

Meeting Agenda
SOUTH DAKOTA BOARD OF ACCOUNTANCY

via [Microsoft Teams](#)

Meeting ID: 212 956 571 427 Passcode: ta6WE3cg

Or

Call +1-605-679-7263/ID: 860129946#

November 18, 2025, 9:00 a.m. (CST)

A=Action

D=Discussion

I=Information

A. Call to Order (roll call).....	Engelhart
B. A-Approval of Agenda.....	Engelhart
C. Welcome New Board Members.....	Engelhart
D. Public Comment.....	Oratory
E. A-Approval of Minutes of Meeting August 13, 2025.....	3-5
F. A-Approval of Minutes of Meeting September 30, 2025.....	6
G. A-Approval of Minutes Contested Case Hearing 117-25.....	7-8
H. A-Approval of Minutes Contested Case Hearing 123-25.....	9-10
I. A-Approval of Certificate & Firm Permits.....	11-12
J. A-Approval of Financial Statements through October 2025.....	13-42
K. A-Report to Board on 2 nd request for CPE extension.....	43-44
L. D-Executive Director's Report.....	45-48
M. 9:00 – Contested Case Hearing in Disciplinary Case #122-25.....	49-54
a. Executive Session pursuant to SDCL 1-25-2(3) during hearing	
N. 9:45 – Contested Case Hearing in Disciplinary Case #125-25.....	55-61
a. Executive Session pursuant to SDCL 1-25-2(3) during hearing	

NASBA

O. D-Board of Directors Meeting Minutes April 25, 2025.....	62-69
P. D-Board of Directors Meeting Minutes May 7, 2025.....	70-72
Q. D-Board of Directors Meeting Highlights July 25, 2025.....	73-74
R. D-NASBA Bylaws 2025 proposed revisions.....	75-91
S. D-Exposure Draft – Statement on Standards for CPE Programs.....	92-131
T. D-Private Equity Task Force White Paper.....	132-146

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

U. Equivalent Reviews, Follow-ups and Consent Agreement for Board
Approval.....

Spt. Pkt.

FUTURE MEETING DATES (all times CT)

V. Meeting Dates
TBD

W. Adjournment

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
ELO CPA's & Advisors, Sioux Falls and via Microsoft Teams
August 13, 2025 8:30 a.m. CDT

Chair Deidre Budahl called the meeting to order at 8:33 a.m. A quorum was present.

Members Present: Jay Tolsma, Russell Olson, Holly Engelhart, Priscilla Romkema, Jeff Strand, and Deidre Budahl.

Others Present: Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; and Jennifer Doubleddee, DLR Staff Attorney.

Chair Budahl asked if there were any additions to the agenda:
CPA Request for Reinstatement of Relinquished License
AUP Proposal for Executive Session

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

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

The regular meeting of the board was suspended at 8:33 a.m. for the contested case hearing for John Kippley, case no. 123-25. See minutes of administrative hearings for action taken.

The regular meeting of the Board was reconvened at 9:20 a.m.

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

DLR Staff Attorney Doubleddee reviewed the open meetings laws guide (revised 2025) from the SD Attorney General's office.

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

Olson made a motion to approve the June 11, 2025, meeting minutes. Strand seconded the motion. **MOTION PASSED.**

Budahl made a motion to approve the issuance of certificates and firm permits through August 5, 2025. Olson seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the financial statements through July 2025. Budahl seconded the motion. **MOTION PASSED.**

The Board discussed NASBA's annual meeting, which will be held October 26 – 29, 2025, in Chicago, IL.

Budahl made a motion to approve travel for two board members and the executive director to attend NASBA's annual meeting in Chicago, IL October 26-29, 2025. Romkema seconded the motion. **MOTION PASSED.**

Tolsma made a motion to ratify the CPA exam scores for the 85th window through June 2025. Strand

seconded the motion. **MOTION PASSED.**

The Board reviewed and discussed the FY27 proposed budget.

Budahl made a motion to approve the FY27 budget as presented. Strand seconded the motion. **MOTION PASSED.**

Executive Director Kasin discussed her report on annual renewals for individuals and firms, CPE extensions, the July newsletter, the Educator's Conference held August 6, 2025, NASBA/AICPA updates to Section 5 and 23 of UAA, and state's proposals on the pathways for licensure.

The Board took a break from 10:24 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, and Erik Gilbertson with the South Dakota CPA Society joined the meeting at 10:35 a.m. Clay Cudmore and Teresa Sveeggen joined via Teams at 10:35.

The Board and representatives from the SD CPA Society discussed Educators Conference, CPA Exam Evolution, 120 vs.150 semester hours for exam and licensure, 2026 statute changes, Society updates on their initiatives, and open board appointments.

Representatives from the SD CPA Society left the meeting at 11:55 a.m.

The Board took a break from 11:55 a.m. to 12:02 p.m.

The regular meeting of the Board was reconvened at 12:02 p.m.

The Board discussed the request from Paula Rokusek for reinstatement of her relinquished CPA license.

Budahl made a motion to approve the reinstatement of Paul Rokusek's license in an inactive status. Strand seconded the motion. **MOTION PASSED.**

Strand made a motion at 12:11 p.m. to enter executive session in accordance with SDRS 1-25-2 (3) and (6) for the deliberative process for peer reviews, consent agreement and the AUP proposal. Romkema seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 12:33 p.m.

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

Tolsma made a motion to accept the consent agreement as discussed in executive session. Budahl seconded the motion. **MOTION PASSED.** (Olson-abstained and Strand-abstained)

Strand made a motion to accept the AUP Proposal as discussed in executive session. Romkema seconded the motion. **MOTION PASSED.** (Olson-abstained)

FUTURE MEETING DATES (all times CT)

September 30, 2025 – 9:00 a.m. Teams

December 16, 2025 – 9:00 a.m. Teams

Strand made a motion to adjourn the meeting. Budahl seconded the motion. **MOTION PASSED.**

All business having come before the board was concluded and Chair Engelhart adjourned the meeting at 12:57 p.m.

DRAFT

Meeting Minutes
SOUTH DAKOTA BOARD OF ACCOUNTANCY
Meeting via Microsoft Teams
September 30, 2025 9:00 a.m. CDT

Chair Holly Engelhart called the meeting to order at 9:00 a.m. Roll call was taken. A quorum was present.

Members Present: Jay Tolsma, Russell Olson, Deidre Budahl, Priscilla Romkema, Jeff Strand, and Holly Engelhart.

Others Present: Nicole Kasin, Executive Director; Julie Iverson, Licensing Administrator; Jennifer Doubleddee, DLR Staff Attorney; Bob Mercer, Keloland News.

Chair Engelhart asked if there were any additions to the agenda:

Addition to certificates

Report to Board on second request for CPE extension

NASBA Bylaws 2025 Proposed Revisions

Budahl made a motion to approve the amended agenda with additions. Strand seconded the motion.

MOTION PASSED. (Romkema – excused)

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

Tolsma made a motion to approve the August 13, 2025, meeting minutes. Olson seconded the motion. **MOTION PASSED.** (Romkema – excused)

Olson made a motion to approve the contested case hearing 117-25 minutes. Tolsma seconded the motion. **MOTION PASSED.**

Budahl made a motion to approve the issuance of certificates and firm permits through September 25, 2025. Strand seconded the motion. **MOTION PASSED.**

Olson made a motion to approve the financial statements through August 2025. Tolsma seconded the motion. **MOTION PASSED.**

At 9:07 a.m. Executive Director Kasin requested a break.

The board was alerted to an issue with the meeting notice in which the primary direct hyperlink linked to a prior meeting, instead of the correct meeting.

FUTURE MEETING DATES (all times CT)

November 18, 2025 – 9:00 a.m. Teams

Strand made a motion to adjourn the meeting. Olson seconded the motion. **MOTION PASSED.**

Chair Engelhart adjourned the meeting at 9:33 a.m. and all items will be placed on the next meeting's agenda, including items already covered.

ADMINISTRATIVE HEARING MINUTES
SOUTH DAKOTA BOARD OF ACCOUNTANCY

Meeting Via Teams
June 11, 2025 9:30 a.m. CDT

The South Dakota Board of Accountancy convened at 9:30 a.m. on Wednesday, June 11, 2025, via Teams conference call.

The purpose of the contested case hearing was to hear the matter of Terry Torgerson, case no. 117-25.

Members of the Board in Attendance: Deidre Budahl (Chair), Jeff Strand, Priscilla Romkema, Holly Engelhart, Jay Tolsma, and Russell Olson.

Others in Attendance: Nicole Kasin-Executive Director, Julie Iverson-Licensing Administrator, Jennifer Doubleddee-DLR Staff Attorney, and Terry Torgerson.

Chair Budahl began the hearing in the matter of Terry Torgerson, license no. 1262, case file no. 117-25.

Chair Budahl deemed all board members present are part of the board for purposes of deciding this case.

Chair Budahl swore in witness Nicole Kasin and Terry Torgerson.

Staff Attorney Doubleddee waived making an opening statement on behalf of the Board office.

Terry Torgerson waived making an opening statement to the Board.

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

Staff Attorney Doubleddee moved to admit exhibit 102 to 104 into evidence. They were admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 101 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 105 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 106 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 107 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 108 into evidence. It was admitted and entered into evidence.

Staff Attorney Doubleddee moved to admit exhibit 109 into evidence. It was admitted and entered into evidence.

Terry Torgerson cross-examined Nicole Kasin.

Staff Attorney Doubleddee questioned Terry Torgerson.

Terry Torgerson presented his case to the Board. Staff Attorney Doubleddee cross-examined Terry Torgerson.

Staff Attorney Doubleddee made a closing statement and offered a proposed finding of fact, conclusions of law and decision for the Board to consider during their deliberations, which was received by Chair Budahl.

Terry Torgerson gave his closing statement.

The Board closed the record of the hearing at 9:59 a.m.

Strand made a motion at 10:00 a.m. to enter executive session for the purpose of deliberation. Olson seconded the motion. **MOTION PASSED.**

The Board came out of executive session at 10:22 a.m.

Budahl rendered the decision on Torgerson as follows:

1. Torgerson's CPA license is suspended for 90 days.
2. Torgerson needs to provide proof of continuing education in the amount of 7 CPE hours or provide support for the courses he reported from July 1, 2021 to June 30, 2024 within 30 days.
3. Torgerson's fine is waived.
4. Once reinstated, Torgerson is ineligible for any CPE extensions for three years.
5. Torgerson will pay the costs of the proceeding against him within 30 days of receiving notice.

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

The hearing concluded at 10:25 a.m.

**ADMINISTRATIVE HEARING MINUTES
SOUTH DAKOTA BOARD OF ACCOUNTANCY**

Meeting Via Teams
August 13, 2025 8:30 a.m. CDT

The South Dakota Board of Accountancy convened at 8:33 a.m. on Wednesday, August 13, 2025.

The purpose of the contested case hearing was to hear the matter of John Kippley, case no. 123-25.

Members of the Board in Attendance: Deidre Budahl (Chair), Jeff Strand, Priscilla Romkema, Holly Engelhart, and Jay Tolsma.

Members of the Board in Attendance Not Participating in This Case: Russell Olson

Others in Attendance: Nicole Kasin-Executive Director, Julie Iverson-Licensing Administrator, and Jennifer Doubleddee-DLR Staff Attorney.

Not in Attendance: John Kippley

Chair Budahl began the hearing in the matter of John Kippley, license no. 1361, case file no. 123-25.

Olson recused himself from participating as a board member for the hearing and deciding the matter.

Chair Budahl deemed all other board members present are part of the board for purposes of deciding this case. (Budahl, Strand, Romkema, Engelhart, Tolsma).

Strand made a motion to proceed with the hearing even though Mr. Kippley was not in attendance. Tolsma seconded the motion. **MOTION PASSED.** (Olson-abstained)

Chair Budahl swore in witness Nicole Kasin.

Staff Attorney Doubleddee waived making an opening statement on behalf of the Board office.

Board office offered pre-marked exhibits 101 to 107, all of which were received as marked and entered into evidence.

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

The Board questioned Nicole Kasin.

Staff Attorney Doubleddee made a closing statement.
The Board closed the record of the hearing at 9:02 a.m.

Tolsma made a motion at 9:03 a.m. for the board members deciding the case to enter executive session in accordance with SDRS 1-25-2 for the purpose of deliberation.
Strand seconded the motion. **MOTION PASSED.** (Olson-abstained)

The Board members deciding the case came out of executive session at 9:17 a.m.

Budahl rendered the decision on Kippley as follows:

1. Kippley's license is suspended from the date of the decision until he provides proof of 54 hours of continuing education to return to compliance.
2. The Board staff is authorized to allocate hours and grant extensions for CPE credit consistent with Board policy.
3. Once reinstated, Kippley will not be allowed any CPE extensions for the next three years.
4. Kippley will pay a \$1000 fine to the Board office within 30 days of this decision.
5. Kippley will pay the costs for the proceeding within 30 days of this decision.
6. Kippley will be publicly reprimanded.

Strand made a motion to adopt the decision as presented. Tolsma seconded the motion. **MOTION PASSED.** (Olson-abstained)

The hearing concluded at 9:19 a.m.

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through November 12, 2025

Number	Name	Date Issued	Location
3750	Tanner Jacob Broschat	8/19/25	Toms River, NJ
3751	Anthony Wayne Denlinger	8/21/25	Sioux Falls, SD
3752	Jacob Michael Jorgensen	8/21/25	Sioux Falls, SD
3753	Scott Henry Peterson	8/21/25	Canton, SD
3754	Pei-Yu Sun	8/25/25	Brookings, SD
3755	Amber Donna Waseen	8/25/25	Spearfish, SD
3756	Todd C. Winczewski (backdated)	7/31/25	Spearfish, SD
3757	Nathan Jack Schroeder	8/28/25	Sioux Falls, SD
3758	Clark Daniel Haugen	9/09/25	Boyden, IA
3759	Tyler Joseph Zenk	9/09/25	Sioux Falls, SD
3760	Jordan Joseph Belka	9/16/25	Sioux Falls, SD
3761	Brian Arthur Janecke	9/17/25	Rapid City, SD
3762	Matthew David Wagenaar	9/25/25	Sioux Falls, SD
3764	Eden Rose Weber	10/15/25	Sioux Falls, SD
3765	Courtney Joy Phelps	10/22/25	Lyons, SD
3766	Amanda Mae Johnson	10/29/25	Sioux Falls, SD
3767	Cole Mitchell Johnson	10/30/25	Sioux Falls, SD
3768	Autumn King McCarty	11/04/25	Sioux Falls, SD

**FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY
BOARD COPY**

**Issued Through
November 12, 2025**

Number	Name	Date Issued	Basis/Comments
1825	Brady Martz, LLC Sioux Falls, SD	08/14/25	New Firm
1826	Dave V. John, LLC Tamarac, FL	09/02/25	New Firm
1827	Atchley & Associates, LLP Austin, TX	09/16/25	New Firm
1828	Brittany Smith CPA, PLLC Emery, SD	10/30/25	New Firm

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 10/31/2025AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	494,422.32	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			494,422.32	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			494,422.32	DR **	
BUDGET UNIT TOTAL 1031			494,422.32	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 10/31/2025

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	CGEX250926	10/01/2025					3,614.31	DR	
6503	103100061802	51010100	CGEX251014	10/17/2025					4,221.50	DR	
6503	103100061802	51010100	CGEX251028	10/31/2025					3,632.02	DR	
OBJSUB:		5101010	F-T EMP SAL & WAGES							11,467.83	DR *
6503	103100061802	51010200	CGEX250926	10/01/2025					2,903.85	DR	
6503	103100061802	51010200	CGEX251014	10/17/2025					2,922.80	DR	
6503	103100061802	51010200	CGEX251028	10/31/2025					2,844.32	DR	
OBJSUB:		5101020	P-T/TEMP EMP SAL & WAGES							8,670.97	DR *
6503	103100061802	51010300	CGEX251014	10/17/2025					830.00	DR	
OBJSUB:		5101030	BOARD & COMM MBRS FEES							830.00	DR *
OBJECT:		5101	EMPLOYEE SALARIES							20,968.80	DR **
6503	103100061802	51020100	CGEX250926	10/01/2025					448.35	DR	
6503	103100061802	51020100	CGEX251014	10/17/2025					559.76	DR	
6503	103100061802	51020100	CGEX251028	10/31/2025					445.18	DR	
OBJSUB:		5102010	OASI-EMPLOYER'S SHARE							1,453.29	DR *
6503	103100061802	51020200	CGEX250926	10/01/2025					338.39	DR	
6503	103100061802	51020200	CGEX251014	10/17/2025					374.84	DR	
6503	103100061802	51020200	CGEX251028	10/31/2025					335.90	DR	
OBJSUB:		5102020	RETIREMENT-ER SHARE							1,049.13	DR *
6503	103100061802	51020600	CGEX250926	10/01/2025					1,069.80	DR	
6503	103100061802	51020600	CGEX251014	10/17/2025					1,156.08	DR	
6503	103100061802	51020600	CGEX251028	10/31/2025					1,072.34	DR	
OBJSUB:		5102060	HEALTH/LIFE INS.-ER SHARE							3,298.22	DR *
6503	103100061802	51020800	CGEX250926	10/01/2025					9.78	DR	
6503	103100061802	51020800	CGEX251014	10/17/2025					10.72	DR	
6503	103100061802	51020800	CGEX251028	10/31/2025					9.71	DR	
OBJSUB:		5102080	WORKER'S COMPENSATION							30.21	DR *
6503	103100061802	51020900	CGEX250926	10/01/2025					3.14	DR	
6503	103100061802	51020900	CGEX251014	10/17/2025					3.43	DR	
6503	103100061802	51020900	CGEX251028	10/31/2025					3.10	DR	
OBJSUB:		5102090	UNEMPLOYMENT COMPENSATION							9.67	DR *
OBJECT:		5102	EMPLOYEE BENEFITS							5,840.52	DR **
GROUP:		51	PERSONAL SERVICES							26,809.32	DR ***
6503	103100061802	52041800	DP609098	10/22/2025					961.05	DR	
OBJSUB:		5204180	COMPUTER SERVICES-STATE							961.05	DR *
6503	103100061802	52042000	PL609055	10/22/2025					93.30	DR	
6503	103100061802	52042000	PM609045	10/31/2025					7.49	DR	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 10/31/2025

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	52042000	PP609043	10/31/2025					6.07	DR
6503	103100061802	52042000	RM609049	10/10/2025					121.22	DR
	OBJSUB: 5204200	CENTRAL SERVICES							228.08	DR *
6503	103100061802	52042200	IN1307059	10/22/2025	02630109	ABBUSINESS	12036980		76.89	DR
	OBJSUB: 5204220	EQUIPMENT SERV & MAINT							76.89	DR *
6503	103100061802	52043300	E0163-041	10/08/2025					572.05	DR
	OBJSUB: 5204330	COMPUTER SOFTWARE LEASE							572.05	DR *
6503	103100061802	52045250	E106-050	10/08/2025					3,508.28	DR
6503	103100061802	52045250	E106-068	10/29/2025					2,895.16	DR
	OBJSUB: 5204525	REVENUE BOND LEASE PYMTS							6,403.44	DR *
6503	103100061802	52045300	E0163-070	10/29/2025					10.35	DR
6503	103100061802	52045300	TL609051	10/29/2025					123.00	DR
	OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS							133.35	DR *
6503	103100061802	52045400	5159417006 0725A	10/17/2025	02629404	XCELENERGY	12023853		32.09	DR
6503	103100061802	52045400	5159417006 0825	10/17/2025	02629404	XCELENERGY	12023853		32.38	DR
6503	103100061802	52045400	5159417006 0825A	10/17/2025	02629404	XCELENERGY	12023853		32.09	DR
6503	103100061802	52045400	5159417006 0925	10/17/2025	02629404	XCELENERGY	12023853		28.48	DR
	OBJSUB: 5204540	ELECTRICITY							125.04	DR *
6503	103100061802	52047400	CI106A-014	10/15/2025	412906				224.14	DR
	OBJSUB: 5204740	BANK FEES AND CHARGES							224.14	DR *
6503	103100061802	52049600	1312	10/08/2025	00990037	NATIONALAS	12005047		4,775.10	DR
	OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE							4,775.10	DR *
	OBJECT: 5204	CONTRACTUAL SERVICES							13,499.14	DR **
6503	103100061802	52074500	CIN130820	10/29/2025	02631695	INNOVATIVE	12550348		4,003.56	DR
	OBJSUB: 5207450	OFFICE FURN & FIXTURES							4,003.56	DR *
	OBJECT: 5207	CAPITAL OUTLAY							4,003.56	DR **
6503	103100061802	5228000	T106-024	10/17/2025					387.30	DR
	OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT							387.30	DR *
	OBJECT: 5228	NONOP EXP/NONBGTD OP TR							387.30	DR **
	GROUP: 52	OPERATING EXPENSES							17,890.00	DR ***
	COMP: 6503								44,699.32	DR ****
	CNTR: 103100061802								44,699.32	DR *****
	B. UNIT: 1031								44,699.32	DR *****

South Dakota Board of Accountancy

Balance Sheet

As of October 31, 2025

	Oct 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	396.35
1140000 · Pool Cash State of SD	494,422.32
Total Checking/Savings	494,818.67
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	515,172.31
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	515,172.31
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	525.60
Total Accounts Payable	525.60
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	54,764.79
Total Other Current Liabilities	71,493.03
Total Current Liabilities	72,018.63
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	117,687.93
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-166,798.74
Net Income	246,458.10
Total Equity	397,484.38
TOTAL LIABILITIES & EQUITY	515,172.31

11/04/25
Accrual Basis

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through October 2025

	Jul - Oct 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,700.00	3,400.00	-700.00	79.4%
4293551 · Certificate Renewals-Active	122,700.00	111,350.00	11,350.00	110.2%
4293552 · Certificate Renewals-Inactive	33,100.00	30,770.00	2,330.00	107.6%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	600.00	1,275.00	-675.00	47.1%
4293555 · Firm Permit Renewals	27,900.00	25,500.00	2,400.00	109.4%
4293557 · Initial Audit	200.00	700.00	-500.00	28.6%
4293558 · Re-Exam Audit	950.00	1,800.00	-850.00	52.8%
4293560 · Late Fees-Initial Certificate	600.00	0.00	600.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,500.00	3,000.00	500.00	116.7%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	500.00	500.00	200.0%
4293564 · Late Fees-Peer Review	925.00	1,300.00	-375.00	71.2%
4293566 · Firm Permit Owners	170,990.00	203,500.00	-32,510.00	84.0%
4293567 · Peer Review Admin Fee	1,200.00	5,500.00	-4,300.00	21.8%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	820.00	960.00	-140.00	85.4%
4293570 · Initial REG	240.00	540.00	-300.00	44.4%
4293571 · Initial BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	920.00	1,260.00	-340.00	73.0%
4293573 · Re-Exam REG	760.00	1,650.00	-890.00	46.1%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	40.00	150.00	-110.00	26.7%
4293576 · Initial ISC	0.00	150.00	-150.00	0.0%
4293577 · Initial TCP	40.00	150.00	-110.00	26.7%
4293578 · Re-Exam BAR	160.00	210.00	-50.00	76.2%
4293579 · Re-Exam ISC	40.00	210.00	-170.00	19.0%
4293580 · Re-Exam TCP	520.00	210.00	310.00	247.6%
4491000 · Interest and Dividend Revenue	16,633.11	0.00	16,633.11	100.0%
4896021 · Legal Recovery Cost	2,614.91	1,000.00	1,614.91	261.5%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	243.14			
Total Income	393,476.16	405,385.00	-11,908.84	97.1%
Gross Profit	393,476.16	405,385.00	-11,908.84	97.1%
Expense				
5101010 · F-T Emp Sal & Wages	34,816.55	103,778.00	-68,961.45	33.5%
5101020 · P-T/Temp Emp Sal & Wages	25,547.37	58,621.00	-33,073.63	43.6%
5101030 · Board & Comm Mbrs Fees	6,142.00	11,910.00	-5,768.00	51.6%
5102010 · OASI-Employer's Share	4,636.05	12,423.00	-7,786.95	37.3%
5102020 · Retirement-ER Share	3,165.32	9,744.00	-6,578.68	32.5%
5102060 · Health /Life Ins.-ER Share	9,953.07	33,447.00	-23,493.93	29.8%
5102080 · Worker's Compensation	90.59	227.00	-136.41	39.9%
5102090 · Unemployment Insurance	26.89	162.00	-135.11	16.6%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	400.00	-207.33	48.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	245.34	600.00	-354.66	40.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%

11/04/25
Accrual Basis

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through October 2025

	Jul - Oct 25	Budget	\$ Over Budget	% of Budget
5203140 · InState-Tax Meals-Not Overnight	14.00	100.00	-86.00	14.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	400.00	-240.00	40.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	156.78	200.00	-43.22	78.4%
5203260 · OS-Air Commercial Carrier	3,428.20	9,000.00	-5,571.80	38.1%
5203280 · OS-Other Public Carrier	348.36	700.00	-351.64	49.8%
5203300 · OS-Lodging	4,851.94	12,500.00	-7,648.06	38.8%
5203320 · OS-Incidentals to Travel	176.00	750.00	-574.00	23.5%
5203350 · OS-Non Taxable Meals-Overnight	588.00	1,350.00	-762.00	43.6%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	4,800.00	-4,800.00	0.0%
5204050 · Consultant Fees - Computer	6,711.16	32,000.00	-25,288.84	21.0%
5204160 · Workshop Registration Fees	2,550.00	9,500.00	-6,950.00	26.8%
5204180 · Computer Services-State	3,844.20	11,000.00	-7,155.80	34.9%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	2,679.12	13,000.00	-10,320.88	20.6%
5204220 · Equipment Service & Maintenance	23.52	0.00	23.52	100.0%
5204230 · Janitorial/Maintenance Services	600.00	600.00	0.00	100.0%
5204330 · Computer Software Lease	572.05	1,000.00	-427.95	57.2%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	276.00	6,000.00	-5,724.00	4.6%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	13,495.66	43,650.00	-30,154.34	30.9%
5204530 · Telecommunications Services	931.37	5,500.00	-4,568.63	16.9%
5204540 · Electricity	202.39	400.00	-197.61	50.6%
5204560 · Water	26.85	240.00	-213.15	11.2%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,500.00	-2,500.00	0.0%
5204740 · Bank Fees and Charges	7,706.05	8,650.00	-943.95	89.1%
5204960 · Other Contractual Services	3,535.25	0.00	3,535.25	100.0%
5205020 · Office Supplies	202.32	3,000.00	-2,797.68	6.7%
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	53.90	1,000.00	-946.10	5.4%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	168.59	2,000.00	-1,831.41	8.4%
5205540 · Finished Signs & Decals	0.00	500.00	-500.00	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	1,698.00	3,500.00	-1,802.00	48.5%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	2,642.40	11,000.00	-8,357.60	24.0%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	147,018.06	436,902.00	-289,883.94	33.7%
Net Ordinary Income	246,458.10	-31,517.00	277,975.10	-782.0%
Net Income	246,458.10	-31,517.00	277,975.10	-782.0%

