



2009 Proposed Rules for Mobility

Act 93 of the 2009 General Assembly amended the Arkansas Public Accountancy Act to allow out-of-state CPAs to practice across state lines with no notification and no fees.

The details of Act 93 are located at the following internet web address:

<http://www.arkleg.state.ar.us/assembly/2009/R/Acts/Act93.pdf>

The Board filed proposed rules to amend its current rules to concur with passage of Act 93 of 2009. The public hearing on the proposed changes was held on October 2, 2009. The Board approved the proposed rules that were out for public comment with minor changes. The Board is currently operating under the Emergency Rules for Mobility as presented on the Board’s website until the Proposed Rules are finalized.

2010 Annual License Renewals

The License Renewal process will be coming in mid-November! As was the case last year, this will be an online process. A few minor changes, as recommended by licensees, have been incorporated this year. With most licensees renewing online last year, this year should provide for a smoother renewal process.

Reminders:

Once again, there will be a toll-free telephone number available for assistance for the online process.

A licensee will only be able to renew at the same status as his/her current license. If you are eligible (see inactive status A.C.A. § 71-12-505) to change from an active license to practice to an inactive status license, you will need to contact the Board and make sure this is accomplished well in advance of your renewal process.

Or, if you currently hold an inactive status license and plan to change to an active status, you must renew your current inactive license and contact the Board to obtain an upgrade application. This may be a longer process depending on how long you have been on inactive status and the amount of CPE that is required.

All payments will be processed through the online secure GovPay payment transaction process. This is the same payment process as car license renewals, other professional license renewals, hunting/fishing licenses, etc. To make your renewal payment, you must use a Visa, Mastercard, American Express, or Discover card. A debit card can work as well as a credit card. If you do not own a credit or debit card, you may purchase a gift card from the bank and use it the same as a credit card.

This year, the renewal receipt that is emailed back to you will include the Licensee’s Name, License Number and the CPE information. Also, the CPE screen, during the renewal process, will include this information so you can use the Print Screen function on your computer to print a copy of all of your CPE.

During the renewal process, please verify your Mailing Address to make sure it is correct. Your license card will be mailed to the Mailing Address. Also, the 2010 Directory will be created using the Mailing Address that you submit through the renewal process. Emails from the Board will be sent to the Email Address you list on the Mailing Address, as well. If you have an address outside of the United States, a new field will be available to indicate a foreign address in order to allow for foreign countries without a state and outside the parameters of a United States zip code.

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Mobility Information

What is mobility? Mobility is a provision that allows CPAs from substantially equivalent states to practice across state lines without the need of notification and fees.

On July 31, 2009, mobility legislation that eliminates certain notice and fee requirements for substantial equivalency became law. Under the old law, an out of state CPA that met certain substantial equivalency criteria needed to submit an application and pay a fee in order to obtain temporary practice privileges in Arkansas. Under the new law, certain out of state CPAs who do not reside in Arkansas, have a current valid license to practice, and do not have a principal place of business in Arkansas may offer or perform services for Arkansas clients without notice and fee if they meet the requirements of A.C.A. §17-12-311. Individuals holding a 2009 practice privilege will not be required to submit notice and fee for 2010 if they meet the criteria as set forth in A.C.A. §17-12-311.

Individuals or firms practicing public accounting in Arkansas or practicing public accounting for a client with its home office in Arkansas while exercising a practice privilege shall not make any representation tending to falsely indicate that the individual or firm is licensed in Arkansas. Such individuals or firms may truthfully identify themselves as licensed in any jurisdiction in which they hold a valid, active, unexpired license to practice as certified public accountants. For example, a practitioner could not use the term "Arkansas CPA" or otherwise state or infer licensure in Arkansas, but if true, the individual or firm could use titles such as "CPA or firm licensed in Texas" or "Oklahoma CPA". Such individuals or firms could truthfully state that they are CPAs practicing under a practice privilege.

An out of state firm, which includes an unincorporated sole proprietor, is required to have an Arkansas firm license to practice if they offer or perform services for Arkansas clients if: an audit or other engagement is to be performed in accordance with the Statements on Auditing Standards (SAS), an examination of prospective financial information to be performed in accordance with the Statement on Standards for Attestation Engagements (SSAE), or an engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board (PCAOB).

An individual CPA or out of state firm who provides services to Arkansas clients is required to comply with the provisions of the Arkansas State Board of Public Accountancy, the Public Accountancy Act, and Board Rules. Consent is also given for the Board to retain jurisdiction over the individuals and firms to take disciplinary action.

Mobility legislation has passed in 43 jurisdictions. It is the responsibility of CPAs and CPA firms to know the requirements of each state in which they practice, the effective date of the mobility legislation, and governing rules and regulations of the state.

