

South Dakota State BOARD OF ACCOUNTANCY



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Public Information Newsletter

February 2009

WHAT'S NEW IN REGULATION...

Effective December 22, 2008, Administrative Rules were changed to comply with the AICPA Peer Review Standards effective 1/1/2009. ARSD 20:75:07 complies with the new ratings that will be issued for peer reviews commencing on or after January 1, 2009.

Other Administrative Rules were also updated and became effective December 22, 2008.

For all current Administrative Rules please visit the website: <http://legis.state.sd.us/rules/DisplayRule.aspx?Rule=20:75>

Mobility: Update on House Bill 1058

For the past several years the AICPA and NASBA in conjunction with state CPA societies have been lobbying state boards of accountancy to enact legislation which allows qualified CPAs to practice across jurisdictional boundaries without notification or fees.

CPAs who practice in more than one jurisdiction face regulatory burdens which require them to obtain a license or file notification with each jurisdiction and comply with other various requirements of each jurisdiction.

The Board worked with the SD CPA Society to draft mobility legislation that will allow CPAs from other jurisdictions to perform, or offer to perform, services for South Dakota clients without obtaining a reciprocal certificate or filing notification.

However, CPA firms that provide certain attest services will be required to have a firm permit issued by the Board.

The legislation is House Bill 1058.

To track the progress of the bill please visit the website <http://legis.state.sd.us/sessions/2009/Bill.aspx?Bill=1058>

If you have any questions about mobility, please contact Nicole Olson-Kasin, the Board's Executive Director by email at nicole.olson-kasin@state.sd.us

FROM THE SOUTH DAKOTA UNEMPLOYMENT INSURANCE DIVISION

South Dakota employers who have established a negative balance in their unemployment insurance (UI) account during the past two years will receive a bill assessing an interest charge in March 2009.

The South Dakota UI Trust Fund is held in the US Treasury and earns interest on the funds contributed by employers. In 2007, the interest rate paid was 4.82%. Some employers have negative accounts because the rate they are required to pay puts less into the UI Trust Fund than the benefits paid out to their employees.

A new provision will recover those losses by assessing the Treasury interest rate to employers with negative account balances. This new interest charge is part of a comprehensive package adopted by the 2006 SD Legislature to restore solvency to the UI Trust Fund.

Implementation of the 2006 change was delayed until 2009. Negative account balances prior to December 31, 2006, will not be charged. The interest charge will be calculated only on the amount by which the negative account balance increased after December 31, 2006. Impacted employers will receive notice of their interest charge in early March 2009.

The new wage base for 2009 is \$9,500, and the 2009 rates will be mailed to employers the week of March 10, 2009.

Enhancements have also been made to the internet wage reporting system. They include the options to select a transaction date for EFT, view and print previously filed reports, file reports due for previous quarters, access multiple accounts using one user ID, e-mail reminders, review tax rates, and upload payroll files through a more convenient process.

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AICPA NEWS

Revised Content and Skill Specifications for the Uniform CPA Examination

On December 20, 2008, the AICPA Board of Examiners (BOE) released the new Uniform CPA Examination Content and Skill Specification Outlines (CSOs/SSOs).

The new outlines represent the successful conclusion of a major effort that began more than two years ago with the launch of the 2008 Practice Analysis. They reflect the contributions of thousands-individual CPAs, educators and other professionals as well as state boards of accountancy, accounting firms, and professional associations, including the National Association of State Boards of Accountancy (NASBA).

The CSOs/SSOs incorporate responses received to the Exposure Draft which was released for comment on May 1, 2008. The Content Committee reviewed the comments received in response to the Exposure draft and presented its recommendations to revision to the BOE. The BOE considered the rationale for every change before voting to approve the new CSOs/SSOs on October 17, 2008.

International Financial Reporting Standards (IFRS) are included in the new CSOs/SSOs on the list of study materials for the Financial Accounting and Reporting (FAR) section.

An updated version of the approved CSOs/SSOs will be issued in 2009 with additional text on the testing of IFRS. The Content Committee and AICPA Examinations Team are monitoring the roll out of IFRS domestically and are currently assessing the impact of IFRS on entry-level practice. The results of this assessment, expected in mid 2009, will be incorporated into the updated version of the new CSOs/SSOs.

