberhard Accounting, LLC
Firm

Firm Permit 1698 (Lapsed)

NOTICE OF HEARING

Case No. 116-26

TO: Brandon Eberhard, 739 Shamrock Drive, Hartford, SD 57033, brandon@eberhardaccounting.com:

PLEASE TAKE NOTICE that an administrative hearing in the above-entitled matter will take place on **October 22, 2026,** at **9:00 A.M**. **C.T.**, or as soon thereafter as the parties may be heard. The hearing will be held **via Microsoft Teams**.

URL (for web browser):
https://teams.microsoft.com/l/meetup-join/19%3ameeting_NTdlNzc2YTMtN2YwNy00ZWIzLTlmNmYtMTFhM2U0MDcxYjUx%40thread.v2/0?context=%7b%22Tid%22%3a%2270af547c-69ab-416d-b4a6-543b5ce52b99%22%2c%22Oid%22%3a%22f8a7861a-1cae-4478-a627-73a28cb24f94%22%7d
Meeting ID: 231 287 096 475 94
Passcode: Yq3vQ222
Call: +1 605-679-7263,,910478806#
Conference ID: 910 478 806#

This hearing is being held pursuant to the legal authority and jurisdiction granted to the South Dakota Board of Accountancy (Board), under SDCL Chapters 1-26, 36-1C, and 36-20B.

The purpose of this hearing will be to determine whether the Licensee violated the following statutes and/or rules of the Board: SDCL 36-1C-3, 36-20B-23, 26-20B-27, 36-20B-32, SDCL 36-20B-55, SDCL 36-20B-40(3) and (6), ARSD 20:75:03:02, 20:75:03:03, 20:75:03:08, 20:75:03:08.01, and 20:75:05:07.

The parties will submit all documents intended to be introduced as evidence to the opposing party via email at least ten business days prior to the hearing.

Notice of the Board's decision will be sent within 30 days after this matter is fully submitted to it, unless such time is extended by the Board pursuant to SDCL 1-26-30.1. The decision based on the hearing may be appealed to the Circuit Court and the State Supreme Court, as provided by law.

This hearing is a contested case as that term is defined in SDCL 1-26-1(2) and is an adversarial proceeding. Licensee has the right to be present at the hearing and to be represented by an attorney. These and other due process rights will be forfeited if they are not exercised at the hearing. If Licensee intends to be represented by an attorney, please inform the undersigned of your attorney's name, address, and telephone number.

If Licensee does not appear at the scheduled time of the hearing, the matter may be dismissed, or it may be decided based on evidence presented at the hearing.

Under the provisions of SDCL 1-26-29.1, the Board may assess all or part of its actual expenses for this proceeding against the individual disciplined if this proceeding results in a decision unfavorable to the Licensee.

If you or anyone participating in the hearing on your behalf requires accommodations due to a disability, contact Nicole Kasin at 605-367-5770 and suitable arrangements will be made.

Statutes and Rules involved in this hearing:

SDCL 36-1C-3, 36-20B-23, 26-20B-27, 36-20B-32, SDCL 36-20B-55, SDCL 36-20B-40(3) and (6), ARSD 20:75:03:02, 20:75:03:03, 20:75:03:08, 20:75:03:08.01, and 20:75:05:07.

Facts that support Licensee's violation

1. Brandon Eberhard (Eberhard) has an expired license by the Board as a certified public accountant (CPA). His license was issued September 30, 2010, and expired July 31, 2024.

2. On June 15, 2024, the Board office mailed to Eberhard a postcard that stated license renewal and firm renewals were open. The postcard informed Eberhard that the deadline to submit the renewal applications was August 1, 2024.

3. On July 29, 2024, the Board office sent a courtesy email reminder to Eberhard that a renewal had not been completed for his license or his firm, and the license and firm renewals were due by August 1, 2024.

4. Eberhard did not submit a renewal application or firm permit renewal to the Board office by the deadline and did not respond to the email.

5. On August 8, 2024, the Board office lapsed the firm permit for non-renewal and sent an email to Eberhard that stated his renewal application was not received by the Board office. The email further explained that as of August 1, 2024, Eberhard's CPA certificate was considered expired, and he may not hold himself out to the public as a South Dakota CPA.

6. On June 3, 2026, the Board office emailed and mailed a complaint received by the Board stating that Eberhard filed an annual report as a domestic Limited Liability Company for his firm with the South Dakota Secretary of State dated February 26, 2025. Eberhard also held himself out as a CPA and he performed services under the Firm name with a letter to the client dated March 24, 2025.

7. Eberhard's response to the complaint filed was due no later than July 2, 2026. As of the date of this Formal Complaint, Eberhard has not replied to the written complaint of the Board.

Dated August 14, 2026.

/s/ Andrea Rosenburg
Special Assistant Attorney General
Department of Labor and Regulation
2330 N. Maple Ave #1
Rapid City, SD 57701
Andrea.Rosenburg@state.sd.us
605.408.1727

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date shown below she served a true and correct copy of the Agency's Notice of Witnesses and Tangible Evidence upon Brandon Eberhard by U.S. Mail to 739 Shamrock Dr, Hartford SD 57033 and via email at brandon@eberhardaccounting.com.

