

Accountancy **News**

May 2007

Renewal time!

It's time to renew your CPA license, if you are an odd-numbered licensee. Renewal forms will be mailed out the second week of May 2007. Some things to remember are:

Make sure your mailing address is current. You have 30 days to notify the Board in writing when you change your residence address or business affiliation to avoid a \$100 civil penalty OAR 801-030-0020(9).

If you do not receive a Renewal form by the end of May, contact the office at 503-378-4181 x21.

- Fill out the Renewal form completely.
- If the Renewal is missing any information or insufficient payment the Renewal will be returned to you and will not be approved for renewal.
- Sign only one section indicating either Active or Inactive status.
- CPE programs must be completed by June 30.
- Notify the Board in writing if a course is cancelled or you do not attend. It is your responsibility to select continuing education programs that directly contribute to your professional competence.

Proposal to Change Cross Border Practice Requirements

In October 2006 an Exposure Draft to the Uniform Accountancy Act (UAA) was released that proposes to eliminate notice and fee requirements under substantial equivalency, allowing a licensed certified public accountant to provide professional services in any state without restraint. The state in which professional services are rendered has automatic jurisdiction to take enforcement action when the Board receives complaints relating to certified public accountants who provide services in Oregon under the revised substantial equivalency provisions. Substantial Equivalency provisions are only available for certified public accountants.

The Oregon Board of Accountancy and the Oregon Society of Certified Public Accountants have agreed to form a task force to consider whether the proposed revisions to substantial equivalency should be adopted in Oregon, and whether the proposed revisions would provide adequate public protection.

The Uniform Accountancy Act (UAA) is a model act developed by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA). The Fourth Edition of the UAA was released in December 2005. The UAA is not binding on any state; rather each state board of accountancy may elect to adopt provisions of the UAA as the state board deems appropriate.

Background

Current Substantial Equivalency Provisions under UAA

Section 23 of the UAA provides a model for allowing certified public accountants who are licensed in one state (and whose principal place of business remains in the state of licensing) to provide professional services to clients in other states without the need to license in the second

jurisdiction. This model is known as Substantial Equivalency and is based on three standards: 150 hours of education, including a BA, successful completion of all sections of the Uniform CPA exam, and one year of experience in public accounting. Under the current model for substantial equivalency, individuals who demonstrate these standards would be eligible to practice in a jurisdiction that has approved Substantial Equivalency after providing notice to the state of the intent to provide services in that state.

Current Substantial Equivalency Provisions in Oregon

Substantial equivalency provisions were approved in Oregon in 1999. Licensees in other states may provide professional services to Oregon clients by submitting an application (notice) and fee (\$100 each year) to the Board. Depending on the services to be provided, the firm may also be required to register in Oregon. Oregon authorization under substantial equivalency is issued within 24 to 48 hours of receiving the notice. Oregon has issued substantial equivalency authorization to approximately 325 qualified licensees.

The Board would like to receive written comments from Oregon CPAs about the UAA proposal. Information about the task force and when it meets will be included in future newsletters. Your comments may be submitted by mail: Oregon Board of Accountancy, 3218 Pringle Rd SE, #110, Salem OR 97302; by fax: 503-378-3575; or by e-mail: heather.shepherd@state.or.us

The October 2006 Exposure draft and a Revised Exposure draft issued in March 2007 may be viewed at <http://www.nasba.org>

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CPA Exam

New Exam Diagnostic Reports

The AICPA has provided a new diagnostic report starting with the October/November 2006 testing window. Individuals who sat for the CPA Exam during the fourth quarter of 2006 are encouraged to review examples of the new diagnostic reports and the diagnostic report FAQs available on the AICPA exam website, www.cpa-exam.org

Did you know....

Approximately 207,000 CPA Exam candidates tested in 2006 according to Prometric, the exam test center. The most popular test center was Guam, with 11,178 tested in 2006, followed by the New York City testing center at Penn Plaza, with 7,102 tested. Prometric had 299 testing locations in the US in 2006 and expects to expand in 39 US markets in the first half of 2007.

**ATTENTION EXAM CANDIDATES:
Fee Increase for Exam Candidates
EFFECTIVE **AUGUST 18, 2007****

Every ATT (authorization to test) submitted to NASBA on or after August 18, 2007 will be subject to a fee increase.

To insure that your authorization to test will be charged under the current fee structure, the exam application and all supporting documents must be received by the Oregon Board of Accountancy no later than August 1, 2007.