Refer to Act 93 of 2009 and the Board Rules for further information regarding the Mobility laws and rules in Arkansas.

<i>Board Meeting Schedule</i>	<i>Board Office Closed</i>
<p style="text-align: center;">November 20, 2009 January 8, 2010 April 23, 2010</p> <p>Meetings of the Board are open to the public, except when under state law some portions may be closed to the public.</p> <p>Unless otherwise noted, meetings are held at the Board office at 101 E Capitol, Suite 450, Little Rock, AR and begin at 9:00 a.m.</p>	<p>In accordance with the holiday schedule adopted by the State of Arkansas, the Board office will be closed on the following dates:</p> <p style="text-align: center;">November 11, 2009 — Veterans' Day November 26-27, 2009 — Thanksgiving Holiday December 24-25, 2009 - Christmas Holiday January 1, 2010—New Year's Day</p>

The CPE Corner

Specialized CPE

Teaching Academic Courses

We have quite a few CPAs in the state who teach accounting and other subjects at our universities and colleges. There are documentation requirements to obtain CPE credit for teaching an academic class. The documentation requirements are:

- ⇒ A copy of the course syllabus for the current year that you are claiming credit.
- ⇒ Proof of teaching – a letter from the dean or other management official of the college, or a copy of your contract to teach the particular course. This should include the course name, the number of credit hours, the semester(s) and year(s) it was taught, etc.

Items to remember about teaching courses for CPE credit:

- ⇒ The instructor obtains the same amount of credit as a participant – 15 CPE hours for EACH 1 hour of credit. For example, a 3 hour credit course would be worth 45 CPE hours. See Board Rule 13.3(c)(3).
- ⇒ This type of CPE counts towards your group study requirement.
- ⇒ The course must be accounting related – something that improves your competence as a CPA.
- ⇒ If you teach the course twice in the same calendar year, you can only claim credit for 1 time. See Board Rule 13.3(b)(3).
- ⇒ Courses should be junior level or above. Teaching lower level and/or basic courses do not improve your competence as a CPA.

Writing Articles, Books, or CPE Programs

Although it is rare for CPAs to ask to claim credit for writing articles, books, or CPE Programs, we occasionally have those who request credit for CPE purposes. Items to remember about this type of CPE:

- ⇒ You must carefully document the time spent on research and writing and provide this documentation if you are audited or using this CPE to upgrade your license.
- ⇒ For a writer to receive CPE credit, the article, book, or CPE program must be in the subject areas specified in Rule 13.2(a)(1) and formally accepted in writing for publication prior to the effective date of the license year.
- ⇒ This type of CPE is considered self-study.

In-Firm CPE

Can a group of small CPA firms come together to offer CPE and be considered exempt under Board Rule 13.4(f)(3)? This question has been addressed by the Board and the Board concluded that a group of small CPA firms could **not** be classified as exempt under this rule. That Rule was created to exempt firms who have their own organized in-firm education programs for their employees from having to register as a CPE sponsor. The Board did not intend for it to be extended to an association of individuals or an association of firms.

It also did not intend for a CPA firm to be able to offer CPE to other CPAs that were not employees of that firm for CPE credit. In order for a firm to offer CPE credit to CPAs outside their firm they would have to register as a sponsor with the National Association of State Boards of Accountancy (NASBA). For information on registering with NASBA as a CPE sponsor, please call them at 615-880-4239. You may also access their website for sponsor information:

www.nasba.org. Click on NASBAtools.com at the bottom of the opening page to access the information.

CPE

Ask if you need to know! Contact us at 501-682-1520.

Utimize our website! www.arkansas.gov/asbpa

Don't delay! If you have been selected for an Audit, **MAIL** your CPE Audit reports to us *ASAP!*

Investigate your CPE Sponsors to be sure they are NASBA registered or an "Exempt" Sponsor!

Take the required CPE hours each and every year! You never know when you will be audited.....

The 2008 CPE Audit Results

The results for the 2008 CPE Audits (CPE taken in 2007)

Acceptable	120	53.33%
Failed	87	38.67%
Failed, passed on appeal	17	7.56%
Auditee Deceased	1	.44%
Total	225	

Fines/penalties have been assessed for failed audits.

The 2009 CPE Audit Is Under Way

Results as of 9/21/09:

Selected for Audit	254
Responses as of 9/21/09	234
Have been sent certified letters*	20

All responses were due by 9/10/09. Those who did not respond by the due date were sent letters by certified mail to their address of record with the Board.

Quality Review Results for 2009

In a comparison between the 2009 Quality Review Results and the 2008 QR results, we had a fewer number of reports for 2009. However, the overall percentages remained fairly constant with regards to number of Acceptable, Marginal, and Substandard reviews.