Dated August 14, 2026.

/s/ Andrea Rosenburg

National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
April 24, 2026 –Carmel Valley, CA

Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Nicola Neilon at 8:57 a.m. PST on Friday, April 24, 2026.

Chair Neilon asked President and Chief Executive Officer Dan Dustin to report on the meeting's attendance.

Report of Attendance

President and CEO Dan Dustin reported the following were in attendance and a quorum present:

Officers
Nicola Neilon, CPA (NV), Chair
J. Coalter Baker, CPA (TX), Vice-Chair – attended virtually
Maria E. Caldwell, CPA (FL), Past Chair
J. Andy Bonner, Jr., CPA (TN), Treasurer
Alison L. Houck Andrew, CPA (DE), Secretary

Directors-at-Large
Barry M. Berkowitz, CPA (PA)
Jason D. Peery, CPA (ID)
Steven M. Platau, CPA (FL)
Katrina Salazar, CPA (CA)
Michael Schmitz, CPA (ND)
Laurie A. Warwick, CPA (VA)
Gerald P. Weinstein, CPA (OH)

Regional Directors
Thuy Barron, CPA (WI), Great Lakes Regional Director
Timothy F. Egan, CPA (CT), Northeast Regional Director
Haley Lyons, CPA (OR), Pacific Regional Director
Melissa Ruff, CPA (NE), Central Regional Director
Wilhelmus Schaffers, CPA (AL), Southeast Regional Director
Jeannette P. Smith, CPA (TX), Southwest Regional Director – attended virtually
Robert Todero, CPA (DC), Middle Atlantic Regional Director
Dan Vuckovich, CPA (MT), Mountain Regional Director

Executive Directors' Liaison
Martin Pittioni, Executive Director Committee Chair, Oregon Board of Accountancy

Staff
Daniel J. Dustin, CPA, President, and Chief Executive Officer
Wendy S. Garvin, Executive Vice President

Troy A. Walker, CPA, Vice President, and Chief Financial Officer
William A. Emmer, Chief Operating Officer
John W. Johnson, Vice President – Legislative and Governmental Affairs
Tyler Nelson, Vice President – Public Relations
Kent A. Absec, Vice President – State Board Relations
Thomas Kenny, Chief Meetings and Events Officer

Approval of Minutes

Secretary Alison Houck Andrew presented the minutes for the January 23, 2026, meeting. No revisions were needed for the minutes. Ms. Houck Andrew moved that the January 23, 2026, minutes be approved as presented. Mr. Schaffers seconded, and the motion passed unanimously.

Report of the Chair

Chair Neilon welcomed all. She reported that the Executive Committee met the prior day and several topics which were discussed would be presented to the Board later in the afternoon. She reported that the Executive Committee met with the Relations with Member Boards Committee the prior day. Ms. Neilon announced the following NASBA external appointments which have taken place after the January board of directors meeting: Steven Smith (AL), was appointed to the AICPA Professional Ethics Executive Committee (PEEC); Tonya Moffitt (OR) was appointed to the AICPA Auding Standards Board (ASB); Ryan Whitman (NV), Paula Mann (CO), Nancy Corrigan (CA), and Jason Peery (ID) were appointed to the AICPA Board of Examiners (BOE) with Ms. Corrigan also named as the chair of the State Board Committee; Ann Cohen (NY) and Connie Shephard-Harris (AL) were appointed to the State Board Committee. Ms. Garvin informed the board that the deadline for committee interest forms will be open until May 1, 2026, and announced there will be a separate campaign to collect interest and specializations from potential volunteers beginning after May 1, 2026. Ms. Garvin explained this will help NASBA as it searches for individuals that have the necessary background for future internal and external appointments.

Ms. Neilon reviewed the North American Summit which NASBA and AICPA participated in with Mexico and Canada and was held in February. Ms. Neilon reported that emerging issues, strategic priorities, and member support initiatives were all discussed. She reported that both Canada and Mexico seem to be more advanced in the area of money laundering and fraud than here in the United States. There is a Financial Action Task Force that sets international standards to combat money laundering and other illegal activity. NASBA is looking at a potential presentation of their work at the annual meeting in October. Ms. Neilon also updated the board on recent talks with the AICPA which included discussions on the Uniform Accountancy Act (UAA), federal legislation and the updates to peer review for firms who operate under an alternative practice structure. Ms. Neilon also reported that a number of state CPA societies in the northeast will be formed into one regional society which will handle membership and offer continuous education, for example. The states that will be regionalized for the membership services, however, would still have an individual state presence for legislative and lobbying efforts.

Ms. Neilon reviewed the list of action items from the January board meeting and updated the board on the status of those items.

Ms. Neilon reported that she continues to be pleased with the level of engagement of committee members and the work being completed on NASBA initiatives.

Report of the Vice Chair

Vice Chair Baker provided an update on the status of submissions of committee interest from members. Mr. Baker reported that there were currently 116 submissions with a goal of 180. He reminded board members to submit their requests and asked for everyone to reach out to members to gain more participation. Mr. Dustin announced that there will be a shift in the committee application process beginning in 2027 in which outreach will begin around May 1st and close out after the regional meetings in order to provide additional information at said meetings to attendees about committee options.