11/04/25

Accrual Basis

South Dakota Board of Accountancy

PREVIOUS YEAR MONTHLY COMPARISON

October 2025

	Oct 25	Oct 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	200.00	350.00	-150.00	-42.9%
4293551 · Certificate Renewals-Active	100.00	50.00	50.00	100.0%
4293554 · Initial Firm Permits	0.00	50.00	-50.00	-100.0%
4293555 · Firm Permit Renewals	100.00	0.00	100.00	100.0%
4293558 · Re-Exam Audit	120.00	180.00	-60.00	-33.3%
4293560 · Late Fees-Initial Certificate	0.00	50.00	-50.00	-100.0%
4293561 · Late Fees-Certificate Renewals	100.00	50.00	50.00	100.0%
4293566 · Firm Permit Owners	75.00	325.00	-250.00	-76.9%
4293569 · Initial FAR	280.00	90.00	190.00	211.1%
4293570 · Initial REG	0.00	30.00	-30.00	-100.0%
4293572 · Re-Exam FAR	200.00	90.00	110.00	122.2%
4293575 · Initial BAR	40.00	30.00	10.00	33.3%
4293578 · Re-Exam BAR	40.00	0.00	40.00	100.0%
4293579 · Re-Exam ISC	0.00	30.00	-30.00	-100.0%
4293580 · Re-Exam TCP	160.00	0.00	160.00	100.0%
4491000 · Interest and Dividend Revenue	0.12	0.07	0.05	71.4%
4950000 · Prior Period Refund Account	-224.00	0.00	-224.00	-100.0%
Total Income	1,191.12	1,325.07	-133.95	-10.1%
Gross Profit	1,191.12	1,325.07	-133.95	-10.1%
Expense				
5101010 · F-T Emp Sal & Wages	11,467.83	6,813.52	4,654.31	68.3%
5101020 · P-T/Temp Emp Sal & Wages	8,670.97	5,079.04	3,591.93	70.7%
5101030 · Board & Comm Mbrs Fees	830.00	996.00	-166.00	-16.7%
5102010 · OASI-Employer's Share	1,453.29	895.17	558.12	62.4%
5102020 · Retirement-ER Share	1,049.13	640.30	408.83	63.9%
5102060 · Health /Life Ins.-ER Share	3,298.22	2,003.64	1,294.58	64.6%
5102080 · Worker's Compensation	30.21	20.16	10.05	49.9%
5102090 · Unemployment Insurance	9.67	1.88	7.79	414.4%
5203020 · In State-Auto-Priv. Low Miles	0.00	38.05	-38.05	-100.0%
5204050 · Consultant Fees - Computer	0.00	6,522.02	-6,522.02	-100.0%
5204180 · Computer Services-State	0.00	973.80	-973.80	-100.0%
5204200 · Central Services	228.08	214.56	13.52	6.3%
5204220 · Equipment Service & Maintenance	7.89	4.72	3.17	67.2%
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%
5204521 · Revenue Bond Lease Payment	2,895.16	1,470.00	1,425.16	97.0%
5204530 · Telecommunications Services	234.65	380.96	-146.31	-38.4%
5204540 · Electricity	0.00	45.54	-45.54	-100.0%
5204560 · Water	0.00	25.35	-25.35	-100.0%
5204740 · Bank Fees and Charges	224.14	85.06	139.08	163.5%
5204960 · Other Contractual Services	3,146.00	0.00	3,146.00	100.0%
5205020 · Office Supplies	0.00	100.73	-100.73	-100.0%
5205320 · Printing/Duplicating/Binding Co	0.00	42.35	-42.35	-100.0%
5205350 · Postage	43.37	0.00	43.37	100.0%
5207451 · Office Furniture & Fixtures	857.56	0.00	857.56	100.0%
5228000 · Operating Transfers Out-NonBudg	2,642.40	1,619.18	1,023.22	63.2%
Total Expense	37,157.57	28,813.08	8,344.49	29.0%
Net Ordinary Income	-35,966.45	-27,488.01	-8,478.44	-30.8%
Net Income	-35,966.45	-27,488.01	-8,478.44	-30.8%

11/04/25

Accrual Basis

South Dakota Board of Accountancy

PREVIOUS YEAR TO DATE MONTHLY COMPARISON

July through October 2025

	Jul - Oct 25	Jul - Oct 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,700.00	800.00	1,900.00	237.5%
4293551 · Certificate Renewals-Active	122,700.00	67,300.00	55,400.00	82.3%
4293552 · Certificate Renewals-Inactive	33,100.00	18,450.00	14,650.00	79.4%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	600.00	250.00	350.00	140.0%
4293555 · Firm Permit Renewals	27,900.00	15,150.00	12,750.00	84.2%
4293557 · Initial Audit	200.00	120.00	80.00	66.7%
4293558 · Re-Exam Audit	950.00	420.00	530.00	126.2%
4293560 · Late Fees-Initial Certificate	600.00	150.00	450.00	300.0%
4293561 · Late Fees-Certificate Renewals	3,500.00	1,650.00	1,850.00	112.1%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	50.00	950.00	1,900.0%
4293564 · Late Fees-Peer Review	925.00	250.00	675.00	270.0%
4293566 · Firm Permit Owners	170,990.00	135,015.00	35,975.00	26.7%
4293567 · Peer Review Admin Fee	1,200.00	300.00	900.00	300.0%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	-100.0%
4293569 · Initial FAR	820.00	390.00	430.00	110.3%
4293570 · Initial REG	240.00	90.00	150.00	166.7%
4293572 · Re-Exam FAR	920.00	540.00	380.00	70.4%
4293573 · Re-Exam REG	760.00	480.00	280.00	58.3%
4293575 · Initial BAR	40.00	90.00	-50.00	-55.6%
4293577 · Initial TCP	40.00	0.00	40.00	100.0%
4293578 · Re-Exam BAR	160.00	180.00	-20.00	-11.1%
4293579 · Re-Exam ISC	40.00	90.00	-50.00	-55.6%
4293580 · Re-Exam TCP	520.00	270.00	250.00	92.6%
4491000 · Interest and Dividend Revenue	16,633.11	18,135.36	-1,502.25	-8.3%
4896021 · Legal Recovery Cost	2,614.91	0.00	2,614.91	100.0%
4950000 · Prior Period Refund Account	243.14	0.00	243.14	100.0%
Total Income	393,476.16	262,220.36	131,255.80	50.1%
Gross Profit	393,476.16	262,220.36	131,255.80	50.1%
Expense				
5101010 · F-T Emp Sal & Wages	34,816.55	27,170.40	7,646.15	28.1%
5101020 · P-T/Temp Emp Sal & Wages	25,547.37	20,739.63	4,807.74	23.2%
5101030 · Board & Comm Mbrs Fees	6,142.00	5,976.00	166.00	2.8%
5102010 · OASI-Employer's Share	4,636.05	3,762.57	873.48	23.2%
5102020 · Retirement-ER Share	3,165.32	2,553.88	611.44	23.9%
5102060 · Health /Life Ins.-ER Share	9,953.07	8,002.45	1,950.62	24.4%
5102080 · Worker's Compensation	90.59	81.40	9.19	11.3%
5102090 · Unemployment Insurance	26.89	7.62	19.27	252.9%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	170.21	22.46	13.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,607.37	-247.27	-15.4%
5203100 · In State-Lodging	245.34	467.14	-221.80	-47.5%
5203140 · InState-Tax Meals-Not Overnight	14.00	42.00	-28.00	-66.7%
5203150 · InState-Non Tax Meals-Overnight	160.00	174.00	-14.00	-8.1%
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	156.78	1,399.24	-1,242.46	-88.8%
5203260 · OS-Air Commercial Carrier	3,428.20	0.00	3,428.20	100.0%
5203280 · OS-Other Public Carrier	348.36	0.00	348.36	100.0%

11/04/25

Accrual Basis

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

	<u>Jul - Oct 25</u>	<u>Jul - Oct 24</u>	<u>\$ Change</u>	<u>% Change</u>
5203300 · OS-Lodging	4,851.94	3,940.38	911.56	23.1%
5203320 · OS-Incidentals to Travel	176.00	300.00	-124.00	-41.3%
5203350 · OS-Non Taxable Meals-Overnight	588.00	408.00	180.00	44.1%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	6,711.16	13,044.04	-6,332.88	-48.6%
5204160 · Workshop Registration Fees	2,550.00	2,550.00	0.00	0.0%
5204180 · Computer Services-State	3,844.20	4,869.00	-1,024.80	-21.1%
5204200 · Central Services	2,679.12	2,625.48	53.64	2.0%
5204220 · Equipment Service & Maintenance	23.52	19.11	4.41	23.1%
5204230 · Janitorial/Maintenance Services	600.00	800.00	-200.00	-25.0%
5204330 · Computer Software Lease	572.05	572.05	0.00	0.0%
5204460 · Equipment Rental	276.00	948.36	-672.36	-70.9%
5204521 · Revenue Bond Lease Payment	13,495.66	5,701.50	7,794.16	136.7%
5204530 · Telecommunications Services	931.37	970.10	-38.73	-4.0%
5204540 · Electricity	202.39	211.55	-9.16	-4.3%
5204560 · Water	26.85	76.05	-49.20	-64.7%
5204740 · Bank Fees and Charges	7,706.05	5,218.13	2,487.92	47.7%
5204960 · Other Contractual Services	3,535.25	0.00	3,535.25	100.0%
5205020 · Office Supplies	202.32	225.72	-23.40	-10.4%
5205320 · Printing/Duplicating/Binding Co	53.90	84.70	-30.80	-36.4%
5205350 · Postage	168.59	0.00	168.59	100.0%
5207451 · Office Furniture & Fixtures	1,698.00	0.00	1,698.00	100.0%
5228000 · Operating Transfers Out-NonBudg	2,642.40	2,540.37	102.03	4.0%
Total Expense	<u>147,018.06</u>	<u>120,566.53</u>	<u>26,451.53</u>	<u>21.9%</u>
Net Ordinary Income	<u>246,458.10</u>	<u>141,653.83</u>	<u>104,804.27</u>	<u>74.0%</u>
Net Income	<u>246,458.10</u>	<u>141,653.83</u>	<u>104,804.27</u>	<u>74.0%</u>

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 09/30/2025AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	528,561.40	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			528,561.40	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			528,561.40	DR **	
BUDGET UNIT TOTAL 1031			528,561.40	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 09/30/2025

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	CGEX250911	09/17/2025					3,818.28	DR
		OBJSUB: 5101010	F-T EMP SAL & WAGES						3,818.28	DR *
6503	103100061802	51010200	CGEX250911	09/17/2025					2,711.37	DR
		OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES						2,711.37	DR *
		OBJECT: 5101	EMPLOYEE SALARIES						6,529.65	DR **
6503	103100061802	51020100	CGEX250904	09/05/2025	145991				1.08	DR
6503	103100061802	51020100	CGEX250911	09/17/2025					449.24	DR
		OBJSUB: 5102010	OASI-EMPLOYER'S SHARE						450.32	DR *
6503	103100061802	51020200	CGEX250911	09/17/2025					346.27	DR
		OBJSUB: 5102020	RETIREMENT-ER SHARE						346.27	DR *
6503	103100061802	51020600	CGEX250911	09/17/2025					1,098.79	DR
		OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE						1,098.79	DR *
6503	103100061802	51020800	CGEX250911	09/17/2025					9.80	DR
		OBJSUB: 5102080	WORKER'S COMPENSATION						9.80	DR *
6503	103100061802	51020900	CGEX250911	09/17/2025					3.13	DR
		OBJSUB: 5102090	UNEMPLOYMENT COMPENSATION						3.13	DR *
		OBJECT: 5102	EMPLOYEE BENEFITS						1,908.31	DR **
		GROUP: 51	PERSONAL SERVICES						8,437.96	DR ***
6503	103100061802	52030200	CGEX250904	09/05/2025	145986				192.67	DR
		OBJSUB: 5203020	AUTO PRIV (IN-ST.) L/RTE						192.67	DR *
6503	103100061802	52030300	CGEX250904	09/05/2025	145981				523.94	DR
6503	103100061802	52030300	CGEX250904	09/05/2025	145985				464.98	DR
6503	103100061802	52030300	CGEX250904	09/05/2025	145990				273.36	DR
6503	103100061802	52030300	CGEX250904	09/05/2025	145991				97.82	DR
		OBJSUB: 5203030	AUTO-PRIV (IN-ST.) H/RTE						1,360.10	DR *
6503	103100061802	52031000	CGEX250904	09/05/2025	145981				122.67	DR
6503	103100061802	52031000	CGEX250904	09/05/2025	145985				122.67	DR
		OBJSUB: 5203100	LODGING/IN-STATE						245.34	DR *
6503	103100061802	52031400	CGEX250904	09/05/2025	145991				14.00	DR
		OBJSUB: 5203140	TAXABLE MEALS/IN-STATE						14.00	DR *
6503	103100061802	52031500	CGEX250904	09/05/2025	145981				40.00	DR
6503	103100061802	52031500	CGEX250904	09/05/2025	145986				40.00	DR
6503	103100061802	52031500	CGEX250904	09/05/2025	145990				40.00	DR
6503	103100061802	52031500	CGEX250904	09/05/2025	145985				40.00	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 09/30/2025

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: 5203150	NON-TAXABLE MEALS/IN-ST						160.00	DR *
		OBJECT: 5203	TRAVEL						1,972.11	DR **
6503	103100061802	52040200	2026 MEMBERSHIP	09/19/2025	00987776	NATIONALAS	12005047		3,200.00	DR
		OBJSUB: 5204020	DUES & MEMBERSHIP FEES						3,200.00	DR *
6503	103100061802	52041600	0006260	09/19/2025	00987776	NATIONALAS	12005047		2,550.00	DR
		OBJSUB: 5204160	WORKSHOP REGISTRATION FEE						2,550.00	DR *
6503	103100061802	52041800	DP608098	09/24/2025					961.05	DR
		OBJSUB: 5204180	COMPUTER SERVICES-STATE						961.05	DR *
6503	103100061802	52042000	PL608060	09/24/2025					435.04	DR
		OBJSUB: 5204200	CENTRAL SERVICES						435.04	DR *
6503	103100061802	52042200	IN1298396	10/01/2025	02626622	ABBUSINESS	12036980		73.27	DR
		OBJSUB: 5204220	EQUIPMENT SERV & MAINT						73.27	DR *
6503	103100061802	52042300	25I003 AUG&SEP25	09/05/2025	127014	SUNSETOFFI	12627537		200.00	DR
		OBJSUB: 5204230	JANITORIAL & MAINT SERV						200.00	DR *
6503	103100061802	52045250	E106-019	09/05/2025					4,121.40	DR
6503	103100061802	52045250	E106-055	10/01/2025					30.82	DR
		OBJSUB: 5204525	REVENUE BOND LEASE PYMTS						4,152.22	DR *
6503	103100061802	52045300	TL608051	10/01/2025					123.00	DR
6503	103100061802	52045300	8381416X08242025	09/03/2025	00084120	ATTMOBILIT	12279233		105.22	DR
6503	103100061802	52045300	8381416X09242025	10/01/2025	00084923	ATTMOBILIT	12279233		101.30	DR
		OBJSUB: 5204530	TELECOMMUNICATIONS SRVCS						329.52	DR *
6503	103100061802	52047400	CI106A-010	09/10/2025	410036				697.11	DR
		OBJSUB: 5204740	BANK FEES AND CHARGES						697.11	DR *
6503	103100061802	52049600	N296-023	09/26/2025					389.25	DR
6503	103100061802	52049600	1298	09/12/2025	00986574	NATIONALAS	12005047		8,788.00	DR
		OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE						9,177.25	DR *
		OBJECT: 5204	CONTRACTUAL SERVICES						21,775.46	DR **
6503	103100061802	52050200	E106-041	09/17/2025					100.55	DR
6503	103100061802	52050200	1PWR-RLPL-QPVY	09/19/2025	00988168	AMAZONCAPI	12603089		653.56	DR
6503	103100061802	52050200	14T3-9RLX-NLK7	09/17/2025	00987589	AMAZONCAPI	12603089		186.88	DR
		OBJSUB: 5205020	OFFICE SUPPLIES						940.99	DR *
		OBJECT: 5205	SUPPLIES & MATERIALS						940.99	DR **
6503	103100061802	5228000	T106-013	10/03/2025					986.15	DR
6503	103100061802	5228000	T106-014	10/03/2025					1,268.95	DR
		OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT						2,255.10	DR *
		OBJECT: 5228	NONOP EXP/NONBGTD OP TR						2,255.10	DR **
		GROUP: 52	OPERATING EXPENSES						26,943.66	DR ***

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STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 09/30/2025

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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
COMP:	6503								35,381.62	DR ****
CNTR:	103100061802								35,381.62	DR *****
B. UNIT:	1031								35,381.62	DR *****

South Dakota Board of Accountancy

Balance Sheet

As of September 30, 2025

	Sep 30, 25
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	4,363.07
1140000 · Pool Cash State of SD	528,561.40
Total Checking/Savings	532,924.47
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	553,278.11
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	553,278.11
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	8,241.92
Total Accounts Payable	8,241.92
Other Current Liabilities	
2430000 · Accrued Wages Payable	16,728.24
2810000 · Amounts Held for Others	49,187.82
Total Other Current Liabilities	65,916.06
Total Current Liabilities	74,157.98
Long Term Liabilities	
2960000 · Compensated Absences Payable	45,669.30
Total Long Term Liabilities	45,669.30
Total Liabilities	119,827.28
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-166,798.74
Net Income	282,424.55
Total Equity	433,450.83
TOTAL LIABILITIES & EQUITY	553,278.11

11/04/25
Accrual Basis

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through September 2025

	Jul - Sep 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,500.00	3,400.00	-900.00	73.5%
4293551 · Certificate Renewals-Active	122,600.00	111,350.00	11,250.00	110.1%
4293552 · Certificate Renewals-Inactive	33,100.00	30,770.00	2,330.00	107.6%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	600.00	1,275.00	-675.00	47.1%
4293555 · Firm Permit Renewals	27,800.00	25,500.00	2,300.00	109.0%
4293557 · Initial Audit	200.00	700.00	-500.00	28.6%
4293558 · Re-Exam Audit	830.00	1,800.00	-970.00	46.1%
4293560 · Late Fees-Initial Certificate	600.00	0.00	600.00	100.0%
4293561 · Late Fees-Certificate Renewals	3,400.00	3,000.00	400.00	113.3%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	500.00	500.00	200.0%
4293564 · Late Fees-Peer Review	925.00	1,300.00	-375.00	71.2%
4293566 · Firm Permit Owners	170,915.00	203,500.00	-32,585.00	84.0%
4293567 · Peer Review Admin Fee	1,200.00	5,500.00	-4,300.00	21.8%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	540.00	960.00	-420.00	56.3%
4293570 · Initial REG	240.00	540.00	-300.00	44.4%
4293571 · Initial BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	720.00	1,260.00	-540.00	57.1%
4293573 · Re-Exam REG	760.00	1,650.00	-890.00	46.1%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	0.00	150.00	-150.00	0.0%
4293576 · Initial ISC	0.00	150.00	-150.00	0.0%
4293577 · Initial TCP	40.00	150.00	-110.00	26.7%
4293578 · Re-Exam BAR	120.00	210.00	-90.00	57.1%
4293579 · Re-Exam ISC	40.00	210.00	-170.00	19.0%
4293580 · Re-Exam TCP	360.00	210.00	150.00	171.4%
4491000 · Interest and Dividend Revenue	16,632.99	0.00	16,632.99	100.0%
4896021 · Legal Recovery Cost	2,614.91	1,000.00	1,614.91	261.5%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
4950000 · Prior Period Refund Account	467.14			
Total Income	392,285.04	405,385.00	-13,099.96	96.8%
Gross Profit	392,285.04	405,385.00	-13,099.96	96.8%
Expense				
5101010 · F-T Emp Sal & Wages	23,348.72	103,778.00	-80,429.28	22.5%
5101020 · P-T/Temp Emp Sal & Wages	16,876.40	58,621.00	-41,744.60	28.8%
5101030 · Board & Comm Mbrs Fees	5,312.00	11,910.00	-6,598.00	44.6%
5102010 · OASI-Employer's Share	3,182.76	12,423.00	-9,240.24	25.6%
5102020 · Retirement-ER Share	2,116.19	9,744.00	-7,627.81	21.7%
5102060 · Health /Life Ins.-ER Share	6,654.85	33,447.00	-26,792.15	19.9%
5102080 · Worker's Compensation	60.38	227.00	-166.62	26.6%
5102090 · Unemployment Insurance	17.22	162.00	-144.78	10.6%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	400.00	-207.33	48.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	245.34	600.00	-354.66	40.9%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%

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Accrual Basis

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through September 2025

	Jul - Sep 25	Budget	\$ Over Budget	% of Budget
5203140 · InState-Tax Meals-Not Overnight	14.00	100.00	-86.00	14.0%
5203150 · InState-Non Tax Meals-Overnight	160.00	400.00	-240.00	40.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	156.78	200.00	-43.22	78.4%
5203260 · OS-Air Commercial Carrier	3,428.20	9,000.00	-5,571.80	38.1%
5203280 · OS-Other Public Carrier	348.36	700.00	-351.64	49.8%
5203300 · OS-Lodging	4,851.94	12,500.00	-7,648.06	38.8%
5203320 · OS-Incidentals to Travel	176.00	750.00	-574.00	23.5%
5203350 · OS-Non Taxable Meals-Overnight	588.00	1,350.00	-762.00	43.6%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	4,800.00	-4,800.00	0.0%
5204050 · Consultant Fees - Computer	6,711.16	32,000.00	-25,288.84	21.0%
5204160 · Workshop Registration Fees	2,550.00	9,500.00	-6,950.00	26.8%
5204180 · Computer Services-State	3,844.20	11,000.00	-7,155.80	34.9%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	2,451.04	13,000.00	-10,548.96	18.9%
5204220 · Equipment Service & Maintenance	15.63	0.00	15.63	100.0%
5204230 · Janitorial/Maintenance Services	600.00	600.00	0.00	100.0%
5204330 · Computer Software Lease	572.05	1,000.00	-427.95	57.2%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204460 · Equipment Rental	207.00	6,000.00	-5,793.00	3.5%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	10,600.50	43,650.00	-33,049.50	24.3%
5204530 · Telecommunications Services	696.72	5,500.00	-4,803.28	12.7%
5204540 · Electricity	202.39	400.00	-197.61	50.6%
5204560 · Water	26.85	240.00	-213.15	11.2%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,500.00	-2,500.00	0.0%
5204740 · Bank Fees and Charges	7,481.91	8,650.00	-1,168.09	86.5%
5204960 · Other Contractual Services	389.25	0.00	389.25	100.0%
5205020 · Office Supplies	202.32	3,000.00	-2,797.68	6.7%
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	53.90	1,000.00	-946.10	5.4%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	125.22	2,000.00	-1,874.78	6.3%
5205540 · Finished Signs & Decals	0.00	500.00	-500.00	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	840.44	3,500.00	-2,659.56	24.0%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	0.00	11,000.00	-11,000.00	0.0%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	109,860.49	436,902.00	-327,041.51	25.1%
Net Ordinary Income	282,424.55	-31,517.00	313,941.55	-896.1%
Net Income	282,424.55	-31,517.00	313,941.55	-896.1%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
September 2025

	Sep 25	Sep 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	900.00	150.00	750.00	500.0%
4293551 · Certificate Renewals-Active	700.00	50.00	650.00	1,300.0%
4293552 · Certificate Renewals-Inactive	300.00	50.00	250.00	500.0%
4293554 · Initial Firm Permits	200.00	100.00	100.00	100.0%
4293555 · Firm Permit Renewals	500.00	50.00	450.00	900.0%
4293557 · Initial Audit	120.00	60.00	60.00	100.0%
4293558 · Re-Exam Audit	360.00	60.00	300.00	500.0%
4293560 · Late Fees-Initial Certificate	200.00	50.00	150.00	300.0%
4293561 · Late Fees-Certificate Renewals	900.00	150.00	750.00	500.0%
4293563 · Late Fees-Firm Permit Renewals	400.00	0.00	400.00	100.0%
4293564 · Late Fees-Peer Review	75.00	0.00	75.00	100.0%
4293566 · Firm Permit Owners	3,665.00	2,715.00	950.00	35.0%
4293567 · Peer Review Admin Fee	125.00	0.00	125.00	100.0%
4293569 · Initial FAR	240.00	150.00	90.00	60.0%
4293570 · Initial REG	200.00	60.00	140.00	233.3%
4293572 · Re-Exam FAR	240.00	90.00	150.00	166.7%
4293573 · Re-Exam REG	240.00	30.00	210.00	700.0%
4293575 · Initial BAR	0.00	60.00	-60.00	-100.0%
4293577 · Initial TCP	40.00	0.00	40.00	100.0%
4293578 · Re-Exam BAR	80.00	90.00	-10.00	-11.1%
4293579 · Re-Exam ISC	40.00	30.00	10.00	33.3%
4293580 · Re-Exam TCP	200.00	150.00	50.00	33.3%
4491000 · Interest and Dividend Revenue	0.23	0.14	0.09	64.3%
4896021 · Legal Recovery Cost	1,287.58	0.00	1,287.58	100.0%
Total Income	11,012.81	4,095.14	6,917.67	168.9%
Gross Profit	11,012.81	4,095.14	6,917.67	168.9%
Expense				
5101010 · F-T Emp Sal & Wages	3,818.28	3,335.24	483.04	14.5%
5101020 · P-T/Temp Emp Sal & Wages	2,711.37	2,363.78	347.59	14.7%
5102010 · OASI-Employer's Share	450.32	392.16	58.16	14.8%
5102020 · Retirement-ER Share	346.27	305.13	41.14	13.5%
5102060 · Health /Life Ins.-ER Share	1,098.79	991.38	107.41	10.8%
5102080 · Worker's Compensation	9.80	9.69	0.11	1.1%
5102090 · Unemployment Insurance	3.13	0.91	2.22	244.0%
5203030 · In State-Auto-Priv. High Miles	0.00	66.81	-66.81	-100.0%
5203140 · InState-Tax Meals-Not Overnight	0.00	14.00	-14.00	-100.0%
5204020 · Dues and Membership Fees	3,200.00	0.00	3,200.00	100.0%
5204160 · Workshop Registration Fees	2,550.00	2,550.00	0.00	0.0%
5204180 · Computer Services-State	961.05	973.80	-12.75	-1.3%
5204200 · Central Services	435.04	486.04	-51.00	-10.5%
5204220 · Equipment Service & Maintenance	4.27	3.74	0.53	14.2%
5204230 · Janitorial/Maintenance Services	200.00	200.00	0.00	0.0%
5204330 · Computer Software Lease	572.05	0.00	572.05	100.0%
5204460 · Equipment Rental	69.00	69.00	0.00	0.0%
5204521 · Revenue Bond Lease Payment	7,660.50	1,470.00	6,190.50	421.1%
5204530 · Telecommunications Services	228.22	104.96	123.26	117.4%
5204540 · Electricity	0.00	42.62	-42.62	-100.0%
5204560 · Water	0.00	25.35	-25.35	-100.0%
5204740 · Bank Fees and Charges	697.11	425.05	272.06	64.0%

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Accrual Basis

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
September 2025

	Sep 25	Sep 24	\$ Change	% Change
5204960 · Other Contractual Services	389.25	0.00	389.25	100.0%
5205020 · Office Supplies	100.55	0.00	100.55	100.0%
5205350 · Postage	125.22	0.00	125.22	100.0%
5207451 · Office Furniture & Fixtures	840.44	0.00	840.44	100.0%
Total Expense	26,470.66	13,829.66	12,641.00	91.4%
Net Ordinary Income	-15,457.85	-9,734.52	-5,723.33	-58.8%
Net Income	-15,457.85	-9,734.52	-5,723.33	-58.8%

11/04/25

Accrual Basis

South Dakota Board of Accountancy

PREVIOUS YEAR TO DATE MONTHLY COMPARISON

July through September 2025

	Jul - Sep 25	Jul - Sep 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,500.00	450.00	2,050.00	455.6%
4293551 · Certificate Renewals-Active	122,600.00	67,250.00	55,350.00	82.3%
4293552 · Certificate Renewals-Inactive	33,100.00	18,450.00	14,650.00	79.4%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	600.00	200.00	400.00	200.0%
4293555 · Firm Permit Renewals	27,800.00	15,150.00	12,650.00	83.5%
4293557 · Initial Audit	200.00	120.00	80.00	66.7%
4293558 · Re-Exam Audit	830.00	240.00	590.00	245.8%
4293560 · Late Fees-Initial Certificate	600.00	100.00	500.00	500.0%
4293561 · Late Fees-Certificate Renewals	3,400.00	1,600.00	1,800.00	112.5%
4293563 · Late Fees-Firm Permit Renewals	1,000.00	50.00	950.00	1,900.0%
4293564 · Late Fees-Peer Review	925.00	250.00	675.00	270.0%
4293566 · Firm Permit Owners	170,915.00	134,690.00	36,225.00	26.9%
4293567 · Peer Review Admin Fee	1,200.00	300.00	900.00	300.0%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	-100.0%
4293569 · Initial FAR	540.00	300.00	240.00	80.0%
4293570 · Initial REG	240.00	60.00	180.00	300.0%
4293572 · Re-Exam FAR	720.00	450.00	270.00	60.0%
4293573 · Re-Exam REG	760.00	480.00	280.00	58.3%
4293575 · Initial BAR	0.00	60.00	-60.00	-100.0%
4293577 · Initial TCP	40.00	0.00	40.00	100.0%
4293578 · Re-Exam BAR	120.00	180.00	-60.00	-33.3%
4293579 · Re-Exam ISC	40.00	60.00	-20.00	-33.3%
4293580 · Re-Exam TCP	360.00	270.00	90.00	33.3%
4491000 · Interest and Dividend Revenue	16,632.99	18,135.29	-1,502.30	-8.3%
4896021 · Legal Recovery Cost	2,614.91	0.00	2,614.91	100.0%
4950000 · Prior Period Refund Account	467.14	0.00	467.14	100.0%
Total Income	392,285.04	260,895.29	131,389.75	50.4%
Gross Profit	392,285.04	260,895.29	131,389.75	50.4%
Expense				
5101010 · F-T Emp Sal & Wages	23,348.72	20,356.88	2,991.84	14.7%
5101020 · P-T/Temp Emp Sal & Wages	16,876.40	15,660.59	1,215.81	7.8%
5101030 · Board & Comm Mbrs Fees	5,312.00	4,980.00	332.00	6.7%
5102010 · OASI-Employer's Share	3,182.76	2,867.40	315.36	11.0%
5102020 · Retirement-ER Share	2,116.19	1,913.58	202.61	10.6%
5102060 · Health /Life Ins.-ER Share	6,654.85	5,998.81	656.04	10.9%
5102080 · Worker's Compensation	60.38	61.24	-0.86	-1.4%
5102090 · Unemployment Insurance	17.22	5.74	11.48	200.0%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	132.16	60.51	45.8%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,607.37	-247.27	-15.4%
5203100 · In State-Lodging	245.34	467.14	-221.80	-47.5%
5203140 · InState-Tax Meals-Not Overnight	14.00	42.00	-28.00	-66.7%
5203150 · InState-Non Tax Meals-Overnight	160.00	174.00	-14.00	-8.1%
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	156.78	1,399.24	-1,242.46	-88.8%
5203260 · OS-Air Commercial Carrier	3,428.20	0.00	3,428.20	100.0%
5203280 · OS-Other Public Carrier	348.36	0.00	348.36	100.0%