2009 QR Results

Acceptable	83	56%
Marginal	40	27%
<u>Substandard</u>	<u>26</u>	<u>17%</u>
Total Reports	149	100%

2008 QR Results

Acceptable	170	54%
Marginal	94	30%
<u>Substandard</u>	<u>52</u>	<u>16%</u>
Total Reports	316	100%

The Board would like to thank those who have assisted with the Quality Reviews over the past few years. Your dedication and time is greatly appreciated.

CPA Exam FAQs

Q: When do I apply for the CPA exam?

A: After you have met the educational requirements for the examination, see Board Rule 3.2—Educational Requirements.

Q: Is there a minimum of credit hours needed to take the exam?

A: Yes, you must have earned at least 150 semester hours including a baccalaureate or higher degree from an accredited educational institution.

Q: What educational requirements must I meet to qualify to sit for the Uniform CPA Exam?

A: In Arkansas, you must have earned at least 150 semester hours including a baccalaureate degree from an accredited college or university. You must have completed 30 semester credit hours (SCH) of undergraduate accounting courses above the principles level or 20 SCH of graduate-level accounting courses, or a combination thereof. The accounting component must include coverage of financial accounting, management accounting, governmental and not-for-profit accounting, federal taxation, auditing and attestation, and accounting information systems. The applicant must earn a grade of “C” or better in each course included in the accounting component.

Q: How many sections of the exam should I apply for?

A: You should apply for sections you anticipate taking during a 6-month period.

Q: How will I schedule an examination appointment?

A: You will apply for the examination with this office.

After you have been determined eligible to sit for the examination, the Board will send an Authorization to Test (ATT) to NASBA. NASBA will send a Notice to Schedule (NTS) to the Board office which will be valid for a period of six months. That means you will have a set period of time from the date the NTS is issued to schedule and take the examination section(s) for which you applied.

Q: What if a conflict arises after I have scheduled an appointment to take the examination?

A: You must contact the Prometric testing center to reschedule your appointment; currently there is no charge with 30 days advance notice. If you reschedule between 5 and 30 days before your appointment, you must pay a nominal fee directly to Prometric—currently estimated at \$35. If you reschedule within 5 days of your appointment, you will have to pay the full Prometric fee for the section you are rescheduling. (Refer to the Candidate Bulletin for more information.)

Q: May I take the examination in another jurisdiction?

A: Yes. You may schedule your examination at any Prometric site.

Q: Once I apply to take the examination, how long before I can actually take the examination?

A: The time will vary for each applicant and will depend upon whether you are a first-time applicant or a reexamination applicant. First-time applicants must have educational eligibility determined, so the process will take a few weeks. Re-examination applicants should be able to register and will be sent a notice to schedule the examination as soon as the Board office is able to process your re-exam application.

Need Exam Information?

Exam candidates are encouraged to visit the following web sites to obtain the most current information on the Uniform CPA Examination:

www.arkansas.gov/asbpa

www.cpa-exam.org

www.nasba.org

Personal checks are **not** accepted
for payment of Exam Applications.

Photos on Exam Applications **MUST** be notarized.

A copy of a government issued identification document
is **required** along with your Exam Application.

Individual Character References must have known the candidate for
at least five (5) years and the Character Reference Forms must be
properly notarized.

New CPA Licenses Issued From May 1, 2009 through August 31, 2009

ORIGINAL LICENSES & CERTIFICATES

Abby Kendall Jones	Heather Marie Lamkin	Jennifer L. Shields
Jason Terry Parks	Robbie Ann Treat	Amber M. Selig
Amy Louise Bates	Erin Leigh Roberson	Jeremy Wayne Maxwell
Kimberly Rene Romero	Jerry Dean Ellis, Jr.	Jake Patrick Plyler
Anthony Jacob Phillips	Jonathan R. VanHorn	Whitney B. Rook
Arthur Etherly IV	Jason Michael LaRue	Elizabeth J. Brainerd
Sherrie Strickland Stewart	Amanda Louise Carter	Rachel M. Martin
Laura M. Caviness	Maria Jarboe Craig	Eric S. Green
Ben Paul Holland	Margaret M. Garrett	Jay C. Hoover, II
Mark Steven Duchac	Rachael Kay Meachum	Hairong Gou
Debbie J. Isaacs	Brandy Leigh Tuft	Billie Jo Woodward
	Rickelle Lynn Dillon	

New CPA Licenses—Reciprocal

RECIPROCAL LICENSES & CERTIFICATES

Edward F. Lovill, Jr.	Norman A. Prestage III	Ashley Jill Wright
Meagan Adams	Jolene J. Smith	Lisa Gerold Sarmiento
Ellen J. Arnold	Scott A. Brown	Alan Joseph Malzewski
Mindy Minkyung Kim		Larissa P. Miller

Reinstatements in 2009

The following licensees have reinstated in 2009:

<u>Lic#</u>	<u>Name</u>	<u>Status*</u>	<u>Lic#</u>	<u>Name</u>	<u>Status*</u>	<u>Lic#</u>	<u>Name</u>	<u>Status</u>
2384R	William Taylor	inactive	2889	Curtis L. Bowman	inactive	2705	Charles Owens	Active LTP
7325	Amy Sahely	inactive	7057	Thomas C. Strode	inactive	3616	Keri Cloud	Active LTP
2955	Charles Walbert	inactive	7778	Carla Suzanne Caldwell	inactive	3225	Thomas Frey	Active LTP
3670	Terry Lee Morrison	inactive	6642	Brenton Keith Whittington	inactive	6582	Lonnie Alan Smith	Active LTP
7366R	Patti S. Finley	inactive	4395	Michael Lee	inactive	7732	Dana Wills	Active LTP
4073	Rakesh K. Aggarwal	inactive	3733	Fara Faubus	inactive	8196	Lisa Marie Walker	Active LTP

*A.C.A. § 17-12-505 exempts inactive status licensees from continuing education requirements and prohibits them from performing for the public any attest or professional services as defined in A.C.A. § 17-12-103(a)(12)(13). For details see A.C.A. § 17-12-505.

New Board Member

In September 2009, Governor Mike Beebe appointed Dr. Mike Moore to the Arkansas State Board of Public Accountancy. Dr. Moore's term will expire in August of 2014. We welcome our newest member to the Board.

We would like to thank Dr. Terrye Stinson for her years of dedicated service to the Board. We appreciate the contributions Dr. Stinson has made to the Board and the State of Arkansas.

2009 ASBPA Enforcement Actions

Revocations, Suspensions, or Surrendered in lieu of further disciplinary actions:

January 2009

On January 9, 2009, the Arkansas State Board of Public Accountancy in the matter of James S. Scogin, Certificate No. 5101R accepted the surrender of his certificate in lieu of further disciplinary action with regards to non-payment of 2007 CPE audit penalty.

April 2009

On April 24, 2009, the Arkansas State Board of Public Accountancy in the matter of Richard Blaine, Certificate No. 1705, accepted the surrender of his certificate in lieu of further disciplinary action with regards to failure to respond to 2007 Quality Review penalty.

On April 24, 2009, the Arkansas State Board of Public Accountancy in the matter of Jerry L. House, Certificate No. 2760, accepted the surrender of his certificate in lieu of further disciplinary action with regards to failure to respond to 2007 Quality Review penalty.

May 2009

On May 29, 2009, the Arkansas State Board of Public Accountancy in the matter of Thomas D. Lamoreux, Certificate No. 2196, accepted the surrender of his certificate in lieu of further disciplinary action with regards to non-payment of 2007 CPE audit penalty.

June 2009

On June 26, 2009, the Arkansas State Board of Public Accountancy in the matter of Kevin K. Griffin, Certificate No. 5156, accepted the surrender of his certificate in lieu of further disciplinary action with regards to failure to respond to 2007 Quality Review penalty.

On June 26, 2009, the Arkansas State Board of Public Accountancy in the matter of Karla Laroux McCormick, Certificate No. 5352R, issued a revocation of her certificate with regards to failure to respond to 2008 Quality Review and Board communications.

On June 26, 2009, the Arkansas State Board of Public Accountancy in the matter of Todd W. Tiefel, Certificate No. 4947, issued a revocation of his certificate with regards to criminal actions, felony conviction and violations of Board's Code of Professional Conduct.

Enforcement Actions Taken by the Board through August 28, 2009

Cases resolved by Hearing on revocation of license:	2
Cases resolved due to lack of evidence to support violation:	3
Cases resolved by Consent Order:	18
Cases resolved by Compliance Statement:	25
Cases resolved with no further action:	12
<u>Cases resolved by Voluntary Surrender in lieu of further disciplinary action:</u>	<u>6*</u>
Total 2009 Enforcement Cases Resolved and Closed:	66

* Includes actions listed above.

Have you moved? Are you moving?

According to Rule 9 of the Arkansas Accountancy Rules, notice must be provided to the Board by the licensee within thirty (30) days of any change of address, business affiliation, or employer.

Similarly, notice must be provided within thirty (30) days of opening a new office or closing an existing office. In the case of opening a new office, the name and the certification or registration number of the Resident Manager must be provided to the Board.

The Address Change Forms are located on our website www.arkansas.gov/asbpa/forms.html.



Phone: 501-682-1520
Fax: 501-682-5538
E-mail: ASBPA@arkansas.gov

WE'RE ON THE WEB:

www.arkansas.gov/asbpa/

ASBPA MISSION:

To administer the public accountancy statutes with the highest degree of integrity, competence and efficiency commensurate with the professional standards of certified public accountants and public accountants.

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