Report of the President and CEO – Relevance and Relationships

President Dustin provided an organizational update on several internal NASBA activities which included the work of the organization's Community Reinvestment Committee. The committee was involved with Nashville's Watch Love Grow Widow Outreach, the Nashville Junior League and the Nashville Women's Conference. Mr. Dustin also announced that the final session of the Leadership Development Program took place in February. The program gave selected employees the opportunity to take leadership training to further their personal development. Mr. Dustin also introduced the "We Are NASBA" social media campaign which highlights NASBA employees who work behind the scenes and are instrumental in carrying out the mission of the organization.

Mr. Dustin discussed the North America Summit which took place in February that saw an updated Memorandum of Understanding (MOU) to the Mutual Recognition Agreement (MRA) with the United States, Canada and Mexico signed by the tri-parties. He also announced that an updated MRA was signed with the South African Institute of Chartered Accountants.

Concerning NASBA relevance, Mr. Dustin and Executive Vice-President Wendy Garvin reviewed the most recent NASBA/AICPA Summit that covered areas of the AICPA's Rise 2040 Project that examines what the profession may look like in the future and their current CPA Trust Campaign. Mr. Dustin also explained that further topics of discussion included the UAA, legislative activity on a state and federal level, the PEEC exposure draft, the UAA and the Joint CPE Task Force. Mr. Dustin also announced that AICPA staff will be traveling to NASBA in April to have further discussions on the UAA.

Ms. Garvin reported that Chief Operations Officer Bill Emmer attended a meeting of the APACPA which brings together review course providers. Ms. Garvin provide insight on the work of the Private Equity (PE) Task Force and felt that the presentation at the recent Executive Directors Conference provided a great learning opportunity for those in attendance. She also updated the board on a couple of matters that state boards have brought to NASBA's

attention. Among those matters are freelancing websites that have been found to have CPAs offer services such as audits for a very low rate and in some instances, the individual is not a CPA. NASBA drafted letters to the identified sites asking they provide some type of verification before they allow an individual or firm to market particular services. The second matter that Ms. Garvin brought to the attention of the board involves a start-up company that assists companies become compliant with SOC requirements and then refers them to another company for SOC2 audits. Information was released that the company is using AI to create templates for these audits and then they are referring these companies to select auditing firms. There are concerns about whether these audit firms are actually a registered firm with a state board and enrolled in a peer review program or are they certification mills that fail to meet the requirements to provide SOC2 audits.

Vice-President Kent Absec reported on state board outreach. Mr. Absec reported on the interactions he had with several jurisdictions including a visit with John Johnson to the Virgin Islands to help with legislative and regulation updates. Mr. Absec also presented a map showing his visits to state boards since August 1, 2025, as well as visits that are planned within the coming months which include in-person visits to North Dakota with Director At Large, Mike Schmitz, and a board visit to Indiana with Great Lakes Regional Director Thuy Barron in early May.

Vice-President John Johnson provided an update on legislative activity across the jurisdictions. Mr. Johnson reported that 51 jurisdictions have convened a legislative session with 22 having adjourned for the year and the remaining in session until July. Mr. Johnson also provided an update on the progress of mobility legislation being filed and/or signed and discussed a number of bills which can be categorized as being part of the deregulation movement. There were bills in Alabama and Mississippi that involved the consolidation of state agencies but while both passed the senate, they died in committee in their respective houses. There was discussion in Oklahoma about a bill that would have created a state licensure exam to be utilized instead of a national exam, but the discussion did not lead to a bill. Mr. Johnson is also continuing to monitor legislation in Connecticut that would impact how enforcement cases are handled by regulatory boards.

Sedrik Newbern, President of the Center for the Public Trust (CPT) and NASBA Ethics Officer presented a resolution to the board that added Tammy Velasquez, JD, to the CPT board of directors and named Delbert Madison as Secretary of the CPT board. Mr. Newbern also gave an update on aspects of the CPT which included the Ethical Leadership Certification program that has seen 4,288 enrollees as of March 31, 2026; the upcoming CPT Golf event in May; the current enrollment of 104 practitioners in the ethical leadership training; and reminded the board that the CPT Student Conference will take place in conjunction with the Western Regional Meeting in Park City, UT. Mr. Newbern stated that the goal is to have 60 students participate at the conference.

Report of the President and CEO – Operations

Chief Operating Officer Bill Emmer provided an update on operations within the organization and referred the board members to the operations dashboard which contained information on key performance indicators relating to the exam, licensing, and CPE Registry

application processing times. Mr. Emmer reviewed the processing times for exam applications for CPA Exam Services (CPAES) jurisdictions, NIES and the CPE Registry. Mr. Emmer also provided information on the activity of CPE Audit Services which included the addition of Louisiana, NASBot, and the new licensing system being developed for use by NASBA staff for certain CPAES jurisdictions, which continues to be on track for launch in August.