11/04/25

Accrual Basis

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

	Jul - Sep 25	Jul - Sep 24	\$ Change	% Change
5203300 · OS-Lodging	4,851.94	3,940.38	911.56	23.1%
5203320 · OS-Incidentals to Travel	176.00	300.00	-124.00	-41.3%
5203350 · OS-Non Taxable Meals-Overnight	588.00	408.00	180.00	44.1%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	6,711.16	6,522.02	189.14	2.9%
5204160 · Workshop Registration Fees	2,550.00	2,550.00	0.00	0.0%
5204180 · Computer Services-State	3,844.20	3,895.20	-51.00	-1.3%
5204200 · Central Services	2,451.04	2,410.92	40.12	1.7%
5204220 · Equipment Service & Maintenance	15.63	14.39	1.24	8.6%
5204230 · Janitorial/Maintenance Services	600.00	600.00	0.00	0.0%
5204330 · Computer Software Lease	572.05	0.00	572.05	100.0%
5204460 · Equipment Rental	207.00	879.36	-672.36	-76.5%
5204521 · Revenue Bond Lease Payment	10,600.50	4,231.50	6,369.00	150.5%
5204530 · Telecommunications Services	696.72	589.14	107.58	18.3%
5204540 · Electricity	202.39	166.01	36.38	21.9%
5204560 · Water	26.85	50.70	-23.85	-47.0%
5204740 · Bank Fees and Charges	7,481.91	5,133.07	2,348.84	45.8%
5204960 · Other Contractual Services	389.25	0.00	389.25	100.0%
5205020 · Office Supplies	202.32	124.99	77.33	61.9%
5205320 · Printing/Duplicating/Binding Co	53.90	42.35	11.55	27.3%
5205350 · Postage	125.22	0.00	125.22	100.0%
5207451 · Office Furniture & Fixtures	840.44	0.00	840.44	100.0%
5228000 · Operating Transfers Out-NonBudg	0.00	921.19	-921.19	-100.0%
Total Expense	109,860.49	91,753.45	18,107.04	19.7%
Net Ordinary Income	282,424.55	169,141.84	113,282.71	67.0%
Net Income	282,424.55	169,141.84	113,282.71	67.0%

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	545,037.63	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			545,037.63	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			545,037.63	DR **	
BUDGET UNIT TOTAL 1031			545,037.63	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 08/31/2025

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	CGEX250728	08/01/2025					3,770.30	DR	
6503	103100061802	51010100	CGEX250813	08/15/2025					3,760.75	DR	
6503	103100061802	51010100	CGEX250827	08/31/2025					4,330.12	DR	
OBJSUB:		5101010	F-T EMP SAL & WAGES							11,861.17	DR *
6503	103100061802	51010200	CGEX250728	08/01/2025					2,882.17	DR	
6503	103100061802	51010200	CGEX250813	08/15/2025					3,074.46	DR	
6503	103100061802	51010200	CGEX250827	08/31/2025					2,530.27	DR	
OBJSUB:		5101020	P-T/TEMP EMP SAL & WAGES							8,486.90	DR *
6503	103100061802	51010300	CGEX250827	08/31/2025					1,328.00	DR	
OBJSUB:		5101030	BOARD & COMM MBRS FEES							1,328.00	DR *
OBJECT:		5101	EMPLOYEE SALARIES							21,676.07	DR **
6503	103100061802	51020100	CGEX250728	08/01/2025					458.65	DR	
6503	103100061802	51020100	CGEX250813	08/15/2025					472.60	DR	
6503	103100061802	51020100	CGEX250827	08/31/2025					576.04	DR	
OBJSUB:		5102010	OASI-EMPLOYER'S SHARE							1,507.29	DR *
6503	103100061802	51020200	CGEX250728	08/01/2025					346.23	DR	
6503	103100061802	51020200	CGEX250813	08/15/2025					356.02	DR	
6503	103100061802	51020200	CGEX250827	08/31/2025					366.14	DR	
OBJSUB:		5102020	RETIREMENT-ER SHARE							1,068.39	DR *
6503	103100061802	51020600	CGEX250728	08/01/2025					1,091.97	DR	
6503	103100061802	51020600	CGEX250813	08/15/2025					1,090.60	DR	
6503	103100061802	51020600	CGEX250827	08/31/2025					1,171.25	DR	
OBJSUB:		5102060	HEALTH/LIFE INS.-ER SHARE							3,353.82	DR *
6503	103100061802	51020800	CGEX250728	08/01/2025					9.98	DR	
6503	103100061802	51020800	CGEX250813	08/15/2025					10.25	DR	
6503	103100061802	51020800	CGEX250827	08/31/2025					10.30	DR	
OBJSUB:		5102080	WORKER'S COMPENSATION							30.53	DR *
6503	103100061802	51020900	CGEX250728	08/01/2025					3.20	DR	
6503	103100061802	51020900	CGEX250813	08/15/2025					3.28	DR	
6503	103100061802	51020900	CGEX250827	08/31/2025					3.30	DR	
OBJSUB:		5102090	UNEMPLOYMENT COMPENSATION							9.78	DR *
OBJECT:		5102	EMPLOYEE BENEFITS							5,969.81	DR **
GROUP:		51	PERSONAL SERVICES							27,645.88	DR ***
6503	103100061802	52030100	E106-023	08/22/2025					22.57	CR	
OBJSUB:		5203010	AUTO-STATE OWNED-IN STATE							22.57	CR *
6503	103100061802	52031000	W3326-034	08/13/2025	W3326-034MG				243.14	DR	
6503	103100061802	52031000	81893EE021837	08/06/2025	00952793	BAYMONTINN	12349691		243.14	CR	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 08/31/2025

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: 5203100							.00	*
		OBJECT: 5203							22.57	CR **
6503	103100061802	52040500	24-1000-02510629	08/27/2025	00984584	GLSOLUTION	12290765		6,711.16	DR
		OBJSUB: 5204050							6,711.16	DR *
6503	103100061802	52041800	COMPUTER CONSULTANT DP607099	08/31/2025					961.05	DR
		OBJSUB: 5204180							961.05	DR *
6503	103100061802	52042000	COMPUTER SERVICES-STATE PL607055	08/31/2025					342.32	DR
		OBJSUB: 5204200							342.32	DR *
6503	103100061802	52042200	CENTRAL SERVICES IN1289139	08/27/2025	02621562	ABBUSINESS	12036980		75.36	DR
		OBJSUB: 5204220							75.36	DR *
6503	103100061802	52042300	EQUIPMENT SERV & MAINT 25I003 AUG&SEP25	08/08/2025	127014	SUNSETOFFI	12627537		200.00	DR
6503	103100061802	52042300	25I003 JULY 2025	08/08/2025	02619324	SUNSETOFFI	12627537		200.00	DR
		OBJSUB: 5204230							400.00	DR *
6503	103100061802	52045210	JANITORIAL & MAINT SERV ACCOUNT AUG&SEP	08/21/2025	117713	MCGINNISRO	12074040		1,470.00	DR
		OBJSUB: 5204521							1,470.00	DR *
6503	103100061802	52045300	REVENUE BOND LEASE PYMTS TL607050	08/31/2025					123.00	DR
6503	103100061802	52045300	8381416X07242025	08/06/2025	00083271	ATTMOBILIT	12279233		105.22	DR
		OBJSUB: 5204530							228.22	DR *
6503	103100061802	52045400	TELECOMMUNICATIONS SRVCS 5159417006 0725	08/06/2025	02618425	XCELENERGY	12023853		42.35	DR
		OBJSUB: 5204540							42.35	DR *
6503	103100061802	52047400	ELECTRICITY CI106A-006	08/08/2025	407568				6,629.41	DR
		OBJSUB: 5204740							6,629.41	DR *
6503	103100061802	52049600	BANK FEES AND CHARGES 1285	08/06/2025	00980783	NATIONALAS	12005047		7,242.16	DR
		OBJSUB: 5204960							7,242.16	DR *
		OBJECT: 5204							24,102.03	DR **
6503	103100061802	52050200	OTHER CONTRACTUAL SERVICE CONTRACTUAL SERVICES IN4909570	08/27/2025	02622069	INNOVATIVE	12550348		98.21	DR
6503	103100061802	52050200	IN4909849	08/27/2025	02622069	INNOVATIVE	12550348		3.56	DR
6503	103100061802	52050200	0004467	08/13/2025	00982579	ECOWATERSY	12627232		26.85	DR
		OBJSUB: 5205020							128.62	DR *
6503	103100061802	52053200	OFFICE SUPPLIES 38793	08/27/2025	00984590	PREFERRED P	12308425		53.90	DR
		OBJSUB: 5205320							53.90	DR *
		OBJECT: 5205							182.52	DR **
		GROUP: 52							24,261.98	DR ***
		COMP: 6503							51,907.86	DR ****
		CNTR: 103100061802							51,907.86	DR *****
		B. UNIT: 1031							51,907.86	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of August 31, 2025

	<u>Aug 31, 25</u>
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - FIB	396.00
1140000 · Pool Cash State of SD	545,037.63
Total Checking/Savings	545,433.63
Other Current Assets	
1131000 · Interest Income Receivable	15,114.43
1213000 · Investment Income Receivable	2,587.12
Total Other Current Assets	17,701.55
Total Current Assets	563,135.18
Fixed Assets	
1670000 · Computer Software	0.00
Total Fixed Assets	0.00
TOTAL ASSETS	<u>563,135.18</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	11,149.21
Total Accounts Payable	11,149.21
Other Current Liabilities	
2430000 · Accrued Wages Payable	12,478.58
2810000 · Amounts Held for Others	42,277.84
Total Other Current Liabilities	54,756.42
Total Current Liabilities	65,905.63
Long Term Liabilities	
2960000 · Compensated Absences Payable	39,438.96
Total Long Term Liabilities	39,438.96
Total Liabilities	105,344.59
Equity	
3220000 · Net Position	317,825.02
3900 · Retained Earnings	-158,970.83
Net Income	298,936.40
Total Equity	457,790.59
TOTAL LIABILITIES & EQUITY	<u>563,135.18</u>

09/10/25
Accrual Basis

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through August 2025

	Jul - Aug 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,600.00	3,400.00	-1,800.00	47.1%
4293551 · Certificate Renewals-Active	121,900.00	111,350.00	10,550.00	109.5%
4293552 · Certificate Renewals-Inactive	32,800.00	30,770.00	2,030.00	106.6%
4293553 · Certificate Renewals-Retired	4,080.00	4,200.00	-120.00	97.1%
4293554 · Initial Firm Permits	400.00	1,275.00	-875.00	31.4%
4293555 · Firm Permit Renewals	27,300.00	25,500.00	1,800.00	107.1%
4293557 · Initial Audit	80.00	700.00	-620.00	11.4%
4293558 · Re-Exam Audit	470.00	1,800.00	-1,330.00	26.1%
4293560 · Late Fees-Initial Certificate	400.00	0.00	400.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,500.00	3,000.00	-500.00	83.3%
4293563 · Late Fees-Firm Permit Renewals	600.00	500.00	100.00	120.0%
4293564 · Late Fees-Peer Review	850.00	1,300.00	-450.00	65.4%
4293566 · Firm Permit Owners	167,250.00	203,500.00	-36,250.00	82.2%
4293567 · Peer Review Admin Fee	1,075.00	5,500.00	-4,425.00	19.5%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	300.00	960.00	-660.00	31.3%
4293570 · Initial REG	40.00	540.00	-500.00	7.4%
4293571 · Initial BEC	0.00	0.00	0.00	0.0%
4293572 · Re-Exam FAR	480.00	1,260.00	-780.00	38.1%
4293573 · Re-Exam REG	520.00	1,650.00	-1,130.00	31.5%
4293574 · Re-Exam BEC	0.00	0.00	0.00	0.0%
4293575 · Initial BAR	0.00	150.00	-150.00	0.0%
4293576 · Initial ISC	0.00	150.00	-150.00	0.0%
4293577 · Initial TCP	0.00	150.00	-150.00	0.0%
4293578 · Re-Exam BAR	40.00	210.00	-170.00	19.0%
4293579 · Re-Exam ISC	0.00	210.00	-210.00	0.0%
4293580 · Re-Exam TCP	160.00	210.00	-50.00	76.2%
4491000 · Interest and Dividend Revenue	16,632.76	0.00	16,632.76	100.0%
4896021 · Legal Recovery Cost	1,327.33	1,000.00	327.33	132.7%
4920045 · Undistributed Earnings	0.00	6,000.00	-6,000.00	0.0%
Total Income	380,805.09	405,385.00	-24,579.91	93.9%
Gross Profit	380,805.09	405,385.00	-24,579.91	93.9%
Expense				
5101010 · F-T Emp Sal & Wages	19,530.44	103,778.00	-84,247.56	18.8%
5101020 · P-T/Temp Emp Sal & Wages	14,165.03	58,621.00	-44,455.97	24.2%
5101030 · Board & Comm Mbrs Fees	5,312.00	11,910.00	-6,598.00	44.6%
5102010 · OASI-Employer's Share	2,732.44	12,423.00	-9,690.56	22.0%
5102020 · Retirement-ER Share	1,769.92	9,744.00	-7,974.08	18.2%
5102060 · Health /Life Ins.-ER Share	5,556.06	33,447.00	-27,890.94	16.6%
5102080 · Worker's Compensation	50.58	227.00	-176.42	22.3%
5102090 · Unemployment Insurance	14.09	162.00	-147.91	8.7%
5203010 · In State-Auto-State Owned	0.00	250.00	-250.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	400.00	-207.33	48.2%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,400.00	-39.90	97.2%
5203100 · In State-Lodging	-221.80	600.00	-821.80	-37.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals-Not Overnight	94.00	100.00	-6.00	94.0%

09/10/25
Accrual Basis

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July through August 2025

	Jul - Aug 25	Budget	\$ Over Budget	% of Budget
5203150 · InState-Non Tax Meals-Overnight	80.00	400.00	-320.00	20.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	156.78	200.00	-43.22	78.4%
5203260 · OS-Air Commercial Carrier	3,428.20	9,000.00	-5,571.80	38.1%
5203280 · OS-Other Public Carrier	348.36	700.00	-351.64	49.8%
5203300 · OS-Lodging	4,851.94	12,500.00	-7,648.06	38.8%
5203320 · OS-Incidentals to Travel	176.00	750.00	-574.00	23.5%
5203350 · OS-Non Taxable Meals-Overnight	588.00	1,350.00	-762.00	43.6%
5204010 · Subscriptions	0.00	1,000.00	-1,000.00	0.0%
5204020 · Dues and Membership Fees	0.00	3,900.00	-3,900.00	0.0%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	4,800.00	-4,800.00	0.0%
5204050 · Consultant Fees - Computer	6,711.16	32,000.00	-25,288.84	21.0%
5204160 · Workshop Registration Fees	0.00	9,500.00	-9,500.00	0.0%
5204180 · Computer Services-State	1,922.10	11,000.00	-9,077.90	17.5%
5204181 · Computer Development Serv-State	0.00	2,000.00	-2,000.00	0.0%
5204200 · Central Services	2,016.00	13,000.00	-10,984.00	15.5%
5204220 · Equipment Service & Maintenance	11.36	0.00	11.36	100.0%
5204230 · Janitorial/Maintenance Services	400.00	600.00	-200.00	66.7%
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	138.00	6,000.00	-5,862.00	2.3%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204521 · Revenue Bond Lease Payment	2,940.00	43,650.00	-40,710.00	6.7%
5204530 · Telecommunications Services	468.50	5,500.00	-5,031.50	8.5%
5204540 · Electricity	109.44	400.00	-290.56	27.4%
5204560 · Water	26.85	240.00	-213.15	11.2%
5204590 · Insurance Premiums/Surety Bonds	0.00	2,500.00	-2,500.00	0.0%
5204740 · Bank Fees and Charges	6,784.80	8,650.00	-1,865.20	78.4%
5204960 · Other Contractual Services	0.00	0.00	0.00	0.0%
5205020 · Office Supplies	101.77	3,000.00	-2,898.23	3.4%
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	53.90	1,000.00	-946.10	5.4%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5205540 · Finished Signs & Decals	0.00	500.00	-500.00	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%
5207491 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	0.00	11,000.00	-11,000.00	0.0%
5228030 · Depreciation Expense	0.00	0.00	0.00	0.0%
Total Expense	81,868.69	436,902.00	-355,033.31	18.7%
Net Ordinary Income	298,936.40	-31,517.00	330,453.40	-948.5%
Net Income	298,936.40	-31,517.00	330,453.40	-948.5%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
August 2025

	Aug 25	Aug 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	600.00	250.00	350.00	140.0%
4293551 · Certificate Renewals-Active	28,400.00	21,450.00	6,950.00	32.4%
4293552 · Certificate Renewals-Inactive	5,300.00	6,000.00	-700.00	-11.7%
4293553 · Certificate Renewals-Retired	840.00	650.00	190.00	29.2%
4293554 · Initial Firm Permits	400.00	50.00	350.00	700.0%
4293555 · Firm Permit Renewals	5,700.00	4,150.00	1,550.00	37.4%
4293557 · Initial Audit	0.00	30.00	-30.00	-100.0%
4293558 · Re-Exam Audit	160.00	90.00	70.00	77.8%
4293560 · Late Fees-Initial Certificate	100.00	50.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,500.00	1,450.00	1,050.00	72.4%
4293563 · Late Fees-Firm Permit Renewals	600.00	50.00	550.00	1,100.0%
4293564 · Late Fees-Peer Review	0.00	50.00	-50.00	-100.0%
4293566 · Firm Permit Owners	40,850.00	32,235.00	8,615.00	26.7%
4293568 · Firm Permit Name Change	0.00	25.00	-25.00	-100.0%
4293569 · Initial FAR	160.00	90.00	70.00	77.8%
4293572 · Re-Exam FAR	160.00	270.00	-110.00	-40.7%
4293573 · Re-Exam REG	240.00	270.00	-30.00	-11.1%
4293578 · Re-Exam BAR	40.00	60.00	-20.00	-33.3%
4293579 · Re-Exam ISC	0.00	30.00	-30.00	-100.0%
4293580 · Re-Exam TCP	80.00	120.00	-40.00	-33.3%
4491000 · Interest and Dividend Revenue	16,630.86	18,133.83	-1,502.97	-8.3%
4896021 · Legal Recovery Cost	1,327.33	0.00	1,327.33	100.0%
Total Income	104,088.19	85,503.83	18,584.36	21.7%
Gross Profit	104,088.19	85,503.83	18,584.36	21.7%
Expense				
5101010 · F-T Emp Sal & Wages	11,861.17	10,373.01	1,488.16	14.4%
5101020 · P-T/Temp Emp Sal & Wages	8,486.90	8,158.56	328.34	4.0%
5101030 · Board & Comm Mbrs Fees	1,328.00	1,660.00	-332.00	-20.0%
5102010 · OASI-Employer's Share	1,507.29	1,409.15	98.14	7.0%
5102020 · Retirement-ER Share	1,068.39	983.09	85.30	8.7%
5102060 · Health /Life Ins.-ER Share	3,353.82	3,027.88	325.94	10.8%
5102080 · Worker's Compensation	30.53	31.49	-0.96	-3.1%
5102090 · Unemployment Insurance	9.78	2.94	6.84	232.7%
5203010 · In State-Auto-State Owned	-22.57	0.00	-22.57	-100.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	132.16	60.51	45.8%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,540.56	-180.46	-11.7%
5203100 · In State-Lodging	-221.80	358.14	-579.94	-161.9%
5203140 · InState-Tax Meals-Not Overnight	94.00	28.00	66.00	235.7%
5203150 · InState-Non Tax Meals-Overnight	80.00	174.00	-94.00	-54.0%
5204020 · Dues and Membership Fees	0.00	3,200.00	-3,200.00	-100.0%
5204180 · Computer Services-State	0.00	1,947.60	-1,947.60	-100.0%
5204200 · Central Services	342.32	450.86	-108.54	-24.1%
5204220 · Equipment Service & Maintenance	6.36	6.10	0.26	4.3%
5204230 · Janitorial/Maintenance Services	200.00	200.00	0.00	0.0%
5204460 · Equipment Rental	69.00	741.36	-672.36	-90.7%
5204521 · Revenue Bond Lease Payment	1,470.00	1,380.75	89.25	6.5%
5204530 · Telecommunications Services	228.22	242.96	-14.74	-6.1%
5204540 · Electricity	32.09	80.26	-48.17	-60.0%
5204740 · Bank Fees and Charges	6,629.41	3,439.65	3,189.76	92.7%
5205020 · Office Supplies	101.77	124.99	-23.22	-18.6%

09/09/25

Accrual Basis

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
August 2025

	Aug 25	Aug 24	\$ Change	% Change
5205320 · Printing/Duplicating/Binding Co	53.90	15.40	38.50	250.0%
5228000 · Operating Transfers Out-NonBudg	0.00	921.19	-921.19	-100.0%
Total Expense	38,261.35	40,630.10	-2,368.75	-5.8%
Net Ordinary Income	65,826.84	44,873.73	20,953.11	46.7%
Net Income	65,826.84	44,873.73	20,953.11	46.7%

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

	Jul - Aug 25	Jul - Aug 24	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,600.00	300.00	1,300.00	433.3%
4293551 · Certificate Renewals-Active	121,900.00	67,200.00	54,700.00	81.4%
4293552 · Certificate Renewals-Inactive	32,800.00	18,400.00	14,400.00	78.3%
4293553 · Certificate Renewals-Retired	4,080.00	1,950.00	2,130.00	109.2%
4293554 · Initial Firm Permits	400.00	100.00	300.00	300.0%
4293555 · Firm Permit Renewals	27,300.00	15,100.00	12,200.00	80.8%
4293557 · Initial Audit	80.00	60.00	20.00	33.3%
4293558 · Re-Exam Audit	470.00	180.00	290.00	161.1%
4293560 · Late Fees-Initial Certificate	400.00	50.00	350.00	700.0%
4293561 · Late Fees-Certificate Renewals	2,500.00	1,450.00	1,050.00	72.4%
4293563 · Late Fees-Firm Permit Renewals	600.00	50.00	550.00	1,100.0%
4293564 · Late Fees-Peer Review	850.00	250.00	600.00	240.0%
4293566 · Firm Permit Owners	167,250.00	131,975.00	35,275.00	26.7%
4293567 · Peer Review Admin Fee	1,075.00	300.00	775.00	258.3%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	-100.0%
4293569 · Initial FAR	300.00	150.00	150.00	100.0%
4293570 · Initial REG	40.00	0.00	40.00	100.0%
4293572 · Re-Exam FAR	480.00	360.00	120.00	33.3%
4293573 · Re-Exam REG	520.00	450.00	70.00	15.6%
4293578 · Re-Exam BAR	40.00	90.00	-50.00	-55.6%
4293579 · Re-Exam ISC	0.00	30.00	-30.00	-100.0%
4293580 · Re-Exam TCP	160.00	120.00	40.00	33.3%
4491000 · Interest and Dividend Revenue	16,632.76	18,135.15	-1,502.39	-8.3%
4896021 · Legal Recovery Cost	1,327.33	0.00	1,327.33	100.0%
Total Income	380,805.09	256,800.15	124,004.94	48.3%
Gross Profit	380,805.09	256,800.15	124,004.94	48.3%
Expense				
5101010 · F-T Emp Sal & Wages	19,530.44	17,021.64	2,508.80	14.7%
5101020 · P-T/Temp Emp Sal & Wages	14,165.03	13,296.81	868.22	6.5%
5101030 · Board & Comm Mbrs Fees	5,312.00	4,980.00	332.00	6.7%
5102010 · OASI-Employer's Share	2,732.44	2,475.24	257.20	10.4%
5102020 · Retirement-ER Share	1,769.92	1,608.45	161.47	10.0%
5102060 · Health /Life Ins.-ER Share	5,556.06	5,007.43	548.63	11.0%
5102080 · Worker's Compensation	50.58	51.55	-0.97	-1.9%
5102090 · Unemployment Insurance	14.09	4.83	9.26	191.7%
5203010 · In State-Auto-State Owned	0.00	0.00	0.00	0.0%
5203020 · In State-Auto-Priv. Low Miles	192.67	132.16	60.51	45.8%
5203030 · In State-Auto-Priv. High Miles	1,360.10	1,540.56	-180.46	-11.7%
5203100 · In State-Lodging	-221.80	467.14	-688.94	-147.5%
5203140 · InState-Tax Meals-Not Overnight	94.00	28.00	66.00	235.7%
5203150 · InState-Non Tax Meals-Overnight	80.00	174.00	-94.00	-54.0%
5203220 · OS-Auto Private Low Mileage	0.00	108.08	-108.08	-100.0%
5203230 · OS-Auto Private High Mileage	156.78	1,399.24	-1,242.46	-88.8%
5203260 · OS-Air Commercial Carrier	3,428.20	0.00	3,428.20	100.0%
5203280 · OS-Other Public Carrier	348.36	0.00	348.36	100.0%
5203300 · OS-Lodging	4,851.94	3,940.38	911.56	23.1%
5203320 · OS-Incidentals to Travel	176.00	300.00	-124.00	-41.3%
5203350 · OS-Non Taxable Meals-Overnight	588.00	408.00	180.00	44.1%

09/09/25

Accrual Basis

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

	<u>Jul - Aug 25</u>	<u>Jul - Aug 24</u>	<u>\$ Change</u>	<u>% Change</u>
5204020 · Dues and Membership Fees	0.00	3,200.00	-3,200.00	-100.0%
5204050 · Consultant Fees - Computer	6,711.16	6,522.02	189.14	2.9%
5204180 · Computer Services-State	1,922.10	2,921.40	-999.30	-34.2%
5204200 · Central Services	2,016.00	1,924.88	91.12	4.7%
5204220 · Equipment Service & Maintenance	11.36	10.65	0.71	6.7%
5204230 · Janitorial/Maintenance Services	400.00	400.00	0.00	0.0%
5204460 · Equipment Rental	138.00	810.36	-672.36	-83.0%
5204521 · Revenue Bond Lease Payment	2,940.00	2,761.50	178.50	6.5%
5204530 · Telecommunications Services	468.50	484.18	-15.68	-3.2%
5204540 · Electricity	109.44	123.39	-13.95	-11.3%
5204560 · Water	26.85	25.35	1.50	5.9%
5204740 · Bank Fees and Charges	6,784.80	4,708.02	2,076.78	44.1%
5205020 · Office Supplies	101.77	124.99	-23.22	-18.6%
5205320 · Printing/Duplicating/Binding Co	53.90	42.35	11.55	27.3%
5228000 · Operating Transfers Out-NonBudg	0.00	921.19	-921.19	-100.0%
Total Expense	<u>81,868.69</u>	<u>77,923.79</u>	<u>3,944.90</u>	<u>5.1%</u>
Net Ordinary Income	<u>298,936.40</u>	<u>178,876.36</u>	<u>120,060.04</u>	<u>67.1%</u>
Net Income	<u>298,936.40</u>	<u>178,876.36</u>	<u>120,060.04</u>	<u>67.1%</u>

CPE EXTENSION REQUESTS

Nicole Kasin

The following letter is from an individual who is requesting a second CPE extension for the July 1, 2024, to June 30, 2025, CPE reporting period. They had already been given a 90-day extension from staff which is through September 30, 2025.

In accordance with ARSD 20:75:04:10 the board shall review subsequent requests for extensions and may grant them on a case by case basis for good cause. Good cause includes personal emergencies, acts of God, administrative errors made by the board or the board of another state, or substantial compliance with SDCL chapter 36-20B or article 20:75.

Please make a determination for the following request.

Natalie J Neuharth
305 7th Ave SW
Aberdeen, SD 57401
natalie@rivettgroup.com
605-229-8633

September 28th, 2025

South Dakota Board of Accountancy
301 E 14th St, Suite 200
Sioux Falls, SD 57104

Dear Members of the South Dakota Board of Accountancy,

I hope this letter finds you well. I am writing to humbly request a three-month hardship extension for the completion of my Continuing Professional Education (CPE) requirements.