The implementation date for the new CSOs/SSOs will be announced at the time the updated version of the CSOs/SSOs is issued. This date will be set as to allow candidates ample time to become familiar with the new CSOs/SSOs before they become effective as the new CPA Examination blueprint.

The pace of change affecting the profession has recently accelerated and this trend may well continue. As a result, the CSOs/SSOs will be reviewed annually by the Content Committee in addition to the comprehensive review conducted through periodic practice analyses. If the committee concludes that change is warranted, it will recommend revisions to the CSOs/SSOs to the BOE, as has been the practice in the past.

The following materials are now posted on the CPA Exam website, www.cpa-exam.org, under Learning

Resources/Practice Analysis:

- The 2008 Practice Analysis Technical Report, which provides a detailed description of the practice analysis process and includes the collected practice analysis survey data;
- The Exposure Draft
- All comments received in response to the Exposure Draft; and
- The newly approved CSOs/SSOs.

SOUTH DAKOTA TO NATIONAL UNIFORM CPA EXAM PASS RATE STATISTICS

2008	Jan-Feb	Apr-May	Jul-Aug	Oct-Nov	CUM
AUD	33.3/44.7	58.3 /53.1	60.9 /51.0	57.9/47.0	55.6/49.1
BEC	27.3/ 46.9	9.09 /47.6	57.1/49.6	52.9/45.8	41.7/47.5
FAR	50.0/46.0	63.6 /49.6	65.0/53.9	75.0/46.4	66.1/49.2
REG	50.0/45.7	70.6/48.6	50.0/51.2	57.9/48.6	57.8/48.7

The above statistics represent candidates sitting for 246 parts of the examination.

DISCIPLINARY ACTION

Ross A. Determan, #2309

Ross A. Determan, CPA #953

Mitchell, SD

12/8/2008

A hearing was held before the South Dakota Board of Accountancy on December 8, 2008. Based upon the testimony and evidence presented, the Board hereby enters the following order based on the Findings of Fact and Conclusions of Law:

ORDERED that Mr. Determan is prohibited from performing attest work and issuing reports that would include audit, compilations, or reviews, until such time that he petitions the Board for reinstatement of the privilege to provide attest work; it is also

ORDERED Mr. Determan be reminded that the renewal of his Firm Permit, which he fills out annually, contains a statement that he is not doing any attest work in the required period and therefore affirmatively stating that he is exempt from the requirement of peer review. By December 31, 2008, Determan is required to resubmit his Firm Permit application to the Board for the current year stating that he is exempt from peer review. No additional fee shall be required for resubmitting his Firm Permit renewal; and it is

ORDERED Determan pay the cost of the hearing plus a \$500 administrative fine.

IRS UPDATE

The IRS has redesigned Form 990, the form used by tax-exempt organizations, nonexempt charitable trusts, and section 527 political organizations to provide the IRS with the information required by section 6033, effective for fiscal years beginning on or after January 1, 2008.

The new Form 990 (2008) requires information not previously required by Form 990 (2007) and eliminates or revises some of the information previously required.

Some areas of major change in reporting requirements include governance and compensations of officers, directors, trustees, key employees, and highest compensated employees.

In January 2008, the US Treasury Department and the IRS released final regulations and a related revenue procedure giving tax payers greater protection and control over their tax return information held by tax return preparers.

Preparers were given until January 1, 2009, to implement the new consent requirements.

The revised rules apply to Code section 7216 and a related provision of the Code, section 6713, which provide penalties against tax return preparers who make unauthorized use or disclosure of tax return information.

Federal law already strictly prohibits the IRS from making disclosures of taxpayer return information within its control to third parties except with taxpayer consent or in circumstances set by Congress. The final rules have no effect on the strict protection of return information in the IRS's hands and apply only to tax return information held by income tax return preparers.

For more information, visit the IRS website:

www.irs.gov

CONGRATULATIONS TO OUR TOP CANDIDATES

Congratulations to the following individuals for passing all four sections of the CPA exam on their first attempt; sitting uninterruptedly.