Mr. Emmer provided information on the CPA Exam. The annual fee letter was sent to member boards in mid-April. NASBA and AICPA kept their fee consistent for the upcoming year while Prometric had a 3% increase. Mr. Emmer also communicated to the board that first quarter results for the exam have been sent out and that volume in Q1 2026 was higher than Q1 2025. Mr. Emmer stated that FAR and BAR pass rates continue to be an area of focus and discussion with AICPA. Mr. Emmer reported, along with Ms. Salazar, that there will be a Board of Examiners (BOE) update in May in which executive directors will be invited to participate. He also stated that state boards will be updated on the exam during the June regional meetings. Mr. Emmer announced that the CPA Exam Candidate Performance Book is scheduled to be released in June and that a custom cohort university report which is outside the regular Candidate Performance Book, that had been unavailable since 2018 will be available once again. He also informed the board that there have now been over 40,000 downloads of NASBAs CPA mobile app.

President Dustin previewed the trending topics that will be discussed during the afternoon session which include the topics of NASBAs three-year technology strategy, the future of Aequo, and NASBA Affiliate Membership.

Chief Meetings and Events Officer Thomas Kenny discussed the upcoming Eastern and Western Regional Meetings and reminded the board members to register and make their reservations as soon as possible. Mr. Kenny also discussed the deviation from the normal scheduling for the board meeting in July.

Report of the Administration and Finance Committee

Treasurer J. Andy Bonner, Jr. began by reporting on the previous day's Administration and Finance Committee meeting. He also discussed the in-person Investment Committee meeting held two days prior. For both meetings, NASBA's investment advisor with Graystone Consulting was in attendance. The annual review of the Investment Policy Statement was conducted.

Vice President and Chief Financial Officer Troy A. Walker reported on the consolidated financial statements for the seven-month period ended February 28, 2026. Total revenue was $26.2 million and total expenses were $22.6 million. This resulted in an operating excess of $2.6 million which was $1.7 million better than budget. Mr. Walker also discussed the current Fiscal 2026 projection which includes $43.7 million in revenue, approximately $40.6 million in total expenses, and a $3.1 million operating excess. The Fiscal 2026 projected operating excess is $2.2 million better than budget. In both instances, lower expenses than budgeted were the primary driver of the better than budgeted operating excess. Mr. Walker reported that Member services spending continued an upward trend over the prior years. Mr. Walker also reviewed the year-to-date investment income. Through February 28, 2026,

investment income was $5.6 million. After a decline in the month of March 2026, investment income had rebounded month-to-date in April 2026. Finally, Mr. Walker reported on year-to-date capital expenditures. The largest of the software projects for Fiscal 2026 is the internal licensing system re-write. This project is expected to be completed by the end of the current fiscal year.

Mr. Bonner made a motion to approve the NASBA consolidated financial statements as presented and recommended by the Administration and Finance Committee for February 28, 2026. Mr. Berkowitz seconded, and the motion passed unanimously.

Mr. Walker then presented on the current purpose of the balance in the long-term fund. This purpose includes contractual requirements as a part of the computer-based testing contract with the other examination parties. The other primary purpose was for the funding of operations in the event there was sudden decrease in receipts. NASBA has developed many services the member Boards have come to rely. It is important that NASBA is prepared to continue these services during unusual circumstances. Mr. Walker stated that expenses for approximately twelve months could be funded from the remaining liquid portion of the long-term fund and cash intended for this purpose.

Report of the Strategic Planning Task Force

Chair Neilon provided a similar presentation to the board that she gave during the recent Executive Directors Conference. Ms. Neilon reviewed the steps of the Diagnostic which entail the areas of understanding, diagnosing, analyzing and reporting and gave a statistical overview from each of the four rooms that have been covered to date. Ms. Neilon stated task force members are classifying initiatives that are coming out of the room discussions as being major, minor or other. There are currently 155 initiatives that have been identified with more information on initiatives to be provided at the July board meeting. She also presented a timetable for what is to be prioritized and what can be expected from June to November. It is expected that a plan will be brought to the board of directors in October and when approved it will be submitted to membership for comment. The operationalization of the plan will then occur from December to February of 2027. Launch of the strategic plan will occur in March 2027 followed by ongoing stewardship and a campaign of the plan's manifestations.

Report of the Private Equity Task Force

Chair Vuckovich gave a report on the activity of the task force since January and that 16 state boards, 13 firms/individuals and nine state societies provided comments and that the task force is currently reviewing those comment letters. Mr. Vuckovich indicated that the task force is focused on the monitoring of firms, the role of peer review with firms related to an APS, and what can help state boards in the way of risk indicators, firm cooperation and basic oversight of these structures. The task force will also be following the developments that come out of the PEEC exposure draft. Mr. Vuckovich conveyed to the board that topics such as use of title, the definition of the practice of public accountancy, firm registration and disclosures will need to be discussed by the UAA Committee. An overriding message is that should the PEEC not address the concerns of state boards, what will need to be done to help assist them in their oversight of these types of ownership structures.

Report of the Education Committee

Chair Houck discussed the process by which the education grants are selected, how they were ranked by the requests and reported that $35,000 was allocated for grants this year with $15,000 earmarked for the CPE Task Force. Ms. Houck presented three proposed grants and made a motion to approve the grants as presented for consideration of the board. The motion was seconded by Mr. Schmitz. Upon discussion, the board felt that confirming that no private equity was involved in the second grant proposed and whether it would be appropriate to approve the third grant based on the involvement of a committee member. Mr. Schmitz then moved to recall his second of the motion to approve the grants. Mr. Weinstein seconded. Mr. Schmitz then made a motion to approve grant #1 as presented, grant #2 upon verification by NASBA staff that no private equity investment is involved with the grant, and to table the approval of grant #3 until further information can be gathered to determine the validity of the grant. Mr. Weinstein seconded and the motion passed unanimously.