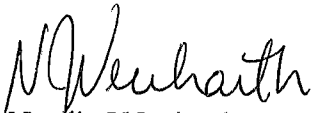
To date, I have completed 22 of the 41.6 hours required and I have started a 20 hour home study text. However, the past several months have been incredibly difficult for me, as my husband was ill for six months before his passing on September 6, 2025. This profound loss has left me with a heavy heart and has significantly affected my ability to focus on my professional commitments.

The emotional toll of this experience has made it challenging to complete my CPE in a timely manner, despite my best efforts. I truly care about maintaining the standards of my profession and serving my clients effectively, and I fear that without an extension, I will not be able to do so.

I sincerely hope you can understand my situation and grant me this extension. Your compassion during this difficult time would mean a great deal to me as I navigate through this challenging chapter of my life.

Thank you for considering my request. I appreciate your understanding and support.

Sincerely,



Natalie J Neuharth
SD CPA #2261

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Renewals for individuals and firms

Paper renewal forms were available on our website on July 1, 2025. Online renewals opened July 1, 2025. As a courtesy, a reminder email was sent on July 29, 2025, to individuals and firms that had not renewed their license or firm permit. Here is the status of renewals through September 23, 2025. Those not renewed had their license moved to an expired status.

Entity	Renewed thru 7/31/2025	Expired renewals through 7/31/2025	Completed renewals thru 7/31/2026
Firms	290	4	281
Individuals – Active	1270	18	1242
Individuals – Inactive	348	14	330
Individuals – Retired	180	17	200

CPE Extensions

There were 51 administrative extensions granted for the CPE reporting period ending June 30, 2025. The extensions were valid through September 30, 2025. On September 17, 2025, 47% of those granted extensions had reported their completed CPE. The remaining 53% were sent an email reminder to report the CPE with a deadline provided. As of November 10, 98% 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 16, 2025. The documentation was due in our office no later than October 31, 2025. 95% of the audit documentation was received via email and 5% was received via mail. The following is the current status of the audits.

	Selected	Complied	Not Complied	Granted Extension	Approved CPE Audit	Failed CPE Audit
CPA (Active)	130	130	0	0	65	0
CPA – Verify Out of State Affidavit	106	0	0	0	0	0

Office Move

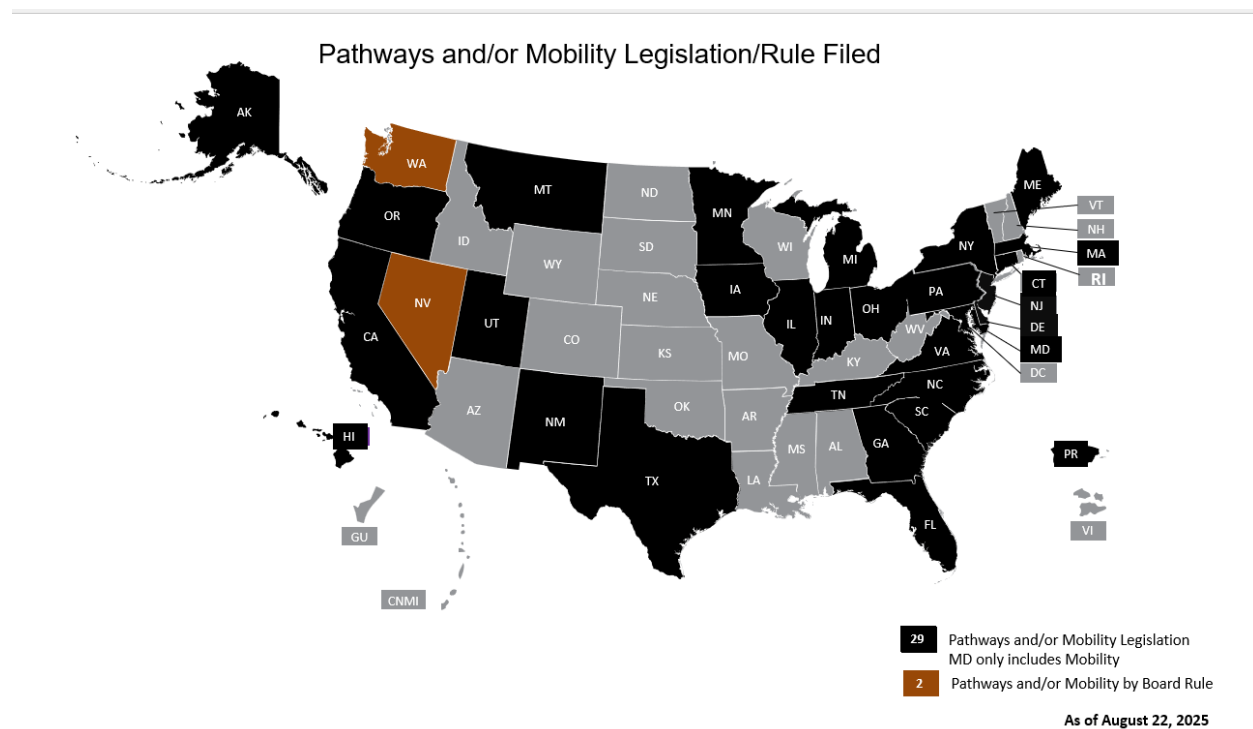
Effective September 18, 2025, the Board office relocated to 1501 S Highline Ave. Suite 4A, Sioux Falls, SD 57110.

NASBA Issues/Topics

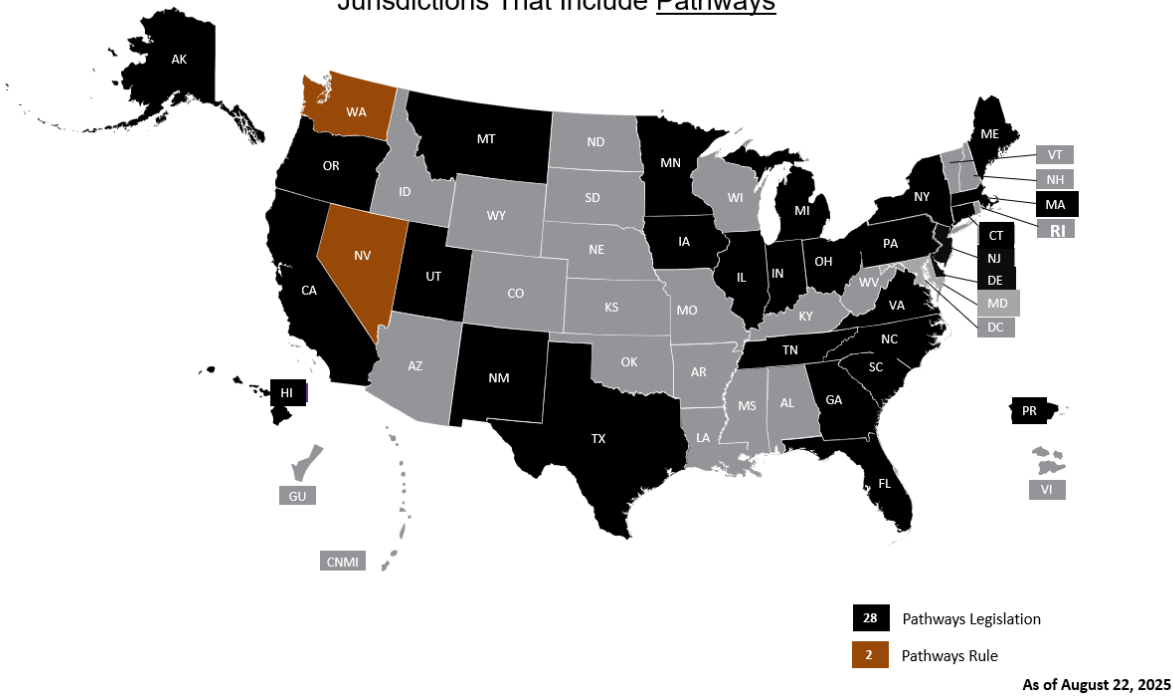
1. NASBA/AICPA approved updates to section 5 and 23 for UAA. The 9th edition of the UAA was published with the changes. <https://nasba.org/blog/2025/07/22/nasba-and-aicpa-publish-ninth-edition-of-the-uniform-accountancy-act-uaa/>
 - (a) The changes add a pathway to CPA licensure requiring a baccalaureate degree, including an accounting concentration, plus two (2) years of experience, and passage of the Uniform CPA Examination. Other revisions include:

- (b) A shift from state-based mobility to an individual-based practice privilege that maintains a CPA's ability to practice across state lines with just one license.
 - (c) The addition of safe harbor language that allows CPAs who were licensed under differing education, experience, and Exam requirements as of Dec. 31, 2024, to continue to have practice privileges under mobility.
- 2. Recap from NASBA Annual Conference
 - (a) NASBA Diagnostic Report
 - a. 11-10-25 email invite for town hall on 11-24-25
 - (b) Private Equity
 - a. Task force white paper
 - (c) Legislative and Regulatory Update
 - (d) CPE Statement on Standards
 - a. Exposure draft
 - (e) Regional Breakouts
 - (f) AI: How State Boards can guide an AI-Enabled Profession
 - (g) CPA Exam
 - (h) Legal Update
 - (i) Board Chair/Executive Directors Breakfast breakouts
 - (j) UAA Update
- 3. NASBA Committee Appointments – Board members and executive director
- 4. NASBA Executive Director Representative Reappointment to the AICPA Board of Examiners
- 5. NASBA Executive Directors/Legal Counsel Conference tentative March 24-26, 2026
- 6. NASBA Western Regional Meeting tentative June 23-25, 2026
- 7. NASBA Annual meeting October 25-28, 2026

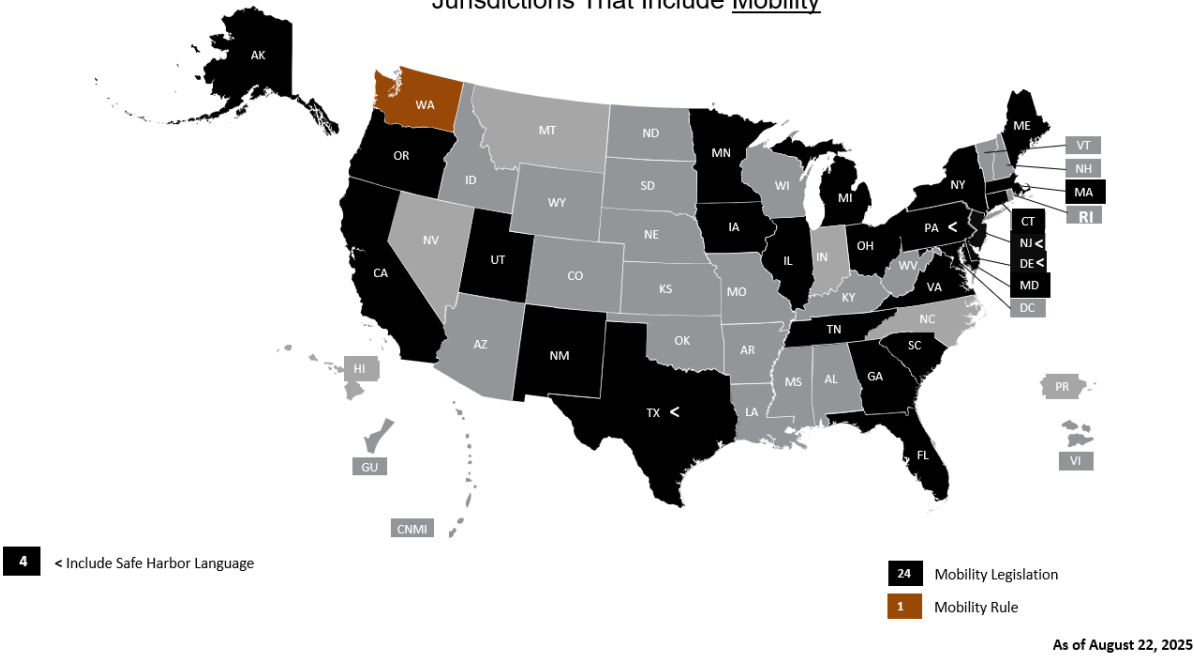
State Proposals for Pathway/Substantial Equivalence/Practice Privilege

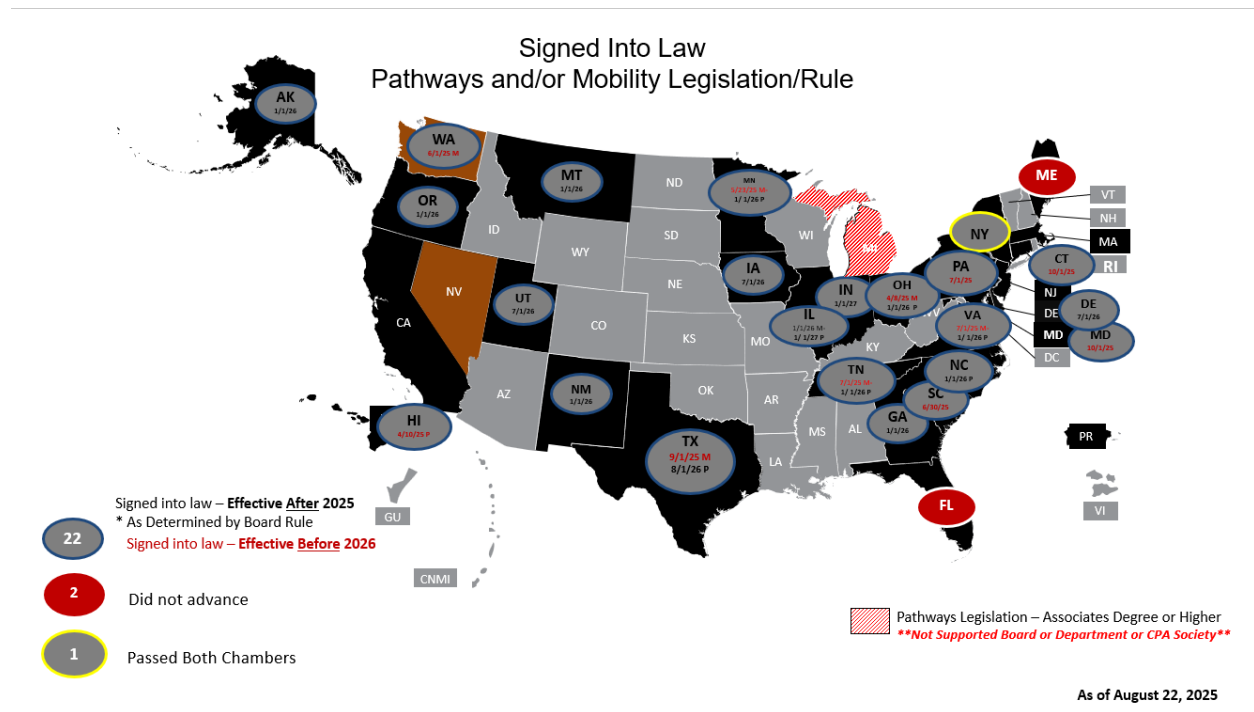


Jurisdictions That Include Pathways



Jurisdictions That Include Mobility





Update from 11-10-25: Legislation has been refiled in FL and new legislation has been filed in MI.

Board Discussion

- Any New Business/topics?

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

In the Matter of:

AMENDED NOTICE OF HEARING

Laura Arth,
Licensee.

**Board Case No. 122-25
OHE No. DLR 25-005**

License No. 2627

TO: Rory King, Attorney for Laura Arth

PLEASE TAKE NOTICE that an administrative hearing in the above-captioned matter will be held before the South Dakota Department of Labor and Regulation, Board of Accountancy (Board) on **Tuesday, November 18, 2025 at 9:00 a.m. C.S.T.**, or as soon thereafter as the matter can be heard. The hearing will be held via **Microsoft Teams Conference Call**, which may be accessed by using the link below (for both video and audio):

URL (for web browser): <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

- Meeting ID: 212 956 571 427
- Passcode: ta6WE3cg

Alternatively, the hearing may be joined via conference call (audio only), by using the following login information:

- Call: +1 605-679-7263,, 860129946#
- Phone conference ID: 860 129 946#

All parties and witnesses must be personally present on the Microsoft Teams Conference Call for the hearing unless otherwise authorized by the Board.

This hearing is being held pursuant to the legal authority and jurisdiction granted to the Board under South Dakota Codified Laws (SDCL) Chapters 1-26, 36-1C, and 36-20B. The Office of Hearing Examiners will preside over this hearing pursuant to SDCL Ch. 1-26D; however, the Board, under its authority, will issue findings of fact, conclusions of law, and a decision. The Board may take actions authorized by SDCL Chapters 1-26, 36-1C, and 36-20B, including an administrative fine, and/or license suspension or revocation. Pursuant to SDCL 1-26-29.1, the Board may assess Licensee all or part of its actual expenses of the administrative hearing should the hearing result in Licensee discipline.

The purpose of this hearing will be to determine whether Licensee violated SDCL §§ 36-20B-27, 36-20B-40(3), 36-20B-40(6), ARSD 20:75:04:11, and 20:75:04:15 by failing to provide documentation to verify attendance or completion of all CPE credits reported to the Board for the audit period of July 1, 2021 to June 30, 2024. Following the hearing, the Board will issue findings of fact, conclusions of law, and its decision.

This hearing is a contested case as defined in SDCL 1-26-1(2). As such, this hearing is an adversarial proceeding. You have 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 you intend to be represented by an attorney, please have your attorney contact the undersigned attorney with their name, address, and contact information.

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

Pursuant to SDCL 1-26-18.3, if the amount in controversy exceeds \$2,500 or if a property right may be terminated, any party to the contested case may require the Board to use the Office of Hearing Examiners by giving notice of the request to the Board no later than ten days after service of this notice of hearing.

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

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

Statutes and Rules involved in this hearing:

SDCL 36-20B-27 Renewal of certificate--Continuing education requirement--Exception.

SDCL 36-20B-40(3) and (6) Disciplinary action--Remedies available to board--Grounds.

ARSD 20:75:03:03 Application for renewal of certificates – Fees.

ARSD 20:75:04:11 Review of continuing professional education credits.

ARSD 20:75:04:15 Documentation for continuing professional education credit.

Facts that support the alleged violations of South Dakota law or rule:

1. Laura Arth (Arth) is licensed by the Board as a certified public accountant (CPA) with license number 2726. She has been licensed by the Board since September 10, 2004.
2. Arth is required to report all claimed continuing professional education (CPE) credits to the Board in accordance with SDCL 36-20B-27, which states that “[a] licensee shall complete one hundred twenty hours of continuing education in each three-year renewal period.”
3. ARSD 20:75:04:11 further outlines the random audit process and states in part that “[a]n individual selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for continuing professional education credit.”
4. ARSD 20:75:04:15 details acceptable evidence of CPE completion.
5. Arth’s claimed CPE hours for the three-year audit period totaled 125.5 hours, detailed as follows:
 - a. For the period commencing July 1, 2021 through June 30, 2022, Arth reported 55 CPE hours.
 - b. For the period commencing July 1, 2022 through June 30, 2023, Arth reported 42.5 CPE hours.
 - c. For the period commencing July 1, 2023 through June 30, 2024, Arth reported 28 CPE hours.
6. On September 16, 2024, the Board office mailed Arth a letter stating she was selected for a CPE audit for the three-year period commencing July 1, 2021 through June 30, 2024. The letter further stated that the deadline to submit documentation was October 31, 2024.
7. Arth provided partial CPE documentation to the Board office on October 31, 2024.
8. On December 12, 2024, Board office staff emailed Arth requesting documentation to verify 16 hours for the period ending June 30, 2023. Board staff requested Arth submit the documentation by December 17, 2024.
9. Arth responded on December 30, 2024, stating that she just saw the e-mail and would get the information as soon as she could. Board office staff requested Arth submit the documentation by January 3, 2025.
10. Arth responded to the Board by email on January 7, stating “there was no way I could have it done by then” and she “put in a request to another employee for documentation but haven’t heard back yet.”

11. After review of the documentation Arth provided, the Board office determined that Arth had provided satisfactory documentation of 109 hours, 11 hours short for the audit period, as follows:
 - a. 55 CPE hours for the reporting year ending June 30, 2022;
 - b. 26 CPE hours for the reporting year ending June 30, 2023; and
 - c. 28 CPE hours for the reporting year ending June 30, 2024.
12. On February 19, 2025, the Board's Executive Director sent Arth a letter outlining the Board office's audit findings and a Complaint. The Board's Executive Director requested Arth respond to the Complaint by March 19, 2025.
13. Arth responded on March 19, 2025 and submitted additional CPE documentation for the audit period.
14. The Board's Executive Director formed an investigative committee that reviewed the Complaint and Arth's response. The committee determined that Arth had provided satisfactory documentation of 113 CPE hours, seven hours short for the audit period, as follows:
 - a. 55 CPE hours for the reporting year ending June 30, 2022;
 - b. 28 CPE hours for the reporting year ending June 30, 2023;
 - c. 30 CPE hours for the reporting year ending June 30, 2024.
15. On April 14, 2025, the Board's Executive Director emailed an amended letter to Arth outlining the investigative committee's audit findings and an Amended Complaint. The Board's Executive Director requested Arth respond to the Amended Complaint by May 14, 2025.
16. On May 14, 2025, Arth responded to the Amended Complaint and submitted additional CPE documentation for the audit period.
17. The Board's Executive Director again formed an investigative committee, which determined that:
 - a. The documentation Arth sent for the courses IRC 469 dated August 29, 2023 (5 CPE hours) and IRC 121 dated August 31, 2023 (4.5 CPE hours) did not meet the requirements of ARSD 20:75:04:15.
 - b. The documentation Arth sent for the court "An Overview of Abusive Tax Trusts" dated July 12, 2021 (1 CPE hour), which Arth had not previously provided to the Board staff, met the requirements of ARSD 20:75:04:15 and was added to her record for the audit period ending June 30, 2022.

18. On June 24, 2025, the Board's Attorney emailed and mailed a Formal Complaint to Arth and requested a response by July 14, 2025.
19. Arth's attorney, Rory King, provided a response to the Formal Complaint on July 14, denying she is short hours for the audit period and alleging she completed all required hours for the audit period but was unable to provide documentation due to defects in the processes of the CPE service provider.
20. Arth is still six hours short of required 120 CPE hours for three-year audit period commencing July 1, 2021 through June 30, 2024 and is subject to discipline pursuant to SDCL 36-20B-40(3) and (6).

Dated this 14th day of October 2025.

/s/ Jennifer Doubleddee

Jennifer Doubleddee
Special Assistant Attorney General
Department of Labor and Regulation
1501 S. Highline Ave. Suite 1D
Sioux Falls, SD 57110
605.408.1727

CERTIFICATE OF SERVICE

The undersigned certifies that on October 14, 2025, a true and correct copy of the foregoing was served on the following parties by the service indicated:

Rory King
Bantz, Gosch & Cremer, L.L.C.
305 Sixth Ave. SE
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RKing@bantzl原因.com
Attorney for Licensee Laura Arth

☐ U.S. Mail
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Office of Hearing Examiners
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SDOHE@state.sd.us

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☐ Odyssey File & Serve

/s/ Jennifer Doubleddee

Jennifer Doubledee

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

In the Matter of:

AMENDED NOTICE OF HEARING

Michael Nieman,
Licensee.

**Board Case No. 125-25
OHE No. DLR 25-006**

License No. SD CPA 1695

TO: Michael Nieman

PLEASE TAKE NOTICE that an administrative hearing in the above-captioned matter will be held before the South Dakota Department of Labor and Regulation, Board of Accountancy (Board) on **Tuesday, November 18, 2025 at 9:45 a.m. C.S.T.**, or as soon thereafter as the matter can be heard. The hearing will be held via **Microsoft Teams Conference Call**, which may be accessed by using the link below (for both video and audio):

URL (for web browser): <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

- Meeting ID: 212 956 571 427
- Passcode: ta6WE3cg

Alternatively, the hearing may be joined via conference call (audio only), by using the following login information:

- Call: +1 605-679-7263,, 860129946#
- Phone conference ID: 860 129 946#

All parties and witnesses must be personally present on the Microsoft Teams Conference Call for the hearing unless otherwise authorized by the Board.

This hearing is being held pursuant to the legal authority and jurisdiction granted to the Board under South Dakota Codified Laws (SDCL) Chapters 1-26, 36-1C, and 36-20B. The Office of Hearing Examiners will preside over this hearing pursuant to SDCL Ch. 1-26D; however, the Board, under its authority, will issue findings of fact, conclusions of law, and a decision. The Board may take actions authorized by SDCL Chapters 1-26, 36-1C, and 36-20B, including an administrative fine, and/or license suspension or revocation. Pursuant to SDCL 1-26-29.1, the Board may assess Licensee all or part of its actual expenses of the administrative hearing should the hearing result in Licensee discipline.

The purpose of this hearing will be to determine whether Licensee violated SDCL §§ 36-20B-27, 36-20B-40(3), 36-20B-40(6), ARSD 20:75:04:11 and ARSD 20:75:04:15 by failing to provide documentation to verify attendance or completion of all CPE credits reported to the Board for the audit period of July 1, 2021 to June 30, 2024. Following the hearing, the Board will issue findings of fact, conclusions of law, and its decision.

This hearing is a contested case as defined in SDCL 1-26-1(2). As such, this hearing is an adversarial proceeding. You have 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 you intend to be represented by an attorney, please have your attorney contact the undersigned attorney with their name, address, and contact information.

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

Pursuant to SDCL 1-26-18.3, if the amount in controversy exceeds \$2,500 or if a property right may be terminated, any party to the contested case may require the Board to use the Office of Hearing Examiners by giving notice of the request to the Board no later than ten days after service of this notice of hearing.

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

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

Statutes and Rules involved in this hearing:

SDCL 36-20B-27. Renewal of certificate--Continuing education requirement--Exception.

SDCL 36-20B-40(3) and (6). Disciplinary action--Remedies available to board--Grounds.

ARSD 20:75:03:03. Application for renewal of certificates – Fees.

ARSD 20:75:04:11. Review of continuing professional education credits.

ARSD 20:75:04:15. Documentation for continuing professional education credit.

ARSD 20:75:04:20. Standards for continuing professional education program reporting.

Facts that support the alleged violations of South Dakota law or rule:

1. Michael Nieman (Nieman) is licensed by the Board as a certified public accountant (CPA) with license number 1695. He has been licensed by the Board since August 30, 1993.
2. Nieman is required to report all claimed continuing professional education (CPE) credits to the Board in accordance with SDCL 36-20B-27, which states that “[a] licensee shall complete one hundred twenty hours of continuing education in each three-year renewal period.”
3. ARSD 20:75:04:11 outlines the random audit process and states in part that “[a]n individual selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for continuing professional education credit.”
4. ARSD 20:75:04:15 details acceptable evidence of CPE completion.
5. Nieman’s claimed CPE hours for the three-year audit period totaled 125.5 hours, detailed as follows:
 - a. For the period commencing July 1, 2021 through June 30, 2022, Nieman reported 30 CPE hours.
 - b. For the period commencing July 1, 2022 through June 30, 2023, Nieman reported 50 CPE hours.
 - c. For the period commencing July 1, 2023 through June 30, 2024, Nieman reported 45.5 CPE hours.
6. On September 16, 2024, the Board office mailed Nieman a letter stating he was selected for a CPE audit for the three-year period commencing July 1, 2021, through June 30, 2024. The letter further stated that the deadline to submit documentation was October 31, 2024.
7. Nieman provided partial CPE documentation to the Board office on October 31, 2024.
8. On December 12, 2024, Board office staff emailed Nieman requesting additional detail of courses Nieman had claimed as “various courses” for the reporting period ending June 30, 2023. Board office staff further requested the information be submitted by December 16, 2024. Nieman emailed the detailed list and additional documentation to Board staff on December 13.
9. On December 20, 2024, Board office staff emailed Nieman detailing adjustments for claimed CPE hours, adding courses not previously claimed, and requesting additional documentation to verify claimed CPE credits by January 3, 2025.

10. On December 31, 2024, Nieman emailed a response with one additional certificate of completion.
11. On January 7, 2024, Board office staff emailed Nieman again requesting missing documentation be submitted by January 21, 2025. Neiman responded on January 15, 2025, but did not provide additional documentation.
12. After review of the additional documentation Nieman provided, the Board office determined that Nieman had provided satisfactory documentation of 88 CPE hours detailed as follows:
 - a. 15 CPE hours for the reporting year ending June 30, 2022;
 - b. 39 CPE hours for the reporting year ending June 30, 2023; and
 - c. 34 CPE hours for the reporting year ending June 30, 2024.

Based on the audit results, Nieman was short 32 hours for the audit period.