NAME	UNIVERSITY
Azuree Ashby	University of South Florida
Scott Kelderman	University of South Dakota
Katie Scheier	University of New Hampshire

NEW LICENSEES

Mary Ellen Elizabeth Carlson	Tweneboa Appiah-Kusi
Derek V. Arend	Jay Paul Wehking
Sam Kwong Shum	Mindy Sue Hunt
Brian David Plath	Rochelle Marie Ebberts
Michael Edward Forsythe	Leah V. Bifulco
William Brent Carper	David Joel Hokanson
Amy Lynne Berg	Jesse Dean Leuthold
Jolene Lynn Kranz	Amanda R. Wooman
David Paul Hinderaker	Paula C. Van Hill
Xiaofei Beatrice Skyberg	Natalie Lynne Holland
Mary Elizabeth Pennington	Julie Claire Underwood
Tracey Marie Hostetler	Catherine Louise Collins

NEW FIRM PERMITS ISSUED

Pitzl & Pitzl PA – Shoreview, MN
Donna Denker and Associates – Rapid City, SD
Ernst & Young LLP – Birmingham, AL
KPMG LLP – Buffalo, NY
KPMG LLP – Rochester, NY
Gerber & Haugen, PLLP – Slayton, MN
Deloitte Financial Advisory Services LLP – Atlanta, GA
Cathy B. Hall, CPA – Aberdeen, SD
Cahill Schaeffbauer & Bauer, LLC – Eureka, SD
Widmer Roel PC – Bismarck, ND
Katz, Gallagher & Company – New Orleans, LA
Ted McElderry, CPA – Council Bluffs, IA
Joseph Eve – Kalispell, MT
Sara Schmidt, CPA – Aberdeen, SD
Ehrhardt Keefe Steiner Hottman PC – Denver, CO
Michael E. Forsythe, CPA – Deadwood, SD
Davis, Kinard & Co., P.C. – Abilene, TX
Davis, Kinard & Co., P.C. – Box Elder, SD
Mary E. Pennington, CPA – Sioux Falls, SD
Harrington Langer & Associates, Inc.–St. Paul, MN
Woltman Van Kekerix & Stotz, PC – Marion, SD
Hostetler Accounting & Consulting, PLLC – Brookings, SD
Capin Crouse LLP – Brea, CA
Michael E. King, CPA – Sioux Falls, SD
Wendy Hoyne, CPA – Sioux Falls, SD
Judd, Ostermann & Demro, Ltd.–Bloomington, MN
Julie C. Underwood, CPA – Brookings, SD
Egghart & Associates, LLC – Reno, NV
RLJ Accounting Services, Prof LLC – Madison, SD
Eide Bailly LLP – Greenwood Village, CO
Eide Bailly, LLP – Golden, CO

FREQUENTLY ASKED QUESTIONS

If you have any questions, please do not hesitate to contact the board office. We are here to provide assistance to you. Helping you understand the accountancy laws and rules governing the accounting profession helps us to promote the Board's mission of public protection!

How long is my NTS valid?

Your NTS will be valid for one year. This will be your set period of time to schedule and take the exam section(s) for which you have been issued an NTS. After one year of receiving an NTS for any given section your NTS will expire and you will be required to re-apply. The board recommends scheduling during the same window in which your NTS is issued.

What is the current cost of the Uniform CPA Examination?

<u>SECTION</u>	<u>EXAM LENGTH</u>	<u>FEE</u>
Auditing (AUD)	4.5 Hours	\$256.28
Accounting (FAR)	4.0 Hours	\$244.35
Regulation (REG)	3.0 Hours	\$220.50
Business (BEC)	2.5 Hours	\$208.58

What do I do if my testing session is interrupted?

Do not leave the testing center without completing a Center Problem Report (CPR). Once you have completed the CPR call us at the state board office and we will ensure immediate implementation of proper re-testing procedures, if necessary.

What can I do to prepare for the computer-based exam?

Visit www.cpa-exam.org and participate in the tutorial available. Also, familiarize yourself with the professional literature governing accounting, auditing and tax standards. You may visit www.aicpa.org to find information pertaining to the AICPA Professional Standards. The Financial Accounting Standards Board (FASB) has made

DON'T FORGET...

Mail from the Board office does not forward.