Report of the CPE Committee

CPE Committee Chair, Laurie Warwick, read the charter of the Joint CPE Task Force. Key initiatives have been established including the purpose and governance of the task force. Various stakeholder groups have been identified such as boards of accountancy, the educational sector, state societies and others that may include government, providers and the public. Ms. Warwick explained that the work of the task force and the selected vendor, ICF, will be a data driven approach to come to a potential solution. She also provided the timeline for various aspects of the work to be completed which will entail initiating the project in May; an environmental review and utilization of focus group in June and July; data collection and initial analysis in August; with a more integrated analysis in September with the presentation of a framework in October.

Ms. Warwick also walked the board through the process of reviewing the comments from the recent exposure draft and the joint committee vote on March 31, 2026, to make changes to the current Joint Standards on Continuing Professional Education. Ms. Warwick highlighted three areas of change, which included self-assessments, terminology clean up in definitions within the Standards, and that engagement and reinforcement language were made throughout the proposal. The joint committee worked to make the Standards more principles based and clearer to the user. Ms. Warwick made a motion to approve the redline changes as recommended and to issue the Standards in final form subject to the approval of AICPA. Mr. Schaffers seconded, and the motion was unanimously approved.

Report of the Executive Directors Committee

Mr. Pittioni reported that this year's Executive Directors Conference was successful. He reported that he felt it had a very receptive climate and outcome and acknowledged the work on the Executive Directors Committee. He indicated that the committee is going to recommend Lisa Benefield (LA) to be the next chair of the committee pending official appointment by NASBAs Vice-Chair, Coalter Baker. Mr. Pittioni remarked that private equity is still the dominant issue with the executive director's community and also mentioned that changes to peer review are also being monitored by executive directors. Mr. Pittioni concluded

his remarks by thanking NASBA for all of their work on not just the conference but the collaboration that is happening between executive directors and NASBA. President Dustin thanked Mr. Pittioni for all of his work and accomplishments during his term as chair of the committee.

Report of the Committee on Relations with Member Boards

Ms. Ruff reported that the committee spent valuable time at their meeting on the prior day discussing the upcoming regional meetings in June. Ms. Ruff said the committee wants to keep the momentum from the successful Executive Directors Conference to continue and that the committee is discussing new ideas such as more interactive sessions and how to utilize ICF within the regional breakouts. She also informed the board that the New Board Member Orientation will have a new look this year as they are going to bring in a third party to facilitate the training. Mr. Ruff also highlighted the discussion the committee had around the nominations process and recruitment opportunities for both Nominating Committee members and new Regional Directors for those who have their terms expiring at the conclusion of the Annual Meeting in October.

United States, Canada and Mexico Mutual Recognition Agreement (MRA) Update

President Dustin led a discussion on the matter of ratification of the recently signed MOU to the MRA with Canada. CPA Canada gave the Provinces, Territories and Bermuda (PTBs) until March 31, 2026, to sign and ratify the new MOU. He reported that he has been informed that the PTBs were not going to ratify the MOU. Mr. Dustin explained that the board could exercise a 'for-cause termination' clause of the MOU to the MRA in which a 60-day notice of termination would be provided to CPA Canada and AICPA and subsequently enter into a new MOU to the MRA with the PTBs, NASBA and the AICPA. Mr. Bonner made a motion to provide a 60-day notice of termination to the MOU to the MRA and to enter into an MOU to the MRA with PTBs signing on behalf of Canada. Mr. Platau seconded and the motion passed unanimously.

Policy Discussions

President Dustin introduced Chief Information Officer, Brant Beard, who led an informational discussion on NASBAs three-year technology strategy. Mr. Beard emphasized that a business strategy should be enabled by technology and that technology needs to be modernized responsibly without disruption to improve the user experience with a vision in mind of having data that is sustainable. Mr. Beard stated that NASBAs approach will have a three-year wave-based roadmap or strategy with each wave delivering measurable business value and that modernization will be most effective when it is progressive. Over the three years, there will be five waves. The first wave will involve brand and development to modernize the experience; the second wave will look at data consolidation or connecting the data; wave three will be platform standardization and simplification; wave four will entail centralizing IT services with the final wave being a lifecycle event driven by AI to unlock analytics and AI. Mr. Beard stated this plan aligns with NASBA's mission.

Chief Operating Officer, Bill Emmer, led a discussion on the future of Aequo. Mr.

Emmer reaffirmed that NASBA is continuing to focus on providing and growing mission services which enhance the effectiveness and common interests of boards of accountancy. Mr. Emmer reported that NASBA is experiencing an increasing demand for mission services while at a time where revenue growth is expected to level off which creates a structural imbalance. He emphasized this could be done by amplifying products through a for-profit entity, Aequo. Mr. Emmer plans to prepare a detailed business plan for Aequo and have it ready by the July board of directors meeting and in time for funding in Fiscal 2027. Mr. Emmer also addressed questions such as what additional staffing may be required to expand Aequo and that giving more focus and attention to Aequo will not take away from what NASBA does for member boards. Mr. Emmer pointed out that a goal is to get to where income from Aequo could be used as a source of funding to further aid NASBA in its mission relating to state boards. As an example, Mr. Emmer noted that NASBA is looking at extending licensure related products to other professions such as a licensing system during Fiscal 2028.