13. On March 12, 2025, the Board's Executive Director sent Nieman a letter outlining the Board office's audit findings and a Complaint. The Board's Executive Director requested Nieman respond to the Complaint by April 9, 2025.
14. Nieman responded to the Complaint on April 8, 2025 and submitted additional CPE documentation.
15. The Board's Executive Director formed an investigative committee that reviewed the Complaint and Nieman's response. The committee determined that Nieman had provided satisfactory documentation of 101.4 CPE hours, detailed as follow:
 - a. 20.4 CPE hours for the reporting year ending June 30, 2022;
 - b. 47 CPE hours for the reporting year ending June 30, 2023;
 - c. 34 CPE hours for the reporting year ending June 30, 2024.

Based on the audit results, Neiman was still 18.6 CPE hours short for the audit period.

16. On April 25, 2025, the Board's Executive Director emailed an amended letter outlining the investigative committee's audit findings and an Amended Complaint. The Board's Executive Director requested Nieman respond to the Amended Complaint by May 23, 2025.
17. On May 21, 2025, Nieman responded to the Amended Complaint and submitted additional CPE documentation for the audit period.

18. The Board's Executive Director again formed an investigative committee, which determined that:

- a. Documentation sent for course DE&I – Unconscious Bias dated July 21, 2021, supported 5.4 hours of CPE.
- b. Documentation sent for Fall seminar – Ethics dated September 15, 2021, for 4 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the length of the course could not be confirmed by the program sponsor.
- c. Documentation sent for course Data Analytic for Internal Audit dated November 23, 2021 for 2 CPE hours met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022;
- d. Documentation sent for course Fraud dated January 11, 2022 for 2 CPE hours met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022.
- e. Documentation sent for course ERM and Internal Audit Assessing Risks dated March 22, 2022 for 1 CPE hour met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022.
- f. Documentation sent for course Navigating Finance Workforce of the Future dated April 20, 2022 for 1 CPE hour met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2022.
- g. Documentation sent for course Help for Small Audit Shops dated January 26, 2023 for 1 CPE hour met the required documentation per ARSD 20:75:04:15 and the credit was added to period ending June 30, 2023.
- h. Documentation sent for Fraud dated November 30, 2023, for 2 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the non-sponsor form was not provided and the length of the course was not provided by the program sponsor.
- i. Documentation sent for Ethics dated December 7, 2023, for 2 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the non-sponsor form was not provided.
- j. Documentation sent for Enriched Living dated March 20, 2024, for 4 CPE hours did not meet the required documentation per ARSD 20:75:04:15 because the non-sponsor form was not provided.

- k. Documentation sent for Virtual Sharpened Focus: AI lets your data speak for itself dated May 10, 2023, was not previously reported and did not meet the required documentation per ARSD 20:75:04:15 because the agenda and non-sponsor form was not provided.
19. The committee determined that Nieman had provided satisfactory documentation of 108.4 CPE hours, detailed as follows:
- a. 26.4 CPE hours for the reporting year ending June 30, 2022;
 - b. 48 CPE hours for the reporting year ending June 30, 2023; and
 - c. 34 CPE hours for the reporting year ending June 30, 2024.
 - d. Based on the audit results, Neiman is still 11.6 CPE hours short for the audit period.
20. On June 30, 2025, the Board's Attorney emailed and mailed a Formal Complaint to Nieman requesting a response by July 21, 2025. Nieman and the Board's Attorney discussed the matter further via phone and email exchanges but were unable to resolve the matter.
21. Nieman is still 11.6 hours short of required 120 CPE hours for three-year audit period commencing July 1, 2021 through June 30, 2024 and is subject to discipline pursuant to SDCL 36-20B-40(3) and (6).

Dated this 14th day of October 2025.

/s/ Jennifer Doubleddee

Jennifer Doubleddee
Special Assistant Attorney General
Department of Labor and Regulation
1501 S. Highline Ave. Suite 1D
Sioux Falls, SD 57110
605.408.1727

CERTIFICATE OF SERVICE

The undersigned certifies that on October 14, 2025, a true and correct copy of the foregoing was served on the following parties by the service indicated:

Michael Nieman
47305 256th Street
Renner SD 57055
Mike.nieman@northwestern.com

☒ U.S. Mail
☐ Hand Deliver
☒ Electronic E-mail
☐ Odyssey File & Serve

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Pierre, SD 57501
SDOHE@state.sd.us

☐ U.S. Mail
☐ Hand Deliver
☒ Electronic E-mail
☐ Odyssey File & Serve

/s/ Jennifer Doubledde

Jennifer Doubledde

National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
April 25, 2025 – Hot Springs, VA

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 Maria Caldwell at 9:00 a.m. EST on Friday, April 25, 2025.

Chair Caldwell 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:

Officers

Maria E. Caldwell, CPA (FL), Chair
Nicola Neilon, CPA (NV), Vice Chair
Stephanie M. Saunders, CPA (VA), Past Chair
J. Andy Bonner, Jr., CPA (TN), Treasurer
Katrina Salazar, CPA (CA), Secretary

Directors-at-Large

Barry M. Berkowitz, CPA (PA)
Alison L. Houck Andrew, CPA (DE)
Stephen F. Langowski, CPA (NY)
Jason D. Peery, CPA (ID), Virtual attendance
Michael Schmitz, CPA (ND)
Kenya Y. Watts, CPA (OH)
Gerald 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
Dan Vuckovich, CPA (MT), Mountain Regional Director
Laurie A. Warwick, CPA (VA), Middle Atlantic Regional Director

Executive Directors' Liaison

Nancy Glynn, Executive Director Committee, Virginia 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
Troy A. Walker, CPA, Vice President, and Chief Financial Officer

Kent A. Absec, Vice President – State Board Relations
John W. Johnson, Vice President – Legislative and Governmental Affairs
Thomas Kenny, Chief Communications Officer
Philip Groves, CPA, Director of Finance and Controller

President Dustin announced there was a quorum present.

Approval of Minutes

Secretary Katrina Salazar presented the minutes for the January 24, 2025, February 10, 2025, and February 27, 2025, meetings. Ms. Salazar asked if there were any revisions for January 24, 2025, February 10, 2025, and/or February 27, 2025, minutes. No revisions were needed for either January 24, 2025, or February 10, 2025, minutes. There was a correction cited for February 27, 2025, minutes. Ms. Salazar moved that January 24, 2025, and February 10, 2025, minutes be accepted as presented and February 27, 2025, minutes be approved as corrected. Ms. Barron seconded, and the motion passed unanimously.

Report of the Chair

Chair Caldwell welcomed all. She reported that the Executive Committee met the day before and several topics which were discussed would be presented to the Board later in the afternoon. She reported that the Relations with Member Boards Committee also met with the Executive Committee the prior day. Ms. Caldwell shared with the Board that topics of importance include artificial intelligence, NASBA information technology projects, generational differences in the workplace and NASBA's continued focus on the workforce. Externally, Ms. Caldwell provided an update on the current deregulation legislation in Florida noting that it exempted physicians and attorneys, but not CPAs. Ms. Caldwell reported that she continues to be pleased with the level of engagement when she observes NASBA committee meetings. Ms. Caldwell noted there were external appointments to report, Carole McNees (MI), G. Alan Skinner (AL) and Daniel Trujillo (NM) were appointed to the AICPA Auditing Standards Board; Steve Platau (FL) to the AICPA Professional Ethics Executive Committee (PEEC); Donna Oklok (OH) and Haley Lyons (OR) to the AICPA Board of Examiners State Board Committee; and that while NASBA does not have designated seats on AICPA Board of Examiners Subcommittees, NASBA did recommend and receive appointments for Renee Villano (DE) to REG/TCP, Sarah Borchers (NE) to AUD, and Keenan Cooper (OH) to ISP.

Report of the Vice Chair

Vice Chair Neilon reported that she has continued to observe several committee meetings which is beneficial as planning for the 2025-2026 committee year moves forward. She reported there would be a committee planning meeting scheduled for May 29, 2025, and asked each committee chair and staff liaison to review the charge of the committee to help ensure it is accomplishing the mission of the committee and NASBA while also increasing engagement.

Report of the President & CEO

President Dustin provided an organizational update that included several internal

NASBA activities. Mr. Dustin reported to the board that 41 staff managers/supervisors were taking part in a Leadership Development and Professional Excellence training program; the flexible work policy has been finalized which is transitioning employees back into the office in early May, various community reinvestment activities and other employee engagement initiatives taking place. Mr. Dustin also noted that an internal compensation committee was created to review and address the Nashville compensation market and how to address its possible impact on employees. Mr. Dustin reported that 73% of the member boards had either met with or had appointments scheduled with the third-party entity conducting the diagnostic interviews. Staff have been active in reaching out to those jurisdictions who had not scheduled a time to provide feedback to the initiative.

Chief Operating Officer Bill Emmer provided an update on the continued progress of the processing time for CPAES jurisdictions and how that learning can be applied to NASBAs International Evaluation Services (NIES) and within the National Registry of CPE Sponsors. Mr. Emmer reported on the status of the licensing system project; and along with Andy Bonner, chair of the Accountancy Licensee Database (ALD) Task Force, reviewed the work concerning the rewrite of the ALD. Mr. Emmer also provided information on NASBAs activities concerning information technology, including the CPA Mobile App set for launch in early September; a licensing system workgroup established to guide a rewrite of NASBA's licensing system; and reviewed items regarding the CPA Examination such as candidate volumes, the status of the Credit Relief Initiative (CRI), data reporting and price considerations.

Executive Vice-President Wendy Garvin highlighted some of her activities with both domestic and international accounting related organizations. This included her virtually attending the American Professional Accounting Certification Providers Association (APACPA) which consists of leading exam review course providers along with NASBA Risk and Compliance Associate Director, Erica Smith. Ms. Garvin reported that Mr. Emmer attended in-person and gave a presentation on behalf of NASBA. Ms. Garvin provided information on her activity with the Future Accountant Sponsoring Organizations (FASO) group that is affiliated with the American Accounting Association (AAA) and other key stakeholders focused on the accounting pipeline. Ms. Garvin also announced that she will lead a contingent of NASBA staff to meet with some of the federal regulators that were part of the recent Executive Directors conference to talk about issues that are important to the organization. Internationally, Ms. Garvin participated in a roundtable discussion held in March by the International Ethics Standards Board for Accountants (IESBA). IESBA is focusing on creating a new standard around firm culture and governance. The roundtables consisted of five groups discussing seven elements IESBA identified in their research as being a key to creating a new standard. NASBA officials also met in Nashville with Abitus, the leading CPA review course provider in Japan. President Dustin also reported on his interactions with the Chartered Accountants of Ireland.

Ms. Garvin updated the Board around risk and compliance and the areas in which Ms. Smith will be concentrating her time, which will be with the Examination Review Board (ERB) and NASBAs Enterprise Risk Management Committee. Ms. Garvin indicated that the organization is in the final phase of its SOC-2 audit, which should be completed in the next few months. Ms. Garvin also reported that she, along with Ms. Smith, will be attending the

May AICPA Board of Examiners meetings as observers.

Mr. Absec provided an overview of recent state board outreach. Mr. Absec reported that he participated in eight regional calls hosted by the regional directors during the past quarter and that he gave presentations to a couple of state boards of accountancy. The presentations, which were primarily focused on the current UAA exposure draft, went well with great questions and discussions with the boards. Mr. Absec reported that Middle Atlantic Regional Director, Laurie Warwick, joined him on his presentation to the District of Columbia Board of Accountancy. He also mentioned that he had been involved in several discussions with executive directors and board chairs involving legislative activity in their jurisdiction and future board visits both in-person and virtually.

Vice-President John Johnson provided an update on his state society relations activity as well as legislative activity in jurisdictions across the country. Mr. Johnson reported that while all 55 jurisdictions had convened during the year some have already adjourned. There have been 183 bills filed that have a direct impact on the profession with 41 of those tied to pathways/mobility in 25 states. Mr. Johnson also reported there was a breakout session between the state society executives who attended the Executive Directors conference and NASBA leadership that was very well received.

President Dustin presented the activities of the Center for Public Trust. Mr. Dustin informed the Board that 4,321 students are currently enrolled in the leadership certification program for the year, to date, and that the winners from the 2025 Ethics in Action video competition were recently announced. Mr. Dustin also reminded the Board that the Student Leadership conference will be held in Philadelphia in conjunction with the Eastern Regional meeting.

Chief Communications Officer Thomas Kenny reported on the activity of the outreach campaigns the communications team has been working on both internally and externally as well as video projects and webinars they have been involved in putting together including 34 campaigns specifically on behalf of a board of accountancy since the first of the year. Mr. Kenny reported that the number of followers on social media has risen to approximately 217,300. Mr. Kenny also reminded the board of the upcoming conferences and board of directors' meetings.

President Dustin previewed the trending topics that will be discussed during the afternoon session which include the current and future areas of focus with the joint UAA committee, alternative practice structures/private equity and collaboration efforts with state boards and external stakeholders.

Report of the Administration and Finance Committee

Treasurer J. Andy Bonner, Jr. began by reporting on the prior day's Administration and Finance Committee meeting. He provided some general perspective on public policy, tariffs and market volatility. It was also reported to the Board that the Investment Committee performed their annual review of the Investment Policy Statement ("IPS") with the investment advisors. There were no suggested changes to the IPS.

Vice President and Chief Financial Officer Troy A. Walker then discussed the year-to-date consolidated financial statements through February 28, 2025. Mr. Walker stated the consolidated operating excess was better than budget by \$1.0M through the first seven months of the fiscal year. Total revenue was less than budget by \$1.7M primarily related to the lower expired notice-to-schedule (“NTS”) and no-show revenue. However, this was more than offset by lower total expenses than budget. Mr. Walker led the Board through additional discussion on the factors for both the total revenue and total expense variance to budget. Mr. Walker stated that due to the changes which drove higher candidate volumes during the first part of Fiscal 2024, it was difficult to compare the current fiscal year to the prior fiscal year. Mr. Walker reported that capital expenditures are tracking budget with the primary capital expenditure continuing to involve the CPA Mobile Application. Investment income was \$2.6M through February 28, 2025. Mr. Walker also reviewed the current balance for the long-term investment securities and performance return through March 31, 2025.

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, 2025. Mr. Langowski seconded, and the motion passed unanimously.

Report of the Uniform Accountancy Act (UAA) Committee

Mr. Vuckovich provided an update on the activities of the committee, including meetings of the joint NASBA/AICPA committee which primarily centered around the proposed language for Sections 5 and 23 which are currently out for public comment. Mr. Vuckovich informed the board on the next steps once the exposure draft period ends in May. He also discussed future items of focus for the committee and the current work being completed by a joint task force on UAA processes moving forward.

Report of the Nominating Committee

Ms. Saunders informed the board that interviews for Vice Chair candidates will take place on May 6th and 7th. Ms. Saunders also gave an update on the need for Nominating Committee members from regions in both the west and east. She also reminded the board that there is only one application for regional and director-at-large positions this year and that terms for regional directors are annual, so those interested and eligible will need to reapply. Interviews for the regional directors will take place in July.

Report of the Education Committee

Ms. Houck Andrew reported on the activities of the committee including its review of the recently submitted grant proposals. Ms. Houck Andrew reported that the number of submissions was down from the previous year. The committee recommended grants for three proposals, two within the area of artificial intelligence and one behavioral study. The three grants totaled \$25,000, which was the budget for the committee. Ms. Houck Andrew made a motion to approve the grants as proposed. Mr. Schaffers seconded, and the motion passed unanimously.

Report of the Executive Director Committee

Ms. Glynn expressed that executive directors are concerned about a future breach in mobility with the current pieces of legislation being proposed. She also expressed thoughts on the unintended consequences that current legislation/language could have on reciprocal licensing and mutual recognition agreements in the future. Ms. Glynn stated that further guidance around alternative practice structures, particularly private equity ownership, would be beneficial. Ms. Glynn also discussed the CPA exam including the latest published lower pass rates and the potential impact on the CPA pipeline.

Report of the Committee on Relations with Member Boards

Ms. Smith reported that each region successfully completed calls in the first quarter of the year and that a recap of those calls was discussed by the committee who met the prior day. She also reported on the committee meeting with the Executive Committee and had discussions around the NASBA diagnostic initiative, advice on how to make the semi-annual regional calls more effective and the upcoming regional meetings. Ms. Smith reported the committee spent considerable time discussing and working on the upcoming regional meetings in June.

Alerts from Other Committees

Peer Review Compliance Committee

Mr. Schmitz reported that the committee has already met three times during the new year. He also reported that the committee released a whitepaper on Deficient Reports and Monitoring Guidance, and that the committee was very diligent in its usage of language when making recommendations so that it would be perceived as guidance. Mr. Schmitz also indicated that the committee was looking into having a joint meeting with the AICPA Oversight Task Force in the fall.

Audit Committee

Mr. Schaffers reported that the committee is scheduled to meet in-person on May 8th.

CPE Committee

Ms. Warwick reported that the committee has met twice, primarily to review the work of the standards working group. The committee had a joint meeting with AICPA in March, and it was determined that additional time is needed to sufficiently review the standards to make the best decisions moving forward. The definition of artificial intelligence, definition of the technological instructors, and combining group live and group internet training are topics being discussed.

Examination Administration Committee

Mr. Berkowitz reported that the committee will be meeting during the week of April 28th to May 2nd.

Inclusion Committee

Ms. Barron highlighted the activity of the committee which includes enhancing new member outreach and how to increase the connection with new members when there are in-person events and/or meetings. She also reported that the committee has established a task force to collaborate with state societies on visiting schools at both the high school and post-secondary education level to educate students on the profession.

Other/New Business

Ms. Caldwell asked to introduce a new business item in between the committee reports to welcome Shelly Weir, CEO of the Florida Institute of CPAs. Ms. Weir joined the board virtually between 1:36 p.m. - 2:05 p.m. to share information on a deregulation bill that would impact the Florida Board of Accountancy and eliminate continuing professional education requirements, if passed. There was further discussion on the proposed legislation in Florida, which included how board members could assist and the role NASBA could have in the future.

Ethics Committee

Ms. Watts reported that the committee will hold a joint meeting with the Regulatory Response Committee concerning the recent discussion memorandum on the potential revisions to the AICPA *Code of Professional Conduct* and guidance related to independence involving alternative practice structures. She also reported that the committee would like to get a meeting scheduled to discuss a consultation paper which is from IESBA and concerns auditor independence as it relates to collective investment and pension funds.

Ms. Neilon reminded the board members to submit their committee interest forms if they hadn't previously done so and that the number of interest forms submitted as of today were the same as on this date a year ago.

Policy Discussions

President Dustin, with the help of Mr. Johnson led a discussion on the complexities of the various statutes that have been adopted in the various jurisdictions and the impact that will have on the cpamobility.org website. Mr. Dustin advised the board that staff are currently reviewing the cost to update the website as mobility moves from state-based to individual-based. He also reported that due to the complexity, which is a result of the varied ways in which legislation is being written across the jurisdictions, it will be very important that there is an accurate and clear understanding of the interpretation of the language in each jurisdiction. The board discussed the importance on having state boards confirm what is in the system to ensure accuracy and a need for disclosures and potential risk management agreements with the member boards. Mr. Dustin recommended that the complexities of cpamobility.org be considered for discussion at the upcoming regional meetings. Mr. Dustin also mentioned that the NASBA webpage on Substantial Equivalency would need to be rewritten. Mr. Dustin indicated that staff would continue to work and focus on the matters and to get thoughts and collaboration with state boards to identify potential paths forward.

President Dustin and Ms. Garvin led the board through a discussion on alternative practice structures, and in particular, private equity ownership. Ms. Garvin informed the board on the activities NASBA staff have had around the gathering of information and meetings held with executive directors on these matters, including a subsequent presentation that was conducted by NASBA staff at the recent Executive Director Conference and a potential future release of a whitepaper to help with further understanding of the issues.

Ms. Caldwell continued the discussion by talking to the Board about forming a task force that would begin to analyze and address some of the important, top-of-mind, topics that state boards are having around the subject and provide guidance. Ms. Caldwell asked the board members to reach out if they were interested in participating on a task force.

President Dustin discussed relationships with stakeholders with the Board. Mr. Dustin reiterated some of the actions NASBA is taking to help strengthen those relationships, which include meetings with a select group of executive directors each month; the inclusion of executive directors and board members on NASBA task forces, working and focus groups on matters involving information technology; non-disclosure agreements pertaining to the CPA examination; and alternative practice structures. He also stressed the importance of supporting the boards of accountancy through board visits and outreach.

Future Meetings

Chair Caldwell notified the board members there would be a virtual meeting of the board on May 7th to discuss the UAA exposure draft. She also provided the dates and location of the next two upcoming board meetings which will take place in Sun Valley, ID, in July and Chicago, IL, prior to the annual meeting in October. Ms. Caldwell also reminded the board of the regional meetings which will take place in New Orleans, LA, and Philadelphia, PA, in June.

Chair Caldwell thanked everyone for their effort and commitment to the board.

Adjournment

Chair Caldwell adjourned the meeting at 3:36 p.m. EST.

National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
May 7, 2025 – 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 Maria Caldwell at 4:01 p.m. EST on Wednesday, May 7, 2025.

Chair Caldwell asked President and Chief Executive Officer Daniel J. Dustin, CPA, to report on the meeting's attendance.

Report of Attendance

President Dustin announced there was a quorum present.

Officers

Maria Caldwell, CPA (FL), Chair
Nicola Neilon, CPA (NV), Vice Chair
Stephanie Saunders, CPA (VA) Past Chair
Katrina Salazar, CPA (CA), Secretary

Directors-at-Large

Barry M. Berkowitz, CPA (PA)
Alison L. Houck Andrew, CPA (DE)
Stephen F. Langowski, CPA (NY)
Jason D. Peery, CPA (ID),
Michael Schmitz, CPA (ND),
Kenya Y. Watts, CPA (OH)
Gerald 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
Jeannette P. Smith, CPA (TX), Southwest Regional Director
Dan Vuckovich, CPA (MT), Mountain Regional Director
Laurie A. Warwick, CPA (VA), Middle Atlantic Regional Director

Board Members Absent

J. Andy Bonner, Jr., CPA (TN), Treasurer
Wilhelmus Schaffers, CPA (AL), Southeast Regional Director

Executive Directors' Liaison

Nancy Glynn, Executive Director Committee Chair, Virginia Board of Accountancy

Staff

Daniel J. Dustin, CPA, President and Chief Executive Officer
Kent A. Absec, Vice President – State Board Relations

Report of the Chair

Chair Caldwell welcomed all. She reported the purpose of the meeting was to vote whether to approve the proposed changes, as recommended by the Joint NASBA-AICPA Uniform Accountancy Act (UAA) Committee, to Sections 5 and 23 of the UAA.

Chair Caldwell asked NASBA's UAA Committee Chair, Dan Vuckovich, to update the board on the latest activity of the committee.

Mr. Vuckovich provided an overview on the total of comments and the various categories of respondents who commented. Mr. Vuckovich reported that there were 209 comments received. He then broke down those comments into categories of respondents such as state boards of accountancy, state CPA societies, firms, educators and students or licensure candidates. He also covered the common themes which surfaced in support and objection to the language in the exposure draft for each category.

Mr. Vuckovich walked the board through two areas within the exposure draft that were identified during the comment period by stakeholders and was discussed by the joint committee at their most recent meeting. Those two areas were Section 23(a)(1) and Section 23(a)(2). In the case of Section 23(a)(1), Mr. Vuckovich reported that the committee recommended leaving the language as presented but adding language in the commentary to provide clarity. The board discussed the commentary and walked through the citation to the sections of the CPA examination.

In Section 23(a)(2), Mr. Vuckovich reported the committee had an in-depth discussion of the use of the term 'active' within the language. He provided a summary of the committee's discussion around the matter and that they recommended that a non-substantive change be made to the language by removing the term 'active' and be brought to the respective boards for consideration.

A motion was made by Mr. Vuckovich, seconded by Ms. Neilon, to approve the 9th edition of the UAA as presented with a recommendation of a change to the commentary for the AICPA's consideration in their vote of the language. The motion passed unanimously.

Chair Caldwell thanked Mr. Vuckovich and the NASBA UAA Committee members for all their work.

New Business

Ms. Saunders announced, on behalf of the Nominating Committee, that Coalter Baker has been selected to be NASBA's 2025-26 Vice Chair Nominee. A press release is expected later in the day, Wednesday, May 7th.

Adjournment

Ms. Caldwell adjourned the meeting at 4:28 p.m. EST.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

July 25, 2025 – Sun Valley, ID

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, July 25, 2025, in Sun Valley, ID, the Board took the following actions:

- Unanimously approved the minutes of April 25, 2025, and May 7, 2025, Board of Directors meetings.
- Chair Maria Caldwell (FL) reported her activities for the quarter which included observing NASBA committee meetings and attending the regional meetings.
- Approved the Awards Committee's recommendations: Janice Gray (OK) will be the recipient of the 2025 William H. Van Rensselaer Public Service Award; Faye Miller (ND) will be the recipient of the 2025 NASBA Distinguished Service Award; and Viki Windfeldt (NV) will be the recipient of the 2025 Lorraine P. Sachs Award for Executive Directors. The awards will be presented at the 2025 Annual Business Meeting in October.
- Vice Chair Nicola Neilon (NV) updated the Board on her activities during the past quarter, which includes her attending numerous committee meetings as well as the progress she is making regarding planning for the 2025-26 committee year in which 180 volunteers have submitted a committee interest form.
- President and CEO Daniel J. Dustin and Executive Vice President Wendy Garvin provided an organizational update and discussed activities they participated in with external stakeholders. Mr. Dustin provided an update on NASBA's Leadership Development and Professional Excellence training, the NASBA Culture Champion Team, the continued Diagnostic project, and various community reinvestment activities. Ms. Garvin discussed a recent trip to Washington, D.C. in which she, along with other NASBA representatives, met with various federal regulators.
- Coalter Baker (TX) was recognized for his selection as 2025-2026 Vice Chair Nominee and Andy Bonner was recognized for being named the recipient of the Tennessee Society of CPAs, Lifetime Achievement Award.
- President and CEO Daniel J. Dustin and Chief Operations Officer, William Emmer provided an operational update which included an overview of NASBA's Client and Compliance Services through the introduction of an Operations dashboard which covers key performance indicators. There was also an update on projects within the IT area of the organization.
- Audit Committee Chair, Wilhelmus Schaffers (AL), reported on the activities of the committee which included an in-person meeting in May.

- The Board heard a report from the Administration and Finance Committee:

Consolidated operating excess was better than budget by \$2.8M through the first ten months of the fiscal year ended May 31, 2025, and projected for Fiscal Year 2025. Year-to-date total revenue continued to be lower than budget. However, this is more than offset by lower total expenses.

The operating excess is projected to be \$4.1M and investment income is projected to be \$4.7M for Fiscal Year 2025.

Net assets are projected to increase by \$8.8M for the fiscal year ending July 31, 2025.

The Board unanimously approved the May 31, 2025, NASBA consolidated financial statements as presented and recommended by the Administration and Finance Committee. The Board also unanimously approved the Fiscal Year 2026 consolidated operating and capital budgets as presented and recommended by the Administration and Financial Committee.

- Relations with Member Boards Chair, Jeannette Smith (TX), reported on the activities of the committee's recent meetings which included a discussion on the recently completed regional meetings.
- Reviewed and approved for consideration proposed Bylaws changes to section 4.3.1, Chair, section 4.5, Qualification?Terms.and.Limitations.of.Office, section 6.1, Annual.Meeting, and section 6.8, Rules.of.Order?as presented by Committee Chair Jason Peery (ID). The proposed changes will be sent to the member Boards and voted on at the Annual Business Meeting.
- CPE Committee Chair, Laurie Warwick (VA), reported on the proposed changes to The Standards for Continuing Professional Education which is published jointly by NASBA and AICPA. The Board voted to publish the changes pending approval by the AICPA Board of Directors for comment during an upcoming 90-day exposure draft period.
- Education Committee Chair, Alison Houck Andrew (DE) reported on the activities of the committee and reviewed potential topics for research studies in the upcoming year.
- Executive Directors' Committee Chair, Nancy Glynn (VA), provided an update on the activities of the committee and discussed various areas of interest relating to the Executive Director community.
- The Board heard updates from various committees including the Nominating Committee, Enforcement Resources Committee, Standard Setting and Professional Trends Advisory Committee and Regulatory Response Committee.

The next meeting of the NASBA Board of Directors will be held on October 24, 2025, in Chicago, IL.

Distribution; State.Board.Chairs–Presidents?Members.and.Executive.Directors?NASBA.Board.of.Directors.and.Committee.Chairs?and.NASBA.Staff.Directors;

NASBA

BYLAWS 2025 Proposed Revisions

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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 ~~in accordance with the latest edition of Robert's Rules of Order, Newly Revised~~, 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 of Directors.

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.

4.51 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 ~~Business~~ 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.

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

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

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

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

4.56 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.