Notify the board of any change in address, employment, telephone number or email address within 30 days of the change.

It is also important to report other significant changes in your practice, such as name changes, personnel changes, and partner changes.

REVOKED LICENSEES

The following individuals had their license revoked for non-compliance with renewal requirements.

<u>Name</u>	<u>Address</u>	<u>License #</u>
Ronald Linares	15002 SW 36th St. Davie, FL 33331	2557
Minaxi Patel	3806 Meadowbrook Dr. Rapid City, SD 57702	1685
Dennis Stanley	PO Box 22 Presho, SD 57568	1918

their professional literature available at their website www.fasb.org. All sections of the computerized exam except the BEC section require candidates to access professional standards in the research portion of the simulations. Familiarization with accessing of professional standards on-line is critical to your successful completion of this segment of the exam section(s). The AICPA offers a one year subscription to the on-line Professional Standards for exam candidates. Please visit their website for information on obtaining a subscription to on-line professional standards for both student members and non-student members.

When will I receive my scores/grades?

The AICPA is responsible for making the final determination on score/grade release dates. The Board anticipates receiving the scores within the first three to four weeks after testing is completed for the window which you have sat. Once the score reports are received in the board office, they will be sent out within one business day.

CPE Questions asked by Licensees

How do I know if a course qualifies as CPE?

ARSD 20:75:04:02 describes the general qualifying criteria of continuing professional education. It must be a program of formal learning that directly contributes to the professional competence of a licensee in the practice of accountancy. A program that promotes professional competence in the practice of accountancy is defined as one that refers to the process, methods, or principles of accounting or directly relates to the licensee's employment and is above the level of the licensee's current knowledge. The course provider should provide a completion certificate and retain an attendance sheet or four years. **The board accepts all QAS and Registry approved courses which can be verified at CPEMARKET.COM.**

What documentation is required to be kept to validate a CPE course? (ARSD 20:75:04:14)

The following documentation of a CPA's or PA's participation in sponsored learning activities should be retained by the CPA or PA for four years:

1. Name and address of CPE sponsor
2. Title and description of content
3. Dates of program;
4. Location of program; and
5. Number of credits.

Any CPA or PA claiming continuing professional education provided by informal organizations must maintain documentation as required by ARSD 20:75:04:19 and 20:75:04:20.

What is acceptable evidence of completion of a CPE course? (ARSD 20:75:04:15)

1. For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor;
2. For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination;
3. For instruction credit, a certificate, program outline, or other verification supplied by the CPE program sponsor;
4. For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received;
5. For university or college noncredit courses, a certificate of attendance issued by a representative of the university or college;
6. For published articles, books, or CPE programs:
 - a. A copy of the publication, or in the case of a CPE program, course development documentation, that names the writer as author or contributor;
 - b. A statement from the writer supporting the number of CPE hours claimed; and
 - c. The name and contact information of the independent reviewer or publisher.

FUTURE BOARD MEETINGS

March 23 – 8:30 a.m. Conference Call

Please visit our website at: www.state.sd.us/dol/boards/accountancy for future meeting dates.

**SOUTH DAKOTA
BOARD OF ACCOUNTANCY
(605) 367-5770
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www.state.sd.us/dol/boards/accountancy

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Mitchell

Marty Guindon, CPA
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Vice-Chair
Pierre

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Secretary-Treasurer
Pierre

John Mitchell, CPA
Member
Rapid City

Holly Brunick, CPA
Member
Sioux Falls

John E. Peterson, PhD
Lay Member
Aberdeen

Nicole Olson-Kasin, MBA
Executive Director

Julie Iverson
Sr. Secretary

Tricia Nussbaum
Secretary

MOVING? LET US KNOW!

SDCL: 36-20B-29 requires holders of certificates to notify the Board within 30 days of change of address or in employment.

Certificate Holder _____
LAST NAME JR./III FIRST MIDDLE

Certificate # _____ Send Mail to _____ Home _____ Business _____

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____ State _____ Zip _____

New Business Address _____

City _____ State _____ Zip _____

Bus. Telephone: () _____ Home: () _____

Bus. Fax: () _____ E-mail address: _____

Mail to: SD Board of Accountancy

Fax to: (605) 367-5773

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