The Oregon Board of Accountancy cannot guarantee that applications received after August 1, 2007 will be processed and submitted to NASBA before August 18, 2007.

CPA Exam Fee Schedule

<u>ATT's submitted PRIOR to August 18, 2007</u>	<u>ATT's submitted AFTER August 18, 2007</u>
AUD = 187.00	AUD = 209.33
FAR = 175.44	FAR = 197.40
REG = 152.33	REG = 173.55
BEC = 140.78	BEC = 161.63
Total: 655.55	Total: 741.91

Inactive Status vs. Lapsed Status

Licenses are sometimes unclear about the difference between "lapsed" and "inactive" license status. A CPA or PA permit may lapse if the licensee fails to renew, or submits a renewal that is deficient. This may occur by accident, or it may also be a deliberate choice made by the licensee. A licensee who no longer plans to perform public accounting services, and does not intend to use the CPA or PA designation may choose to allow the permit to lapse by indicating on the renewal application that he or she does not intend to renew.

A problem occurs however, if a permit becomes lapsed inadvertently because the licensee either forgot to renew or did not meet the renewal requirements. In this situation, the licensee may not continue to offer public accounting services or use the CPA or PA designation until the permit is reinstated. Licensees who continue to practice public accountancy or to hold out during the period of lapse are subject to civil penalties of \$5,000 per violation, suspension or revocation. *ORS 673.320* The period of lapse is retroactive to July 1 of the applicable renewal cycle.

The holder of a lapsed license is not required to provide the Board with updated address information, and the Board does not forward license renewal forms or other information to lapsed licensees. There are no fees or CPE requirements attached to a lapsed license. However, the holder of a lapsed license may not perform public accounting services, or use the license designation or display a CPA certificate or PA license.

A licensee who does not intend to perform public accounting services, but wishes to maintain a licensed status with the Board may elect to renew as "inactive". This licensee will receive a renewal application and other information from the Board. Inactive licensees pay a renewal fee for inactive status, but are not required to report CPE. An inactive licensee may not perform public accounting services, but may use the CPA or PA designation, so long as it is followed by the term "inactive" or "retired".

Both inactive and lapsed licensees are subject to civil penalties or other disciplinary action if they perform public accounting services or hold out as an active licensee while inactive or lapsed. Both may be reinstated to active status, although the requirements are somewhat different for each.

If you are considering retirement or a change in your career, you may want to review the rules on the website: inactive status (*ORS 673.220*); reinstatement requirements (*OAR 801-040-0090*). Additional questions should be directed to Heather Shepherd: heather.shepherd@state.or.us or 503-378-4181 extension 25.

2007 Board Meeting Schedule
May 19, 20 & 21 – Eugene Hilton & Conference Center
August 6 – Salem
October 7-8 – Gleneden Beach
December 10 – Salem

Meetings of the Board are open to the public.
Unless otherwise noted, meetings begin at 9:00 a.m.

**New CPA Licenses Issued May 1, 2007
Congratulations!**

Allen, Jeremy	Lacy, Jr., James	Roberts, Yvonne	Smith, Nathan
Bailey, Paul	Lybbert, Allison	Roodman, Kelle	Sullivan, Margaret
Baker, Anita	McCallum, Emily	Sanders, Abby	Van Hoesen, Katherine
Christensen Jr, Jerry	Meredith, Jay	Schramm, George	Wright, Nicholas
Cudahey, Garrett	Nilsen, Elizabeth	Simms, Andrew	
Grunden, Peggy	Pullen, Matthew	Singleton, Leah	

License Reinstatements

The following individuals reinstated their Oregon CPA license.

To Active Status

R Thomas Achor

To Inactive Status

John Patrick Neff

License Resignations

The following individuals resigned their Oregon CPA/PA license.

Shannon L Buchanan

DISCIPLINARY ACTIONS

Disclaimer: It is the Board's policy to publish the name of each licensee who is disciplined for violations of Board statutes and rules. Every effort has been made to ensure that the following information is correct; however it should not be relied upon without verification from the Board office. Names of companies and individuals listed may be similar to the names of parties who have not had enforcement actions taken against them. Disciplinary orders are public information and copies may be obtained by contacting the Board office.

Jane Ryan: License revocation for violation of ORS 673.170(2)(b); dishonesty, fraud and gross negligence in the practice of public accountancy.

Dennis Cuning: \$11,000 for use of the CPA designation in violation of ORS 673.170(2)(n).