4.57 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.

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

4.59 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.

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

4.62 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.

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

4.64 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.

49.1 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.

49.2 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 Meetings are to facilitate communications, elect the members and alternates of the Nominating Committee pursuant to Article VII and to transact other business. Pursuant to Section 4.3.5, the Regional Director shall preside over a Regional Meeting. Unless the Regional Director is the Designated Voting Representative of a Member Board as described in Section 6.6.1 and 6.6.2, the Regional Director shall not have a vote at the Regional Meeting. In the event the Regional Director is unable to preside, the Association Chair shall designate a Delegate or Associate to preside.

ARTICLE VI - Meetings of the Association and Voting

6.1 Annual Meeting.

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

6.2 Special Meetings.

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

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.

7.14 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.

7.15 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.

7.16 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 committee, task force 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.

7.17 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.

7.18 If a Region fails to elect a member or an alternate as provided above, the Board of Directors shall appoint a member or an alternate to represent that Region on the Nominating Committee.

7.19 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.

721 Obligation to Attend Nominating Committee Meetings in Person.

721.1 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.

7212 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.

7213 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.

722 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 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.

7.31 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.

7.33 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).

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

7.35 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.

861 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 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.

EXPOSURE DRAFT

PROPOSED STATEMENTS ON STANDARDS FOR CONTINUING PROFESSIONAL EDUCATION (CPE) PROGRAMS

September 17, 2025

Comments are requested by December 16, 2025

Comments should be submitted to [Comment Submission Form](#).

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Explanatory Memorandum

Introduction

The Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) is published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) to provide a framework for the development, presentation, measurement, and reporting of CPE programs.

The *Standards* are periodically reviewed in their entirety by the CPE Standards Working Group (Working Group). The Working Group is comprised of 13 members representing various stakeholders in CPE including state boards of accountancy, state societies, educators, CPE providers and the AICPA. If the Working Group determines that revisions or modifications are required, then the Working Group will make its recommendation to NASBA's CPE Committee (CPE Committee), which in turn, makes recommendations to the Joint AICPA/NASBA CPE Standards Committee (Joint Committee). The Joint Committee will then make its recommendation to the respective AICPA and NASBA Boards of Directors.

The *Standards* are intended to be an “evergreen” document. The *Standards* are reviewed and evaluated every two years from the effective date of the last revision to the document. The *Standards* were last revised with an effective date of January 1, 2024.

Background

Why the Proposed *Standards* Have Been Developed

During the most recent revision cycle, the Working Group, a sub-committee of NASBA's CPE Committee, considered the advancements in technology and learning platforms, the transformative impact of Artificial Intelligence (AI), and other innovations in learning and learning modalities that seem to be blurring the lines of how the instructional delivery methods for CPE programs are currently defined in the *Standards*.

The Working Group believed that it was time to holistically reconsider the instructional delivery methods and challenge what those might be in the future. In addition to considering the items noted above, the Working Group addressed challenges inherent in the current delivery methods of the *Standards*. The Working Group also created strategies for building flexibility to accommodate future innovations in learning and the design of professional education.

Overarching Principles

The overall direction of the project was influenced by the purview of the state boards of accountancy, which is focused on formal CPE learning programs that are measurable and verifiable. Seven principles of formal CPE learning programs were defined as the framework for the development, presentation, measurement and reporting of CPE programs. The seven principles are:

1. Learning Objectives
2. Quality of CPE Program
3. Participant Engagement
4. CPE Program Completion Verification
5. CPE Program Measurement
6. Participant Communication
7. Required Documentation of CPE Programs

The proposed *Standards* (Proposal) have been reorganized in sections (instead of the current standards/paragraphs format) by the seven principles to simplify the presentation of the *Standards* and improve readability. The Proposal has expanded the “principles” based approach to help create flexibility to accommodate future changes and innovations in learning. (CPE programs that qualify for CPE credit under the extant 2024 version of the *Standards* will continue to qualify for CPE credit under the Proposal.)

Summary of Significant Changes in the Proposed *Standards*

- Introduction – The Introduction and Preamble from the extant 2024 version of the *Standards* have been revised and combined into the Introduction in the Proposal. Most concepts have been retained.
- Definitions – Renamed from Article I in the extant 2024 version to Section 1 in the Proposal. Updates to definitions to reflect proposed changes and modification throughout the document.
- Article II – General Guidelines for CPAs from the extant 2024 version of the *Standards* has been removed. Article II was historically included in the *Standards* to explain overall guidelines and requirements of CPE for CPAs to CPE program providers. It was not intended to be a resource to CPAs regarding specific jurisdiction CPE requirements. Certain information from paragraph 2.1, Professional Competence, was incorporated into the Introduction of the Proposal. In the spirit of simplifying and improving the readability of the *Standards*, the rest of extant Article II has been removed from the Proposal.
- Article III – Standards for CPE Programs has been reformatted to Section 2 – General Standards in the Proposal. This section now sets out the formal learning programs and learning activities which qualify for CPE under the *Standards*: formal learning programs; instructor/speaker activities; author/developer activities; and content reviewer activities. [Note: References to independent study and college and university credit from the extant 2024 version of the *Standards* have been removed from the Proposal and participants directed to refer to their State board of accountancy for guidance on this type of credit. State boards of accountancy rules and regulations typically include specific requirements regarding the acceptance of college and university credit. Only approximately 14 out of the 55 state boards of accountancy accept CPE credit for independent study programs and all 14 boards require that any independent study program be approved by the board in advance. Therefore, those areas do not seem meaningful to include in the Proposal.]
- Paragraph 2.02.1 of Section 2 – General Standards further explains that formal learning programs are defined within the Proposal as group programs, self study programs or

blended learning programs. The Proposal provides the types of programs that could qualify as a group program, which represent the types of programs defined as Group Live and Group Internet Based programs from the extant 2024 version of the *Standards*. Self study programs are described as, but not limited to, traditional on-demand learning programs, adaptive learning programs and nano learning programs. The description of blended learning programs is unchanged from the extant 2024 version of the *Standards*.

- Section 3 – Standards for Learning Objectives has been carried forward from the extant 2024 version of the *Standards* (Standard No. 2 and No. 3).
- Section 4 – Standards for Quality of CPE Program has been carried forward from the extant 2024 version of the *Standards* with some minor edits (Standard No. 4, No.5, No. 13, No. 14, No. 15, and No. 9 paragraph S9-07).
- Section 5 – Standards for Participant Engagement carries forward the concept of an element of engagement for Group Live programs for the extant 2024 version of the *Standards* (Standard No.7). However, it expands the requirement for learning engagement to all types of formal CPE programs and includes examples for group programs, self study programs and blended learning programs.
- Paragraph 5.01.2.2 of Section 5 – Standards for Participant Engagement provides guidance for the use of review questions as participant engagement in self study programs. The Proposal includes a change in the requirements for feedback on review questions to move away from requiring evaluative feedback for each incorrect answer and reinforcement feedback for the correct answer. Input from CPE Program sponsors indicates that these feedback requirements are the most time-consuming and difficult requirements to comply for self study programs in the extant 2024 version of the *Standards*. Additionally, many platforms currently available for the design and development of self study programs have limitations providing feedback for review questions.

The Proposal still requires feedback to be provided for review questions and other content reinforcement tools but allows for more principles-based feedback. The Proposal provides guidance that the objective of the feedback is to reinforce understanding, highlight knowledge gaps and provide additional resources for learning comprehension. The Proposal also states that, when the multiple choice method is used for review questions, explaining why each incorrect response is wrong and reinforcing the understanding for the correct response is a best practice.

- Section 6 – Standards for CPE Program Completion Verification carries forward Standard 16 paragraph S16-02 from the extant 2024 version of the *Standards*. Paragraph 6.01.1 of the Proposal emphasizes that for group programs, program completion verification methods should account for both individual presence and the time duration of such presence to address significant compliance issues that currently exist with Registry sponsors. The Proposal allows the sponsor to choose a completion verification method for group programs and provides examples. Completion verification for self study programs is mostly carried forward from the extant 2024 versions of the *Standards* (Standard No. 9 paragraphs S9-04 and S9-05 and Standard 10 paragraphs S10-01 and S10-02). Completion verification for blended learning programs is carried forward from the extant 2024 version of the *Standards* (Standard No. 11 paragraphs S11-02 through S11-03).

- Section 7 – Standards for CPE Program Measurement proposes changes to the amount of CPE credit that can be earned initially for group programs and self study programs. The Proposal allows for group program credit to be earned initially as one-half credit or one full credit. The Proposal also allows for self study program credit to be earned in one-fifth or one-half credit initially. If one-fifth credit is earned initially, it permits additional credit to be earned in one-fifth increments.

There are state boards of accountancy that currently permit CPE credits to be earned in these initial increments for group and self study programs. Emphasis has been included in the Proposal that rules and regulations of state boards of accountancy may differ on the acceptable increments of CPE credit and CPE program sponsors should comply with those rules in awarding CPE credit.

The proposed change in self study CPE increment would lay the foundation for future simplification within the *Standards* such that a separate category for nano learning would no longer be necessary (i.e., the requirements would be the same as a traditional on-demand self study program).

The guidance for the minimum required number of review questions and qualified assessment questions for self study programs have been expanded and revised based on the proposed changes. See paragraphs 5.01.2.1 and 6.01.2.

- Section 7 – Standards for CPE Program Measurement - In the spirit of simplifying and improving the readability of the *Standards*, the measurement methodology paragraphs for traditional on-demand self study programs and adaptive learning programs from the extant 2024 version of the *Standards* have been combined with specific call-out for differences in the sample sizes for pilot testing and the use of an average of all potential learning paths for the word count formula. Section 7 also permits the use of participant actual completion time for adaptive learning if the learning platform or technology can track individual participant completion time.
- Section 7 – Standards for CPE Program Measurement carries forward the CPE credit determination methodologies for nano learning and blended learning programs for the extant 2024 version of the *Standards* (Standard No. 18 and No. 19). Section 7 also carries forward the CPE credit measurement guidance for instructor/speakers; author/developers; and content reviewers from the extant 2024 version of the *Standards* (Standard No. 20, No. 21, and No. 22).
- Section 8 – Standards for Participant Communication carries forward the participant communication requirements and guidance from the extant 2024 version of the *Standards* (Standard No. 12 and language from Standard 16 paragraph S16-03).
- Section 9 – Standards for Required Documentation of CPE Programs carries forward the guidance from the extant 2024 version of the *Standards* for the certificate of completion (Standard No. 23). The Proposal reorganizes the guidance from the extant 2024 version of the *Standards* and includes specific requirements with examples of documentation for each type of formal CPE learning program: group programs, self study programs and blended learning programs.

Effective Date

Currently, no specific date has been recommended. The effective date is dependent on the timing of review and approval through NASBA's CPE Committee, the Joint AICPA/NASBA CPE Standards Committee, and ultimately, the respective AICPA and NASBA Boards of Directors. The Working Group recognizes that adequate time will be needed for CPE program sponsors to update learning management systems/platforms as well as for state boards of accountancy to consider and make any rules changes to implement the Proposal.

Guide for Respondents

Comments are sought on the Exposure Draft of the Statement on Standards for Continuing Professional Education (CPE) Programs. Specifically, feedback is sought on the topic of the effective date of the Proposal and the time needed to transition and implement the Proposal.

Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording.

Written comments on the exposure draft will become part of the public record of NASBA and will be available for review on NASBA's National Registry of CPE Sponsors website until the final standard is issued. Responses should be sent via the [Comment Submission Form](#) and received by December 17, 2025.

Comment Period

The comment period for this exposure draft ends December 17, 2025.

The Statement on Standards for Continuing Professional Education (CPE) Programs

Jointly issued by the American Institute of Certified Public Accountants (AICPA) and the
National Association of State Boards of Accountancy (NASBA)

NEW



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Introduction

The right to use the title “Certified Public Accountant” (CPA) is regulated by each state’s board of accountancy in the public interest and imposes a duty to maintain public confidence by maintaining or enhancing current professional competence, as defined in the Statement on Standards for Continuing Professional Education (CPE) Programs (Standards), in all areas in which they provide services. CPAs must accept and fulfill their ethical responsibilities to the public and the profession regardless of their fields of employment.^{1,2}

The profession of accountancy is characterized by an explosion of relevant knowledge, ongoing changes and expansion, and increasing complexity. Advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions have created a dynamic environment that requires CPAs performing professional services to have a broad range of professional competence. Accordingly, acceptable continuing education encompasses programs contributing to the development and maintenance of professional skills.

The continuing development of professional competence involves a program of lifelong learning activities. Continuing professional education (CPE) is the term used in these Standards to describe the learning activities that assist CPAs in achieving and maintaining quality in professional services.

The following Standards, published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs including standards for learning objectives, quality of CPE program, participant engagement, CPE program completion verification, CPE measurement, participant communication and required documentation of formal CPE programs and thereby help to ensure that CPAs receive the quality CPE necessary to satisfy their obligations in serving the public. The spirit of the Standards is to encourage high-quality learning with measurable objectives by providing baseline requirements.

The [fields of study](#), as published on NASBA’s website, www.nasbaregistry.org, represent the primary knowledge and skill areas that CPAs need to perform professional services in all fields of employment.

These Standards may also apply to other professionals by virtue of employment or membership. CPAs are responsible for complying with all applicable CPE requirements, rules, and regulations of boards of accountancy, as well as those of membership associations and other professional organizations, as applicable. Boards of accountancy, membership associations and other professional organizations have final authority on the acceptance of individual courses for CPE credit.

Advances in technology, delivery, and workplace arrangements may lead to innovative learning techniques. Learning theory is evolving to include more emphasis on outcome-based learning. These Standards anticipate innovation in CPE in response to these advances. Sponsors must

ensure innovative learning techniques are in compliance with the Standards. CPE program sponsors are encouraged to consult with NASBA regarding questions related to compliance with the Standards when using innovative techniques.

These Standards create a basic foundation for sound educational programs. Sponsors may wish to provide enhanced educational and evaluative techniques to all programs.

The Standards were last revised in 2024.

The Standards and the fields of study are periodically reviewed in their entirety by the CPE Standards Working Group (Working Group). The Working Group comprises 13 members representing the various stakeholders in the CPE arena, including boards of accountancy, state societies, educators, CPE providers, and the AICPA. If the Working Group determines that revisions or modifications are required, then the Working Group will make its recommendations to NASBA's CPE Committee (CPE Committee), which, in turn, makes recommendations to the Joint AICPA/NASBA CPE Standards Committee (Joint Committee). The Joint Committee will then make its recommendation to the respective AICPA and NASBA Boards of Directors. Any revisions or modifications to the Standards will be posted to the AICPA and NASBA websites for comment.

The Standards are intended to be an "evergreen" document. As questions arise related to implementation and application of the Standards, the questions will be presented to the Working Group. NASBA will communicate the findings of the Working Group to the specific CPE program sponsor. Authoritative interpretations will only be issued by the CPE Committee in limited cases in which the matter is not addressed in the Standards, cannot be addressed specifically with the CPE program sponsor, or cannot be addressed in the "Best Practices" web pages. All interpretations issued by the CPE Committee will be reviewed and considered by the Joint Committee upon the next revision of the Standards.

¹ The term "CPA" is used in these Standards to identify any person who is licensed or regulated, or both, by boards of accountancy.

² The terms "should" and "must" are intended to convey specific meanings within the context of this joint AICPA/NASBA Statement on Standards for Continuing Professional Education Programs (Standards). The term "must" is used in the Standards and applies to CPAs and CPE program sponsors to convey that CPAs and CPE program sponsors are not permitted any departure from those specific Standards. The term "should" is used in the Standards and applies to both CPAs and CPE program sponsors and is intended to convey that CPAs and CPE program sponsors are encouraged to follow such Standards as written. The term "may" is used in the Standards and applies to both CPAs and CPE program sponsors and is intended to convey that CPAs and CPE program sponsors are permitted to follow such Standards as written.

Section 1 – Definitions

Adaptive learning self study program. A self study program that uses a computer algorithm, other predictive analytics tools, or participant-driven selections to orchestrate interaction with the participant and deliver customized learning activities to assist the participant in meeting the course's stated learning objectives. CPE credit for an adaptive learning self study program must be determined based on the methodologies detailed in Section 7 Paragraphs 7.02.1 through 7.02.9.

Advanced. Program knowledge level most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for seasoned professionals within organizations; however, they may also be beneficial for other professionals with specialized knowledge in a subject area.

Asynchronous. A learning activity in which the participant has control over time, place, or pace of learning.

Basic. Program knowledge level most beneficial to professionals new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

Blended learning program. One formal learning program with defined learning objectives that includes both asynchronous and synchronous learning activities, and incorporates different instructional strategies, or levels of guidance. Pre-program, post-program and homework assignments should enhance the learning program experience and must relate to the defined learning objectives of the program.

Content reinforcement tools. Tools used within the overall learning activity to reinforce learning and influence behavior change throughout the learning or at the end of the learning. Examples include but are not limited to simulations, drag-and-drop, rank order, or matching activities.

Content reviewer. Individuals or teams qualified in the subject matter involved in a review capacity during the development of a learning program other than those who developed the content.

Continuing professional education (CPE). An integral part of the lifelong learning required to provide competent service to the public. The set of activities that enables CPAs and other professionals to maintain or improve their professional competence.

CPE credit. Fifty minutes of participation in a formal learning program equals one CPE credit.

CPE program sponsor (sponsor). The individual or organization responsible for ensuring the learning program meets all the requirements of the Standards, issuing the certificate of completion, and maintaining the documentation required by the Statement on Standards for Continuing Professional Education (CPE) Programs.

Feedback. Specific response to answers of review questions or other content reinforcement tools

in self study programs that helps participants evaluate their understanding of course material and gauge the effectiveness of learning efforts.

Formal learning program. A collection of learning activities that are designed and intended as continuing education that comply as defined within these Standards as a group program, self study program or blended learning program.

Group program. A facilitated learning program with one or more individuals in real time in which the Instructor (as defined below) has control of timing, place and pace of learning.

Instructional strategies. Strategies such as but not limited to case studies, computer-assisted learning, lectures, group interaction, programmed instruction, and use of audiovisual aids employed within the group, self study, or blended learning programs or other innovative programs.

Instructor. A human or technology-assisted mechanism which guides, facilitates, instructs, coaches, models and/or evaluates learning activities.

Intermediate. Program knowledge level that builds on a basic program and is most appropriate for professionals with detailed knowledge in a particular topic. Such persons are often at a mid-level within the organization, with operational or supervisory responsibilities, or both.

Learning activity. An educational endeavor that maintains or improves professional competence.

Learning program completion verification. A process to monitor the successful completion of the learning program to assign the correct number of CPE credits to the participant.

Learning objectives. Measurable outcomes that participants should accomplish upon completion of a learning program. Learning objectives are useful to program developers in deciding appropriate instructional strategies and allocating time to various subjects.

Nano learning program. A self study program completed individually without the assistance or interaction of a real time instructor that is designed to permit a participant to achieve a single learning objective in a minimum of 10 minutes and less than 20 minutes through the use of electronic media (including technology applications and processes and computer-based or web-based technology). A nano learning program differs from a traditional on-demand learning program in that it is focused on a single learning objective and is not paper-based. A nano learning program is not a group program. Nano learning is not a substitute for comprehensive programs addressing complex issues.

Overview. Program knowledge level that provides a general review of a subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels.

Participant engagement. The level of attention, involvement, interest and active participation demonstrated during the learning process. It involves the use of various strategies like interactive content, group discussions, hands-on activities, simulations, case studies, and personalized learning paths to make the learning experience more engaging and effective.

Pilot test. A method to determine the recommended CPE credit for self study programs that involves sampling of individuals who are independent of the development team and are representative of the intended participants to measure the representative completion time.

Pre-program assessment. A method of measuring prior knowledge that is given before the participant has access to the course content of the program.

Professional competence. Having requisite technical competence, professional skills, values, ethics, and attitudes to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest.

Qualified assessment. A method of measuring the achievement of a representative number of learning objectives for the learning activity.

Review questions. A learning activity to reinforce learning and influence behavior change throughout the learning program.

Self study program. A traditional on-demand learning, an adaptive learning or nano learning program in which the individual participant has control over the timing, place and pace of learning.

Subject matter expert. A person who has expertise in a particular area or topic. Expertise may be demonstrated through practical experience or education, or both.

Synchronous. A learning activity in which participants engage simultaneously with a real time instructor.

Traditional on-demand learning program. A learning program in which the individual participant controls access to educational content and resources as well as timing, place, and pace of learning.

Update. Program knowledge level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to keep current.

Word count formula. A method, detailed under Section 7 Paragraphs 7.02.5 through 7.02.8 method 2, to determine the recommended CPE credit for self study programs that uses a formula, including word count of learning material, number of questions and exercises, and duration of audio and videosegments.

Section 2 - General Standards

2.01. CPE program sponsors are responsible for compliance with all applicable Standards and other CPE sponsor requirements.

2.01.1. CPE requirements of licensing bodies and others. CPE program sponsors may have to meet specific CPE sponsor requirements of state licensing bodies, other governmental entities, membership associations, and other professional organizations or bodies. Professional guidance for CPE program sponsors is available from NASBA and state-specific guidance is available from the boards of accountancy. CPE program sponsors should contact the appropriate entity to determine requirements.

2.02. Learning activities which qualify for CPE credit under these Standards. The following learning activities qualify for CPE credit under these Standards:

- Formal learning programs;
- Instructor/speaker activities (See Section 7 Paragraph 7.05);
- Author/developer activities (See Section 7 Paragraph 7.06); and
- Content reviewer activities (See Section 7 Paragraph 7.06).

Other learning activities not listed above, such as independent study and college/university credit, may also be acceptable by state licensing bodies, governmental entities, membership associations and other professional organizations or bodies. Participants should refer to their state board or approving organization for guidance on acceptance of CPE credit not covered by the Standards.

2.02.1. Formal learning programs. To qualify for CPE credit, CPE program sponsors must comply with the requirements of learning objectives, quality of CPE program, participant engagement, CPE program completion verification, CPE program measurement, participant communication and required documentation of CPE programs as contained within these Standards. Formal learning programs must employ a real-time instructor and instructional strategies that guide a participant through a program of learning and are defined, within these Standards, as a group program, a self study program or a blended learning program.

Formal learning programs and learning activities that could qualify as a group program, as defined in Section 1, include but are not limited to:

- Physical classroom setting;
- Physical conference setting;
- Internet enabled two-way video participation in a program;
- Participation in a conference call;
- Participation in watching a live broadcast or rebroadcast of a program; or
- Webcast/webinar.

Formal learning programs and learning activities that could qualify as a self study program, as defined in Section 1, include but are not limited to:

- Traditional on-demand learning program;
- Adaptive learning program; or
- Nano learning program.

Formal learning programs and learning activities that could qualify as a blended learning program, as defined in Section 1, include but are not limited to:

- Blended learning program in which the primary components of the program are synchronous learning activities; or
- Blended learning program in which the primary components of the program are asynchronous learning activities.

Section 3 - Standards for Learning Objectives

3.01. Sponsored learning activities must be based on relevant learning objectives and outcomes assigned to the learning activities that clearly articulate the professional competence that should be achieved by participants in the learning activities. The learning objectives must be stated alongside the program knowledge level and prerequisite education/experience for the learning activity.

3.01.1. Program knowledge level. Learning activities provided by CPE program sponsors must specify the knowledge level, content, and learning objectives so that potential participants can determine whether the learning outcomes are appropriate to their professional competence development needs, except as provided in Section 8 Paragraph 8.01 for mandatory internal courses. Knowledge levels consist of Basic, Intermediate, Advanced, Update, and Overview.

3.02. CPE program sponsors must develop and execute learning activities in a manner consistent with the learning objectives, prerequisite education, experience, and advance preparation of participants.

3.02.1. Prerequisite education and experience. To the extent it is possible to do so, CPE program sponsors should make every attempt to equate program content and knowledge level with the backgrounds of intended participants. All programs identified as Intermediate, Advanced or Update must clearly identify prerequisite education, experience, and advance preparation in precise language so that potential participants can readily ascertain whether they qualify for the program. For courses with a program knowledge level of Basic and Overview, prerequisite education or experience and advance preparation, should be noted if applicable, otherwise, state “none” in the course announcement or descriptive materials.

Section 4 – Standards for Quality of CPE Program

4.01. CPE program sponsors must employ activities, materials, and delivery systems that are current, accurate, and effectively designed. Course documentation must contain the most recent

publication, revision, or review date. Courses in subjects that undergo frequent changes such as updates to codes, laws, rulings, decisions, interpretations, etc. must be reviewed and revised, as necessary, by a subject matter expert as soon as possible but at least once a year to verify the currency of the content. Other courses must be reviewed and revised, as necessary, at least every two years.

4.01.1. Developed by subject matter expert(s). Learning activities must be developed by subject matter expert(s). The content developer must be competent and current in the subject matter, skilled in the use of the appropriate instructional strategies and technology. If technology is used in the development of the program, the content developer is responsible for reviewing the content for accuracy.

4.02. CPE program sponsors must ensure that learning activities are reviewed by content reviewers other than those who developed the programs to ensure that the program is accurate and current and addresses the stated learning objectives. These reviews must occur before the first presentation of these materials and again after each significant revision of the CPE programs.

The participation of at least one licensed CPA (in good standing and holding an active license or the equivalent of an “active” CPA license in a U.S. jurisdiction) is required in the development of every program in accounting and auditing. The participation of at least one licensed CPA, tax attorney, or IRS enrolled agent (in good standing and holding an active CPA license or the equivalent of an “active” license in a U.S. jurisdiction) is required in the development of each program in the field of study of taxes. In the case of the subject matter of international taxes, the participation of the equivalent of an “active” licensed CPA for the international jurisdiction involved is permitted. As long as this requirement is met at some point during the development process, a program would be in compliance. Whether to have this individual involved during the development or the review process is at the CPE program sponsor’s discretion.

4.02.1. Qualifications of content reviewers. Individuals or teams qualified in the subject matter must review programs. The intent of the review is to serve as a quality control procedure to ensure the course content is accurate and current as well as appropriate for CPE. In *rare circumstances*, it may be impractical to review certain programs in advance. In those rare circumstances, greater reliance should be placed on the recognized professional competence of the instructor or presenter, and the basis for the lack of content review must be documented.

4.03. CPE program sponsors must ensure that instructors are qualified with respect to both program content and instructional strategies used.

4.03.1. Qualifications of instructors. Instructors are key ingredients in the learning process for any group or blended learning program. Therefore, it is imperative that CPE program sponsors exercise great care in selecting qualified instructors for all group or blended learning programs. Qualified instructors include individuals and technology-assisted mechanisms capable of delivering intended program content and fostering a learning environment. While technology may assist in instruction,

it must not override the judgment of the human instructor. Instructors must be competent and current in the subject matter, skilled in appropriate instructional strategies and technology, prepared in advance, and committed to engaging participants effectively.

4.03.2. Evaluation of instructor's performance. CPE program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

4.04. CPE program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation, as well as provide a mechanism for participants to assess whether learning objectives were met.

4.04.1. Required elements of evaluation. The objectives of evaluation are to assess participant and instructor satisfaction with specific programs and to increase subsequent program effectiveness. Evaluations, whether written or electronic, must be solicited from participants and instructors for the overall program. Sponsors may elect to solicit evaluations for each session within an overall program. Evaluations determine, among other things, whether

- stated learning objectives were met.
- stated prerequisite requirements were appropriate and sufficient.
- program materials, including the qualified assessment, if any, were relevant and contributed to the achievement of the learning objectives.
- time allotted to the learning activity was appropriate.
- instructors were effective, where applicable.

4.04.2. Evaluation results. CPE program sponsors must periodically review evaluation results to assess program effectiveness and should inform developers and instructors of evaluation results.

4.05. CPE program sponsors must ensure that instructional strategies employed are appropriate for the learning activities.

4.05.1. Assess instructional strategy in context of program objectives. CPE program sponsors must assess the instructional strategies employed for the learning activities to determine whether the design is appropriate and effective.

4.05.2. Facilities and technology appropriateness. Learning activities must be presented in a manner consistent with the program materials provided. Integral aspects of the learning environment that should be carefully monitored include the number of participants and the facilities and technologies employed in the delivery of the learning activity.

4.05.3. Based on materials developed for instructional use. Programs must be based on materials specifically developed for instructional use and not on third-party materials. Self study programs requiring only the reading of general professional literature, IRS publications, or reference manuals followed by a test will not be acceptable. However, the use of the publications and reference materials in self study programs as supplements to the instructional materials could qualify if the self study program complies with each of the relevant CPE standards.