President Dustin led a discussion on NASBA memberships and gave an overview of how organizations similar to NASBA approach affiliate memberships. Mr. Dustin stated that with the profession of accounting and the regulation of accounting and other professions being global, affiliate memberships would give NASBA the ability to generate relationships with regulators on a global level. Mr. Dustin asked the board if they would be in favor of recommending potential bylaw changes to the Bylaws Committee to add affiliate memberships. The Bylaws committee would then bring any recommended potential language back to the board for consideration at the July meeting. Mr. Dustin reported that should the board approve moving forward for adoption changes to the bylaws in July, there would be a 60-day notice and publication of the potential changes in preparation for a vote at the October business meeting. Mr. Dustin stressed that any potential language will need to be permissive and not prescriptive. The approval of any affiliate membership would take a majority vote of the board of directors to make a recommendation to adopt any bylaws changes, and a two/thirds vote of approval by member boards at the Annual Meeting. Mr. Dustin committed that staff will continue to research models used by other professions for these types of memberships.

New Business

Ms. Neilon announced that due to the current environment and speed of the regulatory profession that the cadence of board meetings would be changing in order to get more issues in front of the board. Ms. Neilon reported that the plan to move forward would be to expand the board of directors meeting from one full day to a day and a half to begin in July. She also announced that the Administration and Finance as well as the Relations with Member Boards committees would meet on the morning of the first day of meetings with the board of directors meeting in the afternoon followed by another day of the board of directors meeting. Also, in between the regularly scheduled in-person quarterly meetings there is now going to be an 'interim' two-hour virtual meeting of the board of directors. Ms. Neilon confirmed that no changes would need to be made to the bylaws to accommodate the changes.

Meeting Summary

Ms. Caldwell did a high-level recap of the items that were discussed during the meeting.

The items cited by Ms. Caldwell for follow up include Ms. Garvin to continue her outreach efforts for interest in external NASBA appointments; Mr. Emmer will host a webinar to boards and executive directors to discuss items related to the CPA Exam prior to the Board of Examiners (BOE) meeting later in the month; Mr. Walker will work on a financial statement disclosure for net assets to be included in NASBAs annual reports; Ms. Houck will work with NASBA staff to confirm no private equity investment is involved in grant proposal #2 and to also report to the board at its next meeting on grant proposal #3; Ms. Garvin, along with staff, will share information on the issue of the start-up company who is involved in SOC2 audits to executive directors; Brie Allen, NASBAs Chief Legal Counsel along with staff will work on potential bylaws changes relating to affiliate membership; and Mr. Dustin will have Melissa Brennan send out meeting surveys to see when board members are available for the two-hour virtual meetings for the remainder of the year.

Future Meetings

Chair Neilon reviewed the meeting dates and locations for the upcoming board meetings.

Adjournment

Chair Neilon made a motion to adjourn the meeting. Mr. Schaffers seconded the motion. The meeting adjourned at 4:20pm PST.

National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
June 17, 2026 –Virtual

Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Nicola Neilon at 10:01 a.m. CST on Wednesday, June 17, 2026.

Chair Neilon asked President and Chief Executive Officer Dan Dustin to report on the meeting's attendance.

Report of Attendance

President and CEO Dan Dustin reported the following were in attendance and a quorum present:

Officers
Nicola Neilon, CPA (NV), Chair
Maria E. Caldwell, CPA (FL), Past Chair
J. Andy Bonner, Jr., CPA (TN), Treasurer
Alison L. Houck Andrew, CPA (DE), Secretary

Directors-at-Large
Barry M. Berkowitz, CPA (PA)
Jason D. Peery, CPA (ID)
Steven M. Platau, CPA (FL)
Katrina Salazar, CPA (CA)
Michael Schmitz, CPA (ND)
Laurie A. Warwick, CPA (VA)
Gerald P. Weinstein, CPA (OH)

Regional Directors
Thuy Barron, CPA (WI), Great Lakes Regional Director
Timothy F. Egan, CPA (CT), Northeast Regional Director
Melissa Ruff, CPA (NE), Central Regional Director
Wilhelmus Schaffers, CPA (AL), Southeast Regional Director
Jeannette P. Smith, CPA (TX), Southwest Regional Director
Robert Todero, CPA (DC), Middle Atlantic Regional Director
Dan Vuckovich, CPA (MT), Mountain Regional Director

Board Members Absent
J. Coalter Baker, CPA (TX), Vice Chair

Haley Lyons, CPA (OR), Pacific Regional Director

Executive Directors' Liaison
Martin Pittioni, Executive Director Committee Chair, Oregon Board of Accountancy

Staff
Daniel J. Dustin, CPA, President, and Chief Executive Officer
Wendy S. Garvin, Executive Vice President
William A. Emmer, Chief Operating Officer
Brie Allen, Chief Legal Counsel
Tyler Nelson, Vice President – Public Relations
Kent A. Absec, Vice President – State Board Relations