Instructional materials for a self study program include teaching materials that are developed for instructional educational purposes. These materials must demonstrate the expertise of the author(s). At a minimum, instructional materials must include the following items:

- An overview of topics
- The ability to find information quickly (for example, an index or key word search function)
- The definition of key terms (for example, a glossary or a search function that takes a participant to the definition of a key word)
- Instructions to participants regarding navigation through the course, course components, and course completion
- Review questions with feedback
- Qualified assessment

4.06. Review responsibilities if content is purchased from another entity. CPE program sponsors may purchase course content from other entities and developers. The organization that issues the certificate of completion under its name to the participants of the program is responsible for compliance with all Standards and other CPE requirements.

If a CPE program sponsor plans to issue certificates of completion under its name, then the CPE program sponsor must first consider whether the content was purchased from an entity registered with NASBA on the National Registry of CPE Sponsors.

- If the content is purchased from a sponsor registered with NASBA on the National Registry of CPE Sponsors, then the CPE program sponsor that issues the certificate of completion under its name must maintain the author/developer and content reviewer documentation from that sponsor to satisfy the content development requirements of the Standards. The documentation should be maintained as prescribed in Section 9 Paragraphs 9.02.1 through 9.02.3.
- If the content is purchased from an entity not registered with NASBA on the National Registry of CPE Sponsors, then the CPE program sponsor must independently review the purchased content to ensure compliance with the Standards. If the CPE program sponsor does not have the subject matter expertise on staff, then the CPE program sponsor must contract with a content reviewer to conduct the review. The CPE program sponsor must maintain the appropriate documentation regarding the credentials and experience of both the course author/developer(s) and content reviewer(s) as prescribed in Section 9 Paragraphs 9.02.1 through 9.02.3.

Section 5 – Standards for Participant Engagement

5.01. CPE program sponsors must design programs of learning and learning activities to drive participant engagement.

5.01.1. Participant engagement for group programs. A group program must include participant

engagement related to course content during each full credit of CPE as outlined in Section 6. In certain limited circumstances, for example, a high-profile keynote session, an element of engagement may not be appropriate. In such cases, the sponsor should document the justification.

Examples of participant engagement in group programs include but are not limited to:

- Group discussion;
- Polling questions;
- Instructor-posed question with time for participant reflection;
- Case studies;
- Simulations/role play;
- Hands-on activities/application of skills or tools;
- Shared white boards/discussion boards;
- Virtual breakout rooms; and
- Collaboration with other participants.

5.01.2. Participant engagement for self study programs. Examples of participant engagement in self study programs include but are not limited to:

- Review questions with feedback;
- Simulations/role play; and
- Hands-on activities/application of skills or tools.

5.01.2.1. Use of review questions or other content reinforcement tools in self study programs.

Review questions or other content reinforcement tools must be placed throughout the program in sufficient intervals to allow the participant the opportunity to evaluate the material that needs to be re-studied. At least three review questions or other content reinforcement tools with scored responses per CPE credit must be included. If the program is marketed for one-half CPE credits, then two review questions or other content reinforcement tools with scored responses must be included. Other content reinforcement tools with scored responses, such as simulations, that guide participants through structured decisions can be used in lieu of review questions. “True or false” questions do not count toward the number of required review questions per CPE credit. There is no minimum passing rate required for review questions or other content reinforcement tools.

If the program is marketed for one-fifth CPE credit or 0.2 CPE credit, then a review question or other content reinforcement tool with scored response is not required. After the first one-fifth credit is earned, review questions or other content reinforcement tools with scored responses are required based on the one-fifth credit measurement amount of the program as follows:

Initial Credit	Review Questions or Other Content Reinforcement Tools
0.2	0
0.4	1
0.6	2
0.8	3
Next full credit	3

After the first full credit and the minimum of three review questions or other content reinforcement tools with scored responses, additional review questions or other content reinforcement tools with scored responses are required based on the additional credit measurement amount of the program as follows:

Additional Credit	Additional Review Questions or Other Content Reinforcement Tools
0.2	0
0.4	1
0.5	2
0.6	2
0.8	3
Next full credit	3

5.01.2.2. Feedback on review questions or other content reinforcement tools. **Feedback** must be provided on review questions or other content reinforcement tools. At a minimum, feedback must indicate that a response was “correct” or “incorrect”. In effective instructional design, the goal of providing feedback is to reinforce understanding, highlight knowledge gaps, and provide additional resources for learning comprehension. Providing feedback when review questions, such as the multiple choice method, are used, to explain why each incorrect response is wrong is one way to reinforce the understanding for the correct response.

5.01.3. Participant engagement for blended learning programs. Blended learning programs and learning activities must be designed to drive participant engagement. For blended learning programs in which the components are synchronous learning activities, CPE program sponsors may consider Paragraph 5.01.1 for guidance on participant engagement. For blended learning programs in which the components are asynchronous activities, CPE program sponsors may consider Paragraphs 5.01.2 through 5.01.2.2 for guidance on participant engagement.

Section 6 – Standards for CPE Program Completion Verification

6.01. Although it is the CPA’s and other professional’s responsibility to report the appropriate number of credits earned, CPE program sponsors must maintain a process to monitor individual attendance at group and blended learning programs or verify individual successful program completion for self study and blended learning programs to assign the correct number of CPE credits. Self-certification of attendance/completion alone is not sufficient.

6.01.1. CPE program completion verification for group programs. Verification methods should account for both individual presence in the CPE program and the time duration of such presence. Examples of program completion verification for group programs include but are not limited to:

- For physical classroom and conference settings:
 - Use of an attendance log with indications of individual participant duration time in the program, including sign in, sign out and any elongated break times.
 - Use of a registration list plus a statement from the program instructor or attendance monitor attesting to full individual participation in the program or noting any late arrivals, early departures or elongated breaks.
 - Use of a technology tool (e.g., QR codes, use of key word or codes, electronic badging) to check in and out of learning programs with sufficient frequency and lack of predictability to verify and document that individual participants are in attendance during the program.
- Internet enabled two-way video participation in a program:
 - In situations where individual participants log into a group program and are required to enable two-way video to participate in a virtual face-to-face setting (with cameras on), participation in the two-way video conference must be monitored and documented by the instructor or attendance monitor in order to verify attendance for program duration. The participant-to-attendance monitor ratio must not exceed 25:1, unless there is a dedicated attendance monitor in which case the participant-to-attendance monitor ratio must not exceed 100:1.
- Participation in a conference call:
 - Use of a registration list plus a statement from the program instructor or attendance monitor attesting to full individual participation in the program or noting any late arrivals, early departures or elongated breaks. Periodic attendance checks should be made by the instructor or attendance monitor to verify that individual participants are in attendance during the program.
- Participation in watching a live broadcast or rebroadcast of a program facilitated by a real time instructor:
 - Use of an attendance log with indications of individual participant duration time in the program, including sign in, sign out and any elongated break times;
 - Use of a registration list plus a statement from the program instructor or attendance monitor attesting to full individual participation in the program or noting any late arrivals, early departures or elongated breaks;
 - Use of a technology tool (e.g., QR codes, use of key word or codes, electronic badging) to check in and out of learning programs with sufficient frequency and lack predictability to verify that individual participants are in attendance during the program
- Webcast/webinar facilitated by a real time instructor:

Use of a real time attendance monitoring mechanism to verify that participants are in attendance during the program including sign in, sign out and any elongated break times. The attendance monitoring mechanism must be of sufficient frequency and lack predictability to ensure that participants have been engaged throughout the program. The attendance monitoring mechanism must be employed and completed by the participant at least three times per one CPE credit. CPE program sponsors should verify with respective boards of accountancy on specific monitoring

requirements.

If the program is marketed for one-half CPE credits, then two attendance monitoring mechanisms must be employed and completed by the participant.

After the first full credit and the three instances of attendance monitoring, additional attendance monitoring mechanisms are required based on the additional credit amount of the program as follows:

Additional Credit	Additional Monitoring Mechanisms
0.2	0
0.4	1
0.5	2
0.6	2
0.8	3
Next full credit	3

6.01.2. CPE program completion verification for self study programs. Examples of program completion verification for self study programs include but are not limited to:

- For traditional on-demand learning and adaptive learning programs:
 - To provide evidence of satisfactory completion of the course, CPE program sponsors of self study programs must require participants to successfully complete a qualified assessment during or after the program with a cumulative minimum passing grade of at least 70 percent before issuing CPE credit for the course. Assessments may contain questions of varying format (for example, multiple choice, essay, and simulations). At least 5 questions and scored responses per CPE credit must be included on the qualified assessment or 3 assessment questions and scored responses if the program is marketed for one-half CPE credits. For example, the qualified assessment for a 5-credit course must include at least 25 questions and scored responses. Alternatively, a 5 ½ credit course must include at least 28 questions and scored responses. Except in courses in which recall of information is the learning strategy, duplicate review and qualified assessment questions are not allowed. “True or false” questions are not permissible on the qualified assessment.

If the program is marketed for one-fifth credit, at least 2 questions or scored responses must be included on the qualified assessment with a cumulative minimum passing grade of at least 70%. After the first one-fifth credit is earned, qualified assessment questions and scored responses are required based on the one-fifth credit measurement amount of the program as follows:

Initial Credit	Questions/Scored Responses
0.2	2
0.4	3
0.6	4
0.8	5
Next full credit	5

After the first full credit and the minimum of five questions and scored responses per CPE credit, additional qualified assessment questions and scored responses are required based on the additional credit measurement amount of the program as follows:

Additional Credit	Additional Questions/Scored Responses
0.2	1
0.4	2
0.5	3
0.6	3
0.8	4
Next full credit	5

For adaptive learning programs, the noted minimum requirement of at least 5 questions and scored responses per CPE credit must be met by the fastest completion path through the program. When assessment questions are used to evaluate the participant's path through the program such that they must reach 100% success to complete the program, then an additional qualified assessment is not required at the end of the course.

A qualified assessment must measure a representative number of the learning objectives for the program. A representative number of the learning objectives is 75 percent or more of the learning objectives for the program. The representative number of the learning objectives can be less than 75 percent of the learning objectives for the program only if a randomized question generator is used, and the test bank used in the creation of the assessment includes at least 75 percent of the learning objectives for the program. Assessment items must be written to test the achievement of the stated learning objectives of the course.

The number of re-takes a participant is permitted to take is at the sponsor's discretion.

- Providing feedback on the qualified assessment is at the discretion of the CPE

program sponsor. If the CPE program sponsor chooses to provide feedback and

- uses a test bank, then the CPE program sponsor must ensure that the question test bank is of sufficient size to minimize overlap of questions on the qualified assessment for the typical repeat test taker. Feedback may comply with the feedback for review questions as described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.
 - does not use a test bank, whether or not feedback can be given depends on whether the participant passes the qualified assessment, then
 - on a failed assessment, the CPE program sponsor may not provide feedback to the test taker.
 - on assessments passed successfully, CPE program sponsors may choose to provide participants with feedback. This feedback may comply with the type of feedback for review questions as described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.
- For a nano learning program:
 - To provide evidence of satisfactory completion of the course, CPE program sponsors of nano learning programs must require participants to successfully complete a qualified assessment at the conclusion of the program with a passing grade of 100 percent before issuing CPE credit for the course. Assessments may contain questions of varying format (for example, multiple choice, rank order, and matching). Only two questions must be included in the qualified assessment. “True or false” questions are not permissible on the qualified assessment. If the participant fails the qualified assessment, then the participant must re-take the nano learning program. The number of re-takes a participant is permitted to take is at the sponsor’s discretion.
 - Providing feedback on the qualified assessment is at the discretion of the CPE program sponsor. If the CPE program sponsor chooses to provide feedback and
 - uses a test bank, then the CPE program sponsor must ensure that the question test bank is of sufficient size for no overlap of questions on the qualified assessment for the typical repeat test taker. Feedback may comply with the feedback for review questions as described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.
 - does not use a test bank, whether or not feedback can be given depends on whether the participant passes the qualified assessment, then
 - on a failed assessment, the CPE program sponsor may not provide feedback to the test taker.
 - on assessments passed successfully, CPE program sponsors may choose to provide participants with feedback. This feedback may comply with the type of feedback for review questions as

described in Section 5 Paragraph 5.01.2.1 or take the form of identifying correct and incorrect answers.

6.01.3. CPE program completion verification for blended learning programs. Examples of program completion verification for blended learning programs include but are not limited to:

- To guide participants through the learning process, CPE program sponsors must provide clear instructions and information to participants that summarize the different components of the program and what must be completed or achieved during each component in order to qualify for CPE credits. The CPE program sponsor must document the process and components of the course progression and completion of components by the participants.
- If the primary components of the blended learning program are synchronous learning activities, then CPE credits for pre-program, post- program, and homework assignments cannot constitute more than 25 percent of the total CPE credits available for the blended learning program.
- If the primary components of the blended learning program are asynchronous learning activities, then the blended learning program must incorporate a qualified assessment in which participants demonstrate achievement of the learning objectives of the program.
 - A qualified assessment must measure a representative number of learning objectives for the program. A representative number of the learning objectives is 75 percent or more of the learning objectives for the program. The qualified assessment must be completed during or after the program with a cumulative minimum passing grade of at least 70 percent before issuing CPE credit for the course.

Section 7 - Standards for CPE Program Measurement

7.01. Sponsored learning activities are measured by actual program length, with one 50-minute period equal to one full CPE credit. Sponsors may recommend CPE credits under the following scenarios and remain compliant with these Standards. However, rules and regulations of state boards of accountancy may differ on acceptable increments of CPE credit, and CPE program sponsors should comply with those rules in awarding CPE credit:

- **Group programs – A minimum of one-half or one full credit may be awarded initially. If one-half credit is awarded initially, then no increments can be added until a full credit is awarded. After the first full credit has been earned, credits may be awarded in one-fifth increments or in one-half increments (1.0, x.2, x.4, x.5, x.6, x.8, and so on).**
- **Blended learning programs – A minimum of one full credit must be awarded initially, but after the first credit has been earned, credits may be awarded in one-fifth increments or in one-half increments (1.0, x.2, x.4, x.5, x.6, x.8, and so on).**
- **Self study programs –**
 - **Traditional On Demand and/Adaptive Self Study: A minimum of one-fifth or one-half credit may be awarded initially. If one-fifth credit is awarded initially, credits may be awarded in one-fifth increments up to a full credit (0.2, 0.4, 0.6, 0.8). If one-half credit is awarded initially, then no increments can be added until a full credit is awarded. Once one full credit has been earned, credits may be awarded in one-fifth increments or in one-half increments (1.0, x.2, x.4, x.5, x.6, x.8, and so on).**

- **Nano learning program – Credits must be awarded only as one-fifth credit (0.2 credit). A 20-minute program would have to be produced as two stand-alone nano learning programs.**

CPE Program	Minimum initial credit that must be earned	After first one-fifth credit has been earned, credit may be earned in these increments	After first full credit has been earned, credit may be earned in these increments, in addition to one whole credit
Group	One-half	Not applicable	One-fifth or one-half
Blended learning	One	Not applicable	One-fifth or one-half
Self study	One-fifth	One-fifth	One-fifth or one-half
	One-half	Not applicable	One-fifth or one-half
Nano learning	One-fifth	Not applicable (single nano learning program is one-fifth credit)	Not applicable (single nano learning program is one-fifth credit)

Only learning content portions of programs (including pre-program, post-program, and homework assignments, when incorporated into a blended learning program) qualify toward eligible credit amounts. Interactive, facilitated question and answer time between instructor and participants qualifies toward eligible credit amounts. Time for activities outside of actual learning content, including, for example, excessive welcome, introductions, and housekeeping instructions, and breaks, is not accepted toward credit.

At their discretion, CPE program sponsors may round down (but not up) CPE credits awarded for a CPE program to the nearest one-fifth, one-half, or whole credit increment as appropriate for the type of formal learning program. The increment chosen by the CPE program sponsor must be applied to all CPE program sessions (learning activities) within the same CPE program. Any resulting certificate(s) issued for the CPE program must also be awarded in the chosen increment for full credit; however, partial credit must be issued in only one-fifth, one-half, or whole increments. In addition, CPE program sponsors must ensure that the total credit for a CPE program is only in the allowable increment and should round down the credit if necessary. The CPA claiming the CPE credits should refer to the respective state board requirements regarding acceptability of one-fifth and one-half CPE credits.

7.01.1. Learning activities with individual segments. For learning activities in which individual segments are less than 50 minutes, the sum of the segments would be considered one total program. For example, five 30-minute presentations would equal 150 minutes and would be counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted must be rounded down to the nearest credit basis depending on the type of formal learning program. For example, a group program must be rounded down to the nearest one-fifth, one-half, or whole credit. Thus, learning activities with segments totaling 140 minutes would be granted two and four-fifths CPE credits if using one-fifth increments

and two and one-half credits if using one-half increments.

For learning activities in which segments are classified in multiple fields of study, the CPE credits granted should first be computed based on the content time of the total program. Next, the CPE credits granted should be allocated to the fields of study based on the field of study content time. If the sum of the individual segments by field of study content time does not equal the CPE credits computed based on the content time for the total program, then the difference should be allocated to the primary field of study for the program.

7.02. For self study programs, CPE credit must be based on one of the following educationally sound and defensible methods:

Method 1: Pilot test of the representative completion time Method

2: Computation using the prescribed word count formula

If a pre-program assessment is used, the pre-program assessment is not included in the CPE credit computation.

7.02.1. Method 1 – Sample group of pilot testers. A sample of intended professional participants must be selected to test program materials in an environment and manner similar to that in which the program is to be presented. The sample group for a traditional on-demand learning program must consist of at least three qualified individuals who are independent of the program development group. The sample group for an adaptive learning program must consist of at least seven qualified individuals who are independent of the program development group.

- For those courses whose target audience includes CPAs, the sample group must be licensed CPAs in good standing, hold an active CPA license or the equivalent of an “active” CPA license in a U.S. jurisdiction, and possess the appropriate level of knowledge before taking the program.
- For those sponsors who are subject to various regulatory requirements that mandate a minimum number of CPE credits and offer courses to non-CPAs, those courses do not have to be pilot tested by licensed CPAs.
- For those courses whose target audience includes CPAs and non-CPAs, the sample group must be representative of the target audience and contain both CPAs, as defined previously, and non-CPAs.

7.02.2. Method 1 – CPE credit based on representative completion time. The sample does not have to ensure statistical validity; however, if the results of pilot testing are inconsistent, then the sample must be expanded or, if the inconsistent results are outliers, the inconsistent results must be eliminated. CPE credit must be recommended based on the representative completion time for the sample. Completion time includes the time spent taking the qualified assessment and does not include the time spent completing the course evaluation or pre-program assessment. Pilot testers must not be informed about the length of time the program is expected to take to complete. If substantive changes are subsequently made to program materials, whether in one year or over a period of years, further pilot tests of the revised program materials must be conducted to affirm or amend, as appropriate, the representative completion time.

7.02.3. Method 1 – Requirement for re-pilot testing. If, subsequent to course release, actual participant completion time warrants a change in CPE credit hours, re-pilot testing is required to substantiate a change in CPE credit prospectively.

7.02.4. Method 1 – Pilot testing when course is purchased from vendor or other developer. CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses in which pilot tests were conducted and provided, CPE program sponsors must review results of the course developer's pilot test results to ensure that the results are appropriate. For purchased courses in which no pilot tests were conducted or provided, CPE program sponsors must conduct pilot testing or perform the word count formula as prescribed in method 2 in Section 7 Paragraph 7.02.5.

7.02.5. Method 2 – Basis for prescribed word count formula. The prescribed word count formula begins with a word count of the number of words contained in the text of the required reading of the self study program and should exclude any material not critical to the achievement of the stated learning objectives for the program. Examples of information material that is not critical and, therefore, **excluded** from the word count are course introduction, instructions to the participant, author/course developer biographies, table of contents, glossary, pre-program assessment, and appendixes containing supplementary reference materials.

Again, only course content text that is critical to the achievement of stated learning objectives should be included in the word count formula. If an author/course developer determines, for example, that including the entire accounting rule or tax regulation is beneficial to the participant, the accounting rule or tax regulation should be included as an appendix to the course as supplementary reference material and excluded from the word count formula. Only pertinent paragraphs or sections of the accounting rule or tax regulation required for the achievement of stated learning objectives should be included in the actual text of the course and, therefore, included in the word count formula.

Review questions, exercises, and qualified assessment questions are considered separately in the calculation and should not be included in the word count.

7.02.6. Method 2 – Calculation of CPE credit using the prescribed word count formula. The word count for the text of the required reading of the program is divided by 180, the average reading speed of adults. The total number of review questions (including those above the minimum requirements), exercises, and qualified assessment questions is multiplied by 1.85, which is the estimated average completion time per question. These two numbers plus actual audio/video duration time (not narration of the text), if any, are then added together and the result divided by 50 to calculate the CPE credit for the self study program. When the total minutes of a self study program are not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-half credit, one-fifth credit, or whole credit using the guidelines of Section 7 Paragraph 7.01.

$$[(\# \text{ of words}/180) + \text{actual audio/video duration time} + (\# \text{ of questions} \times 1.85)] / 50 = \text{CPE credit}$$

For adaptive learning programs, the CPE credit issued must be based on the average word count formula calculation of each potential path the participant could take to complete the program using

the prescribed word count formula as described above. All potential paths must be documented. For example, if the adaptive learning program has nine potential paths a participant could take to complete the program, then the word count formula must be calculated for each of the nine potential paths, with the sum of the results divided by nine.

7.02.7. Method 2 – Consideration of audio and video segments in word count formula. If audio and video segments of a self study program constitute additional learning for the participant (that is, not narration of the text), then the actual audio/video duration time may be added to the time calculation as provided in the prescribed word count formula. If the entire self study program constitutes a video, then the prescribed word count formula in Section 7 Paragraph 7.02.6 would consist of the actual video time plus the total number of review questions (including those above the minimum requirements), exercises, and qualified assessment questions multiplied by 1.85, divided by 50 (that is, there would be no word count for text used in the formula).

$$[\text{actual audio/video duration time} + (\# \text{ of questions} \times 1.85)] / 50 = \text{CPE credit}$$

7.02.8. Method 2 – Word count formula when course is purchased from vendor or other developer. CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses in which the word count formula was calculated, CPE program sponsors must review the results of the course developer's word count formula calculation to ensure that results are appropriate. For purchased courses in which the word count formula calculation was not performed or provided, CPE program sponsors must perform the word count formula calculation or conduct pilot testing as described in method 1 in Section 7 Paragraphs 7.02.1 through 7.02.2.

7.02.9. CPE credit for an adaptive learning self study program that tracks individual participant's completion time. If the adaptive learning platform or technology can track an individual participant's actual completion time through the program, then CPE credit may be awarded as the individual participant's actual completion time.

The individual participant's actual completion time should result in a completion time aligned with the stated learning objectives of the program and the design and development of the program by the CPE program sponsor. If the adaptive learning platform or technology is not responsive enough to detect when an individual participant has deviated from the expected learning path or experienced an unreasonable completion time during the program, then the participant's actual completion time must not be used for CPE credit determination.

7.02.10 CPE credit for nano learning programs must be based on the duration of the program including review questions or other content reinforcement tools plus the qualified assessment, which, when combined, should be a minimum of 10 minutes. **The maximum credit to be awarded for a single nano learning program is one-fifth (0.2) credit. Sponsors must use Method 2 in Section 7 Paragraph 7.02.7 to confirm that the nano learning program is a minimum of 10 minutes and less than 20 minutes.**

7.03. CPE credit for blended learning programs must equal the sum of the CPE credit

determinations for the various completed components of the program. CPE credits could be determined by actual duration time (for example, audio/video duration time or learning content delivery time in a group program) or by a pilot test of the representative completion time as prescribed in Paragraph 7.02.1 or word count formula as prescribed in Paragraph 7.02.6 (for example, reading, games, case studies, and simulations).

7.04. Instructors and discussion leaders of learning activities may receive CPE credit for their preparation, review, and presentation time to the extent the activities maintain or improve their professional competence and meet the requirements of these Standards.

7.04.1. Instructor CPE credit parameters. Instructors, discussion leaders, or speakers who present a learning activity for the first time may receive CPE credit for actual preparation time up to 2 times the number of CPE credits to which participants would be entitled, in addition to the time for presentation, subject to regulations and maximums established by the boards of accountancy. For example, for learning activities in which participants could receive 8 CPE credits, instructors may receive up to 24 CPE credits (16 for preparation plus 8 for presentation). For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed, and such change required significant additional study or research.

When multiple presenters are actively involved in instructing one CPE program session for the first time, all presenters may receive the maximum CPE credit for preparation time up to 2 times the number of CPE credits to which the participants would be entitled, in addition to the time for presentation, subject to regulations and maximums established by the boards of accountancy. For example, a CPE program session (learning activity) with 3 presenters offers participants 1 CPE credit. Each presenter may receive up to 3 CPE credits (2 for preparation plus 1 for presentation).

7.04.2. Presenting a program. The CPA claiming CPE credits should refer to respective state board requirements.

7.05. Writers of published articles, books, or CPE programs may receive CPE credit for their actual research and writing time to the extent it maintains or improves their professional competence. Content reviewers of learning activities may receive CPE credit for actual review time up to the actual number of CPE credits for the program, subject to the regulations and maximums established by boards of accountancy.

7.05.1. Authoring a program. As a general rule, receiving CPE credits for authoring and presenting the same program should not be allowed. The CPA claiming CPE credits should refer to respective state board requirements.

7.05.2. Requirement for content review. Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. For the writer to receive CPE credit, the article, book, or CPE program must be formally reviewed by a content reviewer other than the writer. CPE credits should be claimed only upon publication.

7.05.3. Content reviewer CPE credit parameters. Content reviewers who review a learning activity

for the first time may receive CPE credit for actual review time up to the actual number of CPE credits for the program, subject to regulations and maximums established by boards of accountancy. For repeat content reviews, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed, and such change required significant additional study or research.

Section 8 - Standards for Participant Communication

8.01. CPE program sponsors must provide descriptive materials that enable participants to assess the appropriateness of learning activities. For CPE program sponsors whose courses are developed for sale or external audiences, or both (that is, not internal training), CPE program sponsors must make the following information available in advance:

- Learning objectives
- Type of formal learning program
- Recommended CPE credit and recommended field of study
- Prerequisites
- Program knowledge level
- Advance preparation
- Program description
- Course registration and, where applicable, attendance requirements
- Refund policy for courses sold for a fee or cancellation policy
- Complaint resolution policy
- Official NASBA sponsor statement, if an approved NASBA sponsor (explaining final authority of acceptance of CPE credits)

For CPE program sponsors whose courses are purchased or developed for internal training only, CPE program sponsors must make the following information available in advance:

- Learning objectives
- Type of formal learning program
- Recommended CPE credit and recommended field of study
- Prerequisites (if required)
- Advance preparation (if required)
- Program knowledge level (for optional internal courses only)
- Program description (for optional internal course only)

8.01.1. Disclose significant features of program in advance. For potential participants to effectively plan their CPE, the program sponsor must disclose the significant features of the program in advance (for example, through the use of brochures, websites, electronic notices, invitations, direct mail, or other announcements). When CPE programs are offered in conjunction with non-educational activities or when several CPE programs are offered concurrently, participants must receive an appropriate schedule of events indicating those components that are recommended for CPE credit. The CPE program sponsor's registration and attendance policies and procedures must be formalized, published, and made available to participants and include refund

and cancellation policies as well as complaint resolution policies.

8.01.2. Disclose advance preparation and prerequisites. CPE program sponsors must distribute program materials in a timely manner and encourage participants to complete any advance preparation requirements. All programs must clearly identify prerequisite education, experience, and advance preparation requirements, if any, in the descriptive materials. Prerequisites, if any, must be written in precise language so that potential participants can readily ascertain whether they qualify for the program.

8.01.3. Disclose requirements for earning full credit for a group program. Prior to the commencement of a group program, the CPE program sponsor must communicate how the participants can earn full credit, including the number of minutes of attendance required. Participants must be advised if the CPE program sponsor requires polling questions to be answered correctly in order to earn full CPE credit for the program. If polling questions are used for the attendance monitoring mechanism, the participant must be informed of the number of polling questions posted per CPE credit and how many must be answered in order to earn full credit for the program.

Section 9 - Standards for Required Documentation of CPE Programs

9.01. CPE program sponsors must provide program participants with documentation (electronic or paper) of their participation (certificate of completion), which includes the following:

- CPE program sponsor name
- Participant's name
- Course title
- Date offered or completed
- If applicable, location
- Type of formal learning program
- Amount of CPE credit recommended by field(s) of study
- NASBA sponsor identification number
- State registration number, if required by the state boards
- NASBA time statement stating that CPE credits have been granted on a 50-minute hour
- Any other statements required by boards of accountancy

The documentation should be provided as soon as possible and should not exceed 60 days (so that participants can report their earned CPE credits in a timely manner).

9.01.1. Entity to award CPE credits and acceptable documentation. The CPE program sponsor is the individual or organization responsible for issuing the certificate of completion and maintaining the documentation required by these Standards. The entity whose name appears on the certificate of completion is responsible for awarding the CPE credits earned by a participant. CPE program sponsors must provide participants with documentation (electronic or paper) to support their claims of CPE credit. Acceptable evidence of completion includes the following:

- For group and blended learning programs, a certificate or other verification supplied by

the CPE program sponsor

- For self study and nano learning programs, a certificate supplied by the CPE program sponsor after satisfactory completion of a qualified assessment
- For instruction or content review credit, appropriate supporting documentation that complies with the requirements of the respective state boards subject to the guidelines in Section 7 Paragraphs 7.05 and 7.06
- For published articles, books, or CPE programs:
 - A copy of the publication (or in the case of a CPE program, course development documentation) that names the CPA as author or contributor
 - A statement from the writer supporting the number of CPE hours claimed
 - The name and contact information of the content reviewer(s) or publisher

9.02. CPE program sponsors must retain adequate documentation (electronic or paper) for a minimum of five years to support their compliance with these Standards and the reports that may be required of participants.

9.02.1. Required documentation elements for group programs. Evidence of compliance with responsibilities set forth under these Standards that is to be retained by CPE program sponsors of group programs includes the following:

- Records of program completion verification by individual participant, including the number of CPE credits earned by participant.
 - The documentation maintained should adequately support the CPE program completion methodology selected by the CPE program sponsor. For example, if the CPE program sponsor selected to use an attendance log with indications of individual participant duration time, including sign in, sign out and any elongated breaks for program completion verification, then the attendance log for the program including all the aforementioned elements of information should be maintained.
 - If the group program is a webinar/webcast and the CPE program sponsor used a real time attendance monitoring mechanism to verify that participants are in attendance during the program, then the CPE program sponsor must retain documentation that serves as the evidence of the individual participant response to the attendance monitoring mechanisms.
- Dates and locations of group program offerings.
- Documentation of how CPE credits were determined.
 - CPE credits for group programs are determined based on course content duration time. Supporting documentation includes but is not limited to the group program agenda or program descriptive materials (course announcement information).
- Documentation of participant engagement.
 - Group CPE program sponsors must retain the program outline, agenda, speaker notes or other documentation that evidences the participant engagement related to course content during each credit of CPE planned for the group program. In certain limited circumstances, such as a high-profile keynote session, an element of participant engagement may not be appropriate. In such cases, the sponsor should document the justification.
- Author/instructor, author/developer, and content reviewer, as applicable, names and credentials. For the CPA and tax attorney acting as an author/instructor, author/developer,

and content reviewer for accounting, auditing, or tax program(s), the state of licensure, license number, and status of license should be maintained. For the enrolled agent acting in such capacity for tax program(s), information regarding the enrolled agent number should be maintained.

- Results of program evaluations.
- Program descriptive materials (course announcement information).
- Program materials.

9.02.2. Required documentation elements for self study programs. Evidence of compliance with responsibilities set forth under these Standards that is to be retained by CPE program sponsors of self study programs includes the following:

- Records of program completion verification by individual participant, including the number of CPE credits earned by participant and course completion date.
- Documentation of how CPE credits were determined.
 - For CPE program self study sponsors using method 1 (pilot tests) as the basis for CPE credit for traditional on-demand learning programs, as well as adaptive learning self study programs, appropriate pilot test records must be retained regarding the following:
 - When the pilot test was conducted
 - The intended participant population
 - How the sample of pilot testers was selected
 - Names and credentials and relevant experience of sample pilot test participants
 - For CPA pilot testers, the state of licensure, license number, and status of license should be maintained
 - A summary of pilot test participants' actual completion time
 - Statement from each pilot tester to confirm that the pilot tester is independent from the course development group and that the pilot tester was not informed in advance of the expected completion time
 - For CPE program sponsors using method 2 (word count formula) as the basis for CPE credit for self study programs, the word count formula calculation, as well as the supporting documentation for the data used in the word count formula (for example, word count; number of review questions, exercises, and qualified assessment questions; duration of audit or video segments, or both, if applicable; and actual calculation), must be retained. For adaptive learning self study programs, all potential paths that a participant could take to complete the program must be documented and retained.
 - For adaptive learning programs in which the adaptive learning platform or technology can track an individual participant's actual completion time through the program, the CPE program sponsor must maintain or be able to produce upon request, the individual participant's completion path and time through the program.
 - For nano learning programs, CPE program sponsors must maintain the documentation of the use of method 2 for self study programs in Section 7 Paragraph 7.02.7 to confirm that the nano learning program is a minimum of 10 minutes and less than 20 minutes.

- Course documentation must include an expiration date (the time by which the participant must complete the qualified assessment). For individual courses, the expiration date is no longer than one year from the date of purchase or enrollment. For a series of courses to achieve an integrated learning plan, the expiration date may be longer.
- Author/instructor, author/developer, and content reviewer, as applicable, names and credentials. For the CPA and tax attorney acting as an author/instructor, author/developer, and content reviewer for accounting, auditing, or tax program(s), the state of licensure, license number, and status of license should be maintained. For the enrolled agent acting in such capacity for tax program(s), information regarding the enrolled agent number should be maintained.
- Results of program evaluations.
- Program descriptive materials (course announcement information).
- Program materials.

9.02.3. Required documentation elements for blended learning programs. Evidence of compliance with responsibilities set forth under these Standards that is to be retained by CPE program sponsors of blended learning programs includes the following:

- Clear instructions and information that summarizes the different components of the blended learning program and what must be completed or achieved during each component in order to qualify for CPE credits. The CPE program sponsor must also retain documentation of the course progression and what CPE credits were earned by individual participants upon the completion of the components.
- Dates and locations of blended learning program offerings.
- Documentation of how CPE credits were determined. CPE credit for blended learning programs must equal the sum of the CPE determinations for the various completed components of the program.
 - CPE credits could be determined by actual completion time, for example, audio/video duration time or learning content duration time in a group program. Supporting documentation in those instances includes but is not limited to evidence of audio/video time or group program agenda or group meeting invitation indicating duration time.
 - CPE credits could also be determined based on pilot tests of the representative completion time or word count formula (for example, reading, games, case studies and simulations). Supporting documentation in those instances includes but is not limited to the pilot test documentation (method 1) and word count formula (method 2) documentation requirements as prescribed for self study programs in Section 7 Paragraphs 7.02.01 and 7.02.6.
- Author/instructor, author/developer, and content reviewer, as applicable, names and credentials. For the CPA and tax attorney acting as an author/instructor, author/developer, and content reviewer for accounting, auditing, or tax program(s), the state of licensure, license number, and status of license should be maintained. For the enrolled agent acting in such capacity for tax program(s), information regarding the enrolled agent number should be maintained.

- Results of program evaluations.
- Program descriptive materials (course announcement information).
- Program materials.

Effective date:

Unless otherwise established by state licensing bodies or other professional organizations, these Standards are to be effective on_____.



White Paper

**National Association of State Boards of Accountancy
Private Equity Task Force**

**Alternative Practice Structures & Private Equity:
Considerations and Questions for Boards of Accountancy**

October 24, 2025

**Comments are requested by January 31, 2026
Submit all comments to petaskforce@nasba.org**

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National Association of State Boards of Accountancy Private Equity Task Force

Alternative Practice Structures & Private Equity: Considerations and Questions for Boards of Accountancy

Executive Summary

Private equity (PE) investment in the accounting profession is an emerging trend that offers opportunities for growth, modernization, and succession. Yet it also raises questions related to how Boards of Accountancy regulate this issue to ensure public protection.

In response to these questions, National Association of State Boards of Accountancy (NASBA) Chair Maria Caldwell 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 state boards in their oversight responsibilities. The PE Task Force is also charged with exploring how PE ownership may impact the public interest, firm independence, governance structures, and audit quality.

The members of the Private Equity 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

The purpose of this paper is for the PE Task Force to educate Boards of Accountancy and policymakers about both the benefits and challenges of PE investment and raise questions

about how best to protect investors and the public interest. While identifying key questions, this paper is not intended to provide guidance on how Boards of Accountancy should modify their oversight practices or statutory frameworks.

The paper includes:

- Background on Board of Accountancy regulation of certified public accountants (CPAs) and CPA firms
- An introduction to CPA firms operating in Alternative Practice Structure (APS) models that have PE investment
- Three key topics and questions for Boards of Accountancy on regulating PE investment in CPA firms

NASBA's Private Equity Task Force seeks feedback from Boards of Accountancy and other key stakeholders regarding the content of this white paper, and in particular regarding the key topics and questions. Please submit any comments and questions to petaskforce@nasba.org by January 31, 2026.

Background on Board of Accountancy Regulation of CPAs and CPA Firms

State legislatures charge Boards of Accountancy with regulating CPAs and CPA firms¹ to protect the public interest. Boards of Accountancy accomplish this by enforcing standards of competence, ethical conduct, and independence in the performance of public accounting services.

Generally, CPAs and CPA firms must be licensed to perform attest engagements. These engagements produce an examination, opinion, agreed-upon procedures report, or assurance regarding information provided by a third party. Financial statement users (including investors and banks) rely on attest work to make key investment decisions. Therefore, Board of Accountancy regulation of attest work is critical to the functioning of the U.S. economy.

Additionally, Boards of Accountancy require CPAs and CPA firms to comply with various professional standards, such as generally accepted auditing standards and the American

¹ The Uniform Accountancy Act defines "CPA Firm" in §3 of the Ninth Edition (2025):

"Firm" means a sole proprietorship, a corporation, a partnership or any other entity that is practicing public accountancy as defined by the Act and has been duly registered with the appropriate State Board of Accountancy." Uniform Accountancy Act, §3(f), 2025. For purposes of this paper, we distinguish between firms registered and licensed to practice public accountancy ("CPA firms") and all other entities, which are regarded as "non-CPA firms" under the regulatory framework. See *also* Fn. 5.

Institute of CPAs (AICPA) Code of Professional Conduct.² Due to the evolving nature of the accounting profession, Boards of Accountancy also require CPAs to complete continuing professional education to maintain or enhance their knowledge.

Boards of Accountancy require CPA firms that provide attest services to participate in an approved peer review program. The primary objective of peer review is to monitor and enhance the quality of accounting, auditing, and attestation services provided by CPA firms. Peer review evaluates a firm's system of quality control/management as it relates to its accounting and auditing practice for non-issuer (privately held) clients (when a system review is required or elected) or through an evaluation of select engagements (when eligible for an engagement review). In contrast, audits of issuers (public companies) fall under the oversight of the Public Company Accounting Oversight Board. Peer review gives the public, regulators, and other financial statement users greater confidence in the reliability of the information they receive.

An Introduction to CPA firms operating in APS models that have PE investment

Non-CPA minority ownership has long been permitted within CPA firm structures. However, regulatory requirements governing firm ownership impose important limitations. Most states' laws mandate that a majority of a CPA firm's ownership—both in terms of equity and voting rights—be held by licensed CPAs.³ In addition, at least 44 jurisdictions require that non-CPA firm owners be individual persons who are actively engaged in the firm's business.⁴ These legal provisions restrict the extent to which non-licensees and passive investors can hold an ownership interest in a CPA firm. As a result, PE investors often structure their involvement in CPA firms through APSs which allow for investment in the non-attest side of the firm's business while ensuring that attest services remain under the control and oversight of licensed CPAs, in compliance with professional and regulatory requirements.

The AICPA Code of Professional Conduct defines an APS as “a form of organization in which a CPA firm that provides attest services is closely aligned with another public or

² The American Institute of CPAs (AICPA) Code of Professional Conduct is widely adopted throughout the U.S. At least 37 Boards of Accountancy have adopted the AICPA Code of Professional Conduct by reference in whole or in part. A further 8 Boards of Accountancy have their own state code of professional conduct, containing references to, or largely based on, the AICPA Code of Professional Conduct. Thus, any existing or new AICPA Code of Professional Conduct requirements will flow down to most states' laws and rules.

³ Two jurisdictions (Hawaii and the Commonwealth of the Northern Mariana Islands) require 100% CPA ownership of firms. All other jurisdictions require majority licensee ownership.

⁴ The Ninth Edition of the Uniform Accountancy Act (2025) at §7(c)(2) also includes this requirement: “Any CPA or PA firm as defined in this Act may include non-licensee owners provided that ... [a]ll non-licensee owners are of good moral character and active individual participants in the CPA or PA firm or affiliated entities.” The terms “active individual participant” and “affiliated entities” are not defined in the Uniform Accountancy Act or Model Rules.

private organization [non-attest entity]⁵ that performs other professional services.”⁶ This non-attest entity may receive PE investment, provide non-attest services, and perform key administrative functions for both entities. See Appendix 2, Table 1 for a diagram of a simplified ownership structure of an APS structured CPA firm.

Generally, APS, as it pertains to PE in CPA firms, operates in a business structure whereby the CPA firm providing attest/assurance services (often referred to as the “attest firm”) is closely aligned with the non-attest entity. See Appendix 2, Table 2 for a diagram of a simplified ownership structure of a CPA firm operating in an APS model that has PE investment.

During the 1990s, many CPA firms sought to expand beyond traditional audit and tax services into consulting, technology, and financial advisory work. However, as mentioned previously, state laws and professional regulations limit non-CPA ownership and investment in CPA firms. These restrictions made it difficult for firms to access external capital or form partnerships with non-CPA professionals, such as management consultants and IT specialists. To overcome these barriers, firms began developing APSs which allowed investors and non-CPAs to participate financially in the broader business while keeping the attest function under the control of licensed CPAs, as required by law.

Following the proliferation of this new investment model, the AICPA and Boards of Accountancy clarified rules and standards on ownership and independence, reinforcing that only CPA-owned entities could issue attest reports. APSs provided a way to separate the attest entity (CPA-owned) from the non-attest entity (which could be owned and/or funded by non-CPAs). This model preserved compliance with state accountancy laws while enabling firms to remain competitive and attract non-CPA expertise and investment.

The APS framework remains relevant today, as PE investment in APS firm structures has recently increased significantly. The APS model allows firms to balance the profession’s regulatory requirements with market flexibility and growth opportunities. This increased PE investment has occurred across the country in larger and smaller markets, and has impacted small, medium, and large firms.⁷ PE investment in CPA firms follows several

⁵ The Ninth Edition of the Uniform Accountancy Act (2025) does not include a definition for “non-CPA firm” or “non-attest entity.” Rather, a non-CPA firm or non-attest entity is understood contextually as any entity providing accounting-related services that is not licensed by its Board of Accountancy. That is, a firm which does not hold a permit to practice public accountancy. Uniform Accountancy Act, §3(f).

⁶ Alternative Practice Structures interpretation (*ET* sec. 1.220.020) of the Independence Rule.

⁷ Press accounts from 2023 and 2024 cite examples of small, medium, and large sized attest firms being approached by PE investors. See, e.g., *Journal of Accounting*, *Private Equity Eyes CPA firms Large and Small*, Feb. 1, 2023 (noting that more than half of the largest attest firms are involved in, or contemplating, PE-backed APS structures); see also CFO Brew, *Private Equity is Reshaping the Accounting Profession*, Sept. 17, 2024 (Reportedly, “you have midsized PE firms partnering with midsized accounting firms, and now you even

other recent trends, including PE investment in other licensed professions, such as medical and engineering professions.⁸ This trend has also coincided with the increased adoption of artificial intelligence within the CPA profession; the need for access to increased capital to supply attest firms with improved information technology resources; and recent waves of firm consolidation and restructuring associated with retirements at small firms.⁹

Reportedly, PE investors find CPA firms to be an attractive investment vehicle for several reasons, including the fact that they “often have stable, recurring revenue streams,” and given that “the fragmented nature of the accounting industry presents opportunities for consolidation and economies of scale.”¹⁰

Under the APS model, attest firms provide audit and assurance services, as required by law. The attest firm’s ownership structure must continue to adhere to requirements that maintain CPA ownership and control of the attest firm. The non-attest entity provides non-attest services including tax, consulting, management, and advisory services. The ownership structure for the non-attest firm varies, and may include a combination of CPAs, CPA partners in the attest firm, PE investors, and potentially other individuals and/or entity owners.

The attest firm and non-attest entity operate under a wide-ranging administrative services agreement. The non-attest entity provides centralized administrative functions to the attest firm including human resources, staffing, information technology, marketing, and general office administration. The attest firm and non-attest entity generally share branding, websites, and some operational leadership.

have small PE firms partnering with small CPA firms”); see also CFO Brew, *Private Equity Now Has a Stake in 20 of the Top 30 CPA Firms*, Nov. 20, 2024.

⁸ Some CPAs have asked questions about news and periodical coverage critical of private equity investment in medical professions. See, e.g., Bloomberg Tax, *Private Equity-Fueled Shakeup Coming for Accounting Industry*, April 30, 2025 (“Some studies have shown a deterioration in patient care after private equity targeted the health care industry, for instance, while others reported slightly improved care”); see also Wall Street Journal, *Doctors Warn Accountants of Private-Equity Drain on Quality: You Could be Next*, May 7, 2025 (“many doctors have decried private-equity firms’ push into healthcare, saying patient care has eroded under their ownership”).

⁹ See Thomson Reuters, *Some Tax, Audit & CPA firms are Rejecting Private Equity in Favor of Independence*, May 30, 2025 (“Private equity has flooded the profession with capital for firms to pay retiring partners, acquire smaller firms, improve technology, and expand client services.”)

¹⁰ See Thomson Reuters, *The Rise of Private Equity in Accounting: Not Just for Large Firms Anymore*, Aug. 20, 2024.

Three Key Topics and Questions for Boards of Accountancy on Regulating PE Investment in CPA Firms

The PE Task Force has identified three key topics for consideration by Boards of Accountancy: independence and professional standards; disclosure and public understanding; and regulatory oversight and enforcement. Under each of these three categories below, this white paper poses questions for Boards of Accountancy regarding responsible regulation of the accounting profession and protection of the public interest.

1. Independence and Professional Standards

Summary:

Independence remains the cornerstone of public trust in the accounting profession. When PE investors become closely aligned with CPA firms through APSs, complex relationships emerge that can threaten both actual and perceived independence.¹¹ The fundamental challenge lies in ensuring that attest firms maintain the requisite professional judgment, technical competence, and ethical standards while operating within increasingly sophisticated ownership and management structures.¹² Boards of Accountancy should evaluate whether existing independence frameworks adequately address the unique risks posed by PE involvement, including potential conflicts arising from shared management, compensation structures, and client relationships across attest firms and non-attest entities.

To ensure compliance with professional standards, non-attest entities' involvement in management, compensation, and performance evaluation decisions regarding CPAs at attest firms must not affect audit quality and auditor independence. The current version of the AICPA Code of Professional Conduct (AICPA Code) includes independence rules;¹³ requirements for organizational structures and names;¹⁴ guidance regarding organizational structures and names,¹⁵ including defining whether a firm is part of a "network" and determining what name requirements would apply to connected and related attest firms and related non-attest organizations.¹⁶

¹¹ Wall Street Journal, *Private Equity Has Closer Ties to Companies' Auditors Than Ever Before*, Oct. 30, 2024.

¹² Accounting Today, *Capital vs. Control: PE's Impact on CPA Firms*, Dec. 5, 2024.

¹³ AICPA Code of Professional Conduct, last updated March 1, 2025, at Secs. 1.200.001; 1.220.020; and Sec. 1.800.001.

¹⁴ *Id.* at Sec. 1.800.001.

¹⁵ *Id.* at Sec. 1.810.050.

¹⁶ *Id.* at Sec. .400.35.

In response to the proliferation of PE investment in attest firms, AICPA's Professional Ethics Executive Committee (PEEC) recently issued a memorandum flagging potential gaps in this guidance as it pertains to attest firms operating in an APS model with PE investment.¹⁷ PEEC's review and revision process should result in an exposure draft of the standard changes later in 2025, followed by the roll-out of new AICPA Code language aimed specifically at PE investment practices.¹⁸

Core Questions:

- How should attest firms operating in an APS model with PE investment maintain audit quality and avoid undue influence and pressure to perform, if non-attest entities influence the attest firm's management, compensation, and performance evaluations?
- What restrictions should apply to PE investors and their portfolio companies becoming attest clients of an attest firm within their same shared APS structure?
- How should peer review processes address the complexity of independence considerations introduced by APS structures with PE investment?
- Are there adequate safeguards to ensure that attest firms maintain the necessary internal knowledge and frameworks for compliance with the AICPA Code, and federal/state laws and rules, specifically around the protection of confidential client information?
- How can Boards of Accountancy and other standard setting bodies address independence concerns based on the size and scale of attest firms' relationships?
- Are there positions taken within PEEC's memorandum *Potential revisions to the AICPA Code of Professional Conduct and guidance related to independence in alternative practice structures* that you believe should impose more restrictive requirements regarding attest firm independence? If so, which provisions, how would you modify them, and why?
- Would your Board of Accountancy consider adopting stricter laws or rules associated with independence than those in the AICPA Code, to enhance public protection?

¹⁷ See AICPA Professional Ethics Division, *Potential revisions to the AICPA Code of Professional Conduct and guidance related to independence in alternative practice structures*, March 10, 2025.

¹⁸ See *id.* NASBA has responded to the PEEC request for comments with a June 13, 2025 response letter, available on NASBA's website: <https://nasba.org/wp-content/uploads/2025/06/June-13-2025-NASBA-Response-Letter-PEEC-APS-DM-FINAL.pdf>.

2. Disclosure and Public Understanding

Summary:

Commentators have noted that "an auditor's objectivity, both real and perceived, is critical to the business of [CPA] firms, which typically also have consulting and tax operations."¹⁹ Thus, "experts stress the importance of a clear distinction between which parts of a firm are owned by CPAs and which are not, both from a legal standpoint and a client relationship perspective."²⁰

The public's ability to make informed decisions about professional services depends on clear, accessible information about firm ownership, service boundaries, and regulatory oversight. When APS structures with PE investment blur traditional firm boundaries, enhanced disclosure requirements become essential to maintain transparency and consumer protection.

Core Questions:

- Should Boards of Accountancy require more prominent and standardized disclosures on websites and marketing materials, distinguishing attest and non-attest entities under common control?
- How can Boards of Accountancy better educate consumers about the distinction between attest and non-attest services in APS structures?
- What clarity is needed regarding Uniform Accountancy Act and Model Rules' wording on the use of the CPA title²¹ by individuals not associated with attest firms?
- How should advertising practices be regulated to provide transparency regarding the relationship between attest firms and non-attest entities?

¹⁹ Wall Street Journal, *Private Equity Has Closer Ties to Companies' Auditors Than Ever Before*, Oct. 30, 2024.

²⁰ Accounting Today, *Capital vs. Control: PE's Impact on CPA Firms*, Dec. 5, 2024.

²¹ When individuals who have earned the CPA license are allowed to display the designation, consumers are afforded a greater understanding regarding these individuals' background. Consumers can review Board of Accountancy websites to understand the regulatory framework, including how individuals obtained licensure; consumers can review online licensing records, including prior enforcement information; and consumers have a place to file a complaint, should the need arise.

3. Regulatory Oversight and Enforcement

Summary:

The emergence of APS models that have PE investment creates challenges for Board of Accountancy oversight and enforcement capabilities. Traditional regulatory frameworks were designed for simpler firm structures operating within clear jurisdictional boundaries. Firms operating in an APS structure with PE investment often operate across multiple states with complex ownership structures, exposing regulatory gaps or inconsistencies between jurisdictions.

Boards of Accountancy should adapt their oversight mechanisms to ensure effective regulation of these sophisticated structures while maintaining their core mission of public protection. This includes developing new approaches to licensing, monitoring, and enforcement that account for the interstate and multi-entity nature of modern attest firms.

Core Questions:

- What are the implications of differing state definitions of “the practice of public accountancy” for attest firms operating nationally under APS models?
- Would Boards of Accountancy find it helpful for the UAA to include definitions of “active individual participant” or “affiliated entities” within its requirements for non-CPA firm owners?²²
- How should Boards of Accountancy coordinate oversight when CPA firms operating under an APS model with PE investments conduct business across multiple jurisdictions?
- Regarding CPA firm registration requirements, do Boards of Accountancy need details on an attest firm’s principal place of business and physical presence in the jurisdiction, to ensure compliance with relevant laws and rules?

Conclusion

The PE Task Force encourages responses from Boards of Accountancy and other key stakeholders regarding the questions and topics included in the white paper. Please submit any comments and questions to petaskforce@nasba.org by January 31, 2026.

Responses received will guide NASBA and the PE Task Force’s next steps on this issue, including potentially suggesting revisions to the Uniform Accountancy Act and Model Rules

²² Uniform Accountancy Act § 7(c)(2)(B): “Any CPA or PA firm as defined in this Act may include non-licensee owners provided that ... All non-licensee owners are of good moral character and active individual participants in the CPA or PA firm or affiliated entities.”

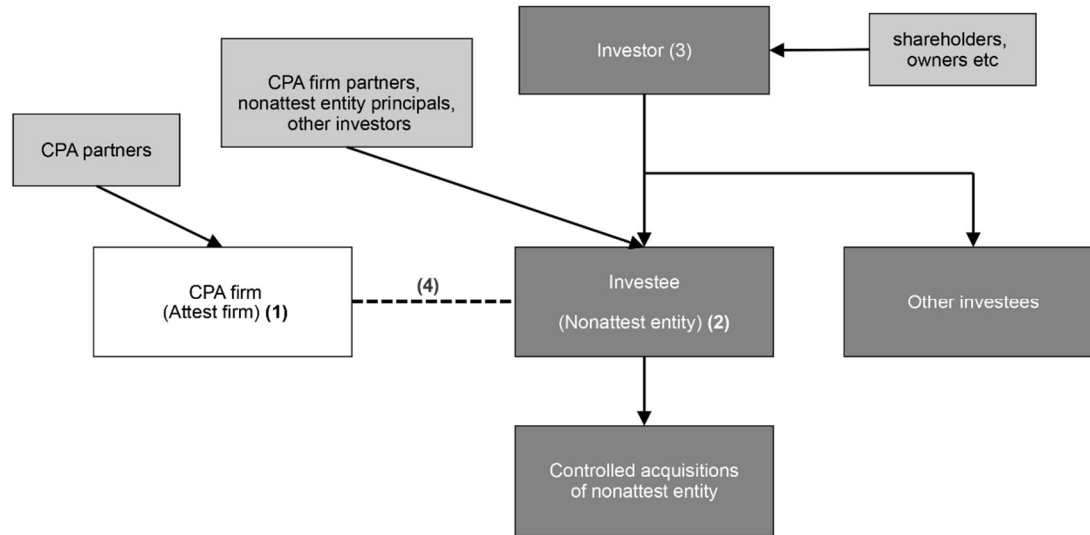
for consideration by the AICPA/NASBA Uniform Accountancy Act Committee; a PE Task Force report highlighting key questions and concerns; and future webinars and presentations educating stakeholders on this topic.

Appendix 1: Sources

- Journal of Accountancy, *Private Equity Eyes CPA firms Large and Small*, Feb. 1, 2023.
- Thomson Reuters, *The Rise of Private Equity in Accounting: Not Just for Large Firms Anymore*, Aug. 20, 2024.
- CFO Brew, *Private Equity is Reshaping the Accounting Profession*, Sept. 17, 2024.
- Wall Street Journal, *Private Equity's Ties to Companies' Auditors Have Never Been Closer. That Worries Some Regulators*, Oct. 30, 2024.
- CFO Brew, *Private Equity Now Has a Stake in 20 of the Top 30 CPA Firms*, Nov. 20, 2024.
- Accounting Today, *Capital vs. Control: PE's Impact on CPA Firms*, Dec. 5, 2024.
- Bloomberg Tax, *Private Equity-Fueled Shakeup Coming for Accounting Industry*, April 30, 2025.
- Wall Street Journal, *Doctors Warn Accountants of Private-Equity Drain on Quality: You Could be Next*, May 7, 2025.
- Thomson Reuters, *Some Tax, Audit & CPA firms are Rejecting Private Equity in Favor of Independence*, May 30, 2025.

Appendix 2: Tables

Table 1: The following is a diagram of a typical APS structure, applicable to any investor.²³



LEGEND

Administrative Services Agreement

Attest firm
Entities in investor structure
other owners/ partners/ principals

NOTES

- (1) *Attest firm partners* and employees are leased from the nonattest entity. *Attest firm* has its own board of directors elected by *attest firm partners*. *Attest firm* board makes all *attest firm* decisions.
- (2) Senior leadership of nonattest entity manages day-to-day operations and does not include investor representation. Nonattest entity has its own board of directors with investor representation relative to level of investment.
- (3) Public or private investment in nonattest entity that provides for *significant influence or control* over the nonattest entity.
- (4) *Attest firm* compensates nonattest entity through this agreement for administrative support and resources.

²³ See AICPA Professional Ethics Division, *Potential revisions to the AICPA Code of Professional Conduct and guidance related to independence in alternative practice structures*, March 10, 2025.

²⁴ See *id.*