Report of the Education Committee

Chair Houck reviewed two of the three grant proposals presented at the April Board meeting. The Board had approved the first proposal contingent upon verification of additional information before it was brought back for final consideration. The Board had tabled the second proposal until further clarification could be obtained regarding any conflicts of interest of individuals included in the proposal who were also on NASBA Committees. The proposal was resubmitted and the individual in question was removed from the proposal. Ms. Houck reported that the pending grant proposal, which focuses on private equity, did not involve the use of any private equity funding in the research, to the satisfaction of the board. In the matter of the tabled proposal, with the name removed on a resubmitted proposal summary and confirmation by Ms. Houck and Kyle Barrier that the individual would in fact not participate, Mr. Schmitz made a motion to approve the amended proposal. Mr. Berkowitz seconded, and the motion passed unanimously.

Affiliate Memberships

President Dustin led a discussion on the possibility of extending NASBA Affiliate Memberships to entities outside the 55 US jurisdictions. The discussion included an update on the Mutual Recognition Agreement (MRA) between the United States, Canada and Mexico.

Mr. Dustin reported that as approved by the board of directors at their April meeting, NASBA sent a letter exercising its ability to terminate the recently signed and updated Memorandum of Understanding (MOU) to the MRA due to the fact NASBA has been informed that the Provinces, Territories and Bermuda (PTBs) would not sign the current MOU as written. Mr. Dustin reported that NASBA has been negotiating with the PTBs and an MRA that deals directly with the PTBs and does not include CPA Canada is an agreeable option. Mr. Dustin also reported on the position of the AICPA and was directed by the board to personally reach out to the AICPA to explain NASBAs stance on the path forward. Mr. Dustin also explained that he and Ms. Neilon would address this matter with the state boards. He also mentioned to the board that the matters involving the Canadians did not terminate the

agreement with Mexico.

Mr. Dustin reviewed with the board the conversations which took place during the April meeting involving offering affiliate memberships to NASBA. Mr. Dustin presented a breakdown of other organizations, similar to NASBA, that offer full or affiliate memberships. He also showed the board how membership eligibility and termination could be proposed as well as considerations which would need to be made to NASBAs Bylaws. It was made clear that any language would be permissive and not prescriptive. Mr. Dustin addressed questions pertaining to NASBAs core service to the existing members and how this may impact the strategic planning currently underway. Mr. Dustin reported that a value that will be brought to the existing members is to have broader input in the global environment.

Mr. Schaffers made a motion that the board allow for drafting amendment to the bylaws to establish an affiliate membership category and a separate full membership category for international licensing and regulatory bodies. Mr. Bonner seconded, and the motion passed unanimously.

AEQUO

President Dustin and Chief Operating Officer, Bill Emmer, led a discussion regarding NASBA business opportunities under the AEQUO umbrella. The staff will continue to research these opportunities, but no official action was taken. Mr. Emmer stated that a detailed business plan which will include budgeting, risk management and the growth strategy of the organization will be presented to the board at their July regularly scheduled meeting.

Eastern Regional Meeting Recap

Chair Neilon did a high-level summary of the Eastern Regional Meeting, which was held in Rio Grande, PR. Ms. Neilon reported that the format was changed from past meetings in order to promote more discussion between the attendees on particular topics and the that the change has been well received by way of positive feedback.

New Business

There was no new business to be discussed.

Meeting Summary

Ms. Caldwell did a high-level recap of the items that were discussed during the meeting. She asked the board members to provide feedback to staff about the possibility of NASBA becoming a review course provider for the CPA Exam; NASBA will reach out on behalf of the Education Committee regarding the education grants and to move forward with an MOU for those finalized at today's meeting; Mr. Dustin will reach out to the AICPA regarding the MRA

with Canada and he will ask Mr. Nelson to provide communication to the member boards and the Bylaws Committee and NASBA Legal will provide potential language amendments regarding affiliate and full NASBA memberships for outside organizations with the goal of having the changes published for review and a vote at October's annual meeting.

Future Meetings

Chair Neilon reviewed the meeting dates and locations for the upcoming board meetings. The Western Regional will be held June 23rd – 25th in Park City, UT with the July NASBA BOD meeting in Lake Geneva, WI, July 21st – 22nd. She also reported that the September virtual BOD will feature discussion on the strategic plan.

Adjournment

Chair Neilon adjourned the meeting at 12:04 p.m. CST.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

July 21, 2026, and July 22, 2026 – Lake Geneva, WI

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Tuesday July 21, 2026, and July 22, 2026, in Lake Geneva, WI, the Board took the following actions:

- Unanimously approved the minutes of April 24, 2026, and June 17, 2026, Board of Directors meetings.

- Chair Nicola Neilon (NV) reported her activities for the quarter which included participating in an Executive Committee meeting , an update on committee planning and attending the regional meetings in June.

- Approved the Awards Committee's recommendations: Laurie Tish (WA) will be the recipient of the 2026 William H. Van Rensselaer Public Service Award; Sharon Jensen (ND) will be the recipient of the 2026 NASBA Distinguished Service Award; and Dave Sanford (GU) will be the recipient of the 2026 Lorraine P. Sachs Award for Executive Directors. The awards will be presented at the 2026 Annual Business Meeting in October.

- Chair Neilon gave a report on the Strategic Planning Task Force. Through the strategic planning process, there were 896 initiatives that were refined down to 160 items for consideration as Tier 1 initiatives by the task force.

- Chair Neilon provided an update on the status of the Vice Chair position and stated that if current Vice Chair, Coalter Baker (TX), were to submit his resignation that in accordance with the bylaws, Katrina Salazar (CA), who is the current Vice Chair-Elect, would be considered to ascend to the role of NASBA Chair at the Annual Meeting.

- President and CEO Daniel J. Dustin and Executive Vice President Wendy Garvin provided an organizational update. Mr. Dustin also discussed the successful regional meetings and highlighted the Student CPT Leadership Conference which was held in conjunction with the Western Regional.

- Ms. Garvin updated the board of directors on a communication sent to state boards regarding concerns brought to NASBA's attention involving certain SOC2 audits issued by foreign firms. Questions have been raised regarding the legitimacy of the reports and the firms involved.

- The board heard a presentation from Carol Wilding of CPA Ontario regarding the evolving Canadian regulatory framework and the status of the relationship between the provinces, territories and Bermuda (PTBs), and CPA Canada. It was reported that all of the PTBs, except CPA Quebec, have signed the new MRA with the U.S. and Mexico. CPA Quebec is expected to sign by the middle of August.

- Chief Operating Officer William Emmer and Chief Information Officer Brant Beard made a presentation on the organization's cybersecurity strategy. Mr. Emmer also gave a report on the CPA Examination and NASBA operations.

- Treasurer and Administration and Finance Committee Chair, J. Andy Bonner, Jr. (TN), and Vice President and Chief Financial Officer, Troy A. Walker, provided a report from the Administration and Finance Committee. Consolidated operating excess through May 31, 2026, was $3.5 million which is a $2.4 million positive variance to budget. Total revenue was $0.5 better than budget due primarily to higher CPA Examination candidate volume. Total expenses had a $1.9 million positive variance to budget. The operating excess is projected to be $3.3 million and investment income is projected to be $7.5 million for fiscal year 2026. The Board unanimously approved the May 31, 2026, NASBA consolidated financial statements as presented and recommended by the Administration and Finance Committee. The Board also unanimously approved the fiscal year 2027 consolidated operating and capital budgets as presented and recommended by the Administration and Financial Committee. The operating budget has a $0.2 million operating excess and $4.7 million investment income. In addition, the Board approved a change to the target asset mix table in the Investment Policy Statement as presented and recommended by the Administration and Finance Committee.

- CPE Committee Chair Laurie Warwick (VA) reported that the revisions to the Statement on Standards for Continuing Professional Education (CPE) Programs have received approval from both the NASBA and AICPA Board of Directors.

- The Board heard updates from the Private Equity Task Force, and various reports from the UAA, Audit, Education, and Exam Administration Committees.

- The Executive Committee responded to questions proffered by the Relations with Member Boards Committee regarding NASBA's working relationship with external organizations such as the AICPA; NASBA's thoughts on possible implementation of a program like the Puerto Rico Audit Stamping Program for member boards; and the concept of the creation of a "mini-ARPL" that would focus solely on attempts at deregulation concerning state boards of accountancy.

- Mr. Dustin and Chief Legal Counsel, Brie Allen, led a discussion on full and affiliated memberships for international regulatory entities, including proposed NASBA Bylaws changes.

- The board approved proposed NASBA Bylaws changes recommended by the NASBA Bylaws Committee. A copy of the proposed changes will be provided to the member boards and presented for a vote during NASBA's Annual Business Meeting in October

- Mr. Emmer and Chief Information Officer, Brant Beard, provided a business plan to the board on Aequo International and gave an overview on its future. Mr. Emmer emphasized the importance of developing a growth model for Aequo that would maintain a state board centered approach.

- Ms. Garvin provided a follow-up on the PEEC Exposure Draft highlighting some of the areas of concern that NASBA and state boards had with proposed language within the exposure draft. Ms. Garvin's report also included details of the outreach the AICPA did to NASBA to discuss these concerns.

The next meeting of the NASBA Board of Directors will be held in Litchfield Park, AZ, on October 22. 2026, and 23, 2026.

Distribution: State Board Chairs/Presidents, Members, Associate Members and Executive Directors, NASBA Board of Directors and Past Chairs, NASBA Staff Directors and Associate Directors.

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

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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~~Update

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NASBA Bylaws

(As Amended at the 2024 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 states, 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 Hereinafter the members of the Association shall be referred to as the "Member Boards." In a jurisdiction where there is more than one board, department or instrumentality as defined above, they collectively shall constitute a single Member Board under the provisions of these bylaws.

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 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, as well as between Member Boards within geographical areas, and to assist the Association in achieving its stated purpose, all of the states, territories and the District of Columbia 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 Meeting**s** 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 of Directors.

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, (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, 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 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 that Region pursuant to Section 7.1.4.

7.1.8 If a Region fails to elect a member or an alternate as provided in Sections 7.1.6 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) 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~~as~~ 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.

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. 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). 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 for 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. 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 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 ~~B~~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.