

Reminder of license renewal and CPE reporting due June 30, 2006

* * *

CPA and PA renewal applications for even-numbered licensees will be mailed in May. If you do not receive a renewal form by June 1, 2006, contact the Board office.

Even-numbered licensees are required to **complete 80 hours of continuing professional education (CPE) by June 30, 2006.** You need not submit the documentation for each CPE program with the renewal form, but the documentation must be available in the event you are selected for an audit. The documentation must include the following information:

- Sponsor name
- Course title
- Date of attendance or date of completion
- Name of participating licensee
- Statement that the program and sponsor are QAS approved, for independent study programs
- The number of hours earned

Licensees shall retain proof of completion for each CPE program reported for a period of 5 years after completion of the program. *OAR 801-040-0050(2)*

Licensees who are renewing for the first time are required to report the pro-rated number of CPE hours stated on the renewal form.

Renewals often result in **change of address violations.** If your business or residence address has changed, provide written notice to the Board **NOW** to avoid a civil penalty. Written notice may be submitted by e-mail, fax or on-line at: <http://egov.oregon.gov/BOA/>.

Renewals must be postmarked by June 30. If the postmark is after June 30, a late fee will be assessed. A postmark is a post office cancellation stamp. A postmark is not the date provided from an office postage meter.

By reading the instructions and following the checklist below, you can ensure that your properly completed renewal form is received by the Board office prior to July 1, 2006.

- Does the Board have your correct mailing address?
- Did you follow the renewal form instructions and properly complete each section?
- Did you accurately compute and report your CPE hours?
- Did you include the renewal fee?

Licensees who do not submit a properly completed renewal form will lapse.

Oregon Dependent Care Tax Credits

Did you know that your employer clients can offset 50% of their Oregon State tax liability if they help their employees with child and elder care costs?

The credit allows an annual offset of \$2,500 per employee per year.

If you have employer clients that offered child or elder care benefits during the 2005 fiscal year, they can take advantage of these tax credits now.

For more information, please contact:

Cynthia M. Hurkes, Business Liaison
Oregon Child Care Resource and Referral Network
805 Liberty St NE #2
Salem, OR 97301
503-779-2546 or churkes@oregonchildcare.org

LICENSING REQUIREMENTS FOR OUT-OF-STATE LICENSEES AND PUBLIC ACCOUNTING FIRMS THAT PREPARE OREGON TAX RETURNS

Applicable Statutes or Administrative Rules

ORS 673.615; ORS 673.610; ORS 673.320(11)

Summary

Certified public accountants and public accounting firms licensed in another jurisdiction may prepare individual Oregon tax returns for clients who are **not Oregon residents** without notice to or licensing in Oregon. However, if the client is an Oregon resident, licensing is required and may be accomplished through substantial equivalency or reciprocity. There is a limited exception to the requirement to obtain an Oregon CPA license or substantial equivalency.

LTC Licensing Requirement

Persons who prepare individual Oregon income taxes (for a fee) for clients who reside in Oregon are required to be licensed as a Licensed Tax Consultant (LTC) under ORS 673.615. This requirement applies to both federal and state returns and is regulated by the Tax Board. Certified public accountants and public accountants who are licensed in Oregon are exempt from the LTC license requirement. ORS 673.610

Therefore a certified public accountant, licensed in any state other than Oregon, may prepare individual Oregon tax returns for **Oregon residents** only if the individual obtains either a reciprocal license in Oregon, or authorization under substantial equivalency. The applications for reciprocity and substantial equivalency are both on our website at <http://egov.oregon.gov/BOA/>

Limited Exception

ORS 673.320(11) describes limited conditions under which certified public accountants and public accounting firms, licensed in another state, may prepare individual Oregon tax returns for **non-Oregon residents**, if the licensee or firm meets all of the requirements stated in section (11), which are copied below. The full text of ORS 673.320 may be reviewed at <http://www.leg.state.or.us/ors/673.html>:

ORS 673.320 Permit or registration required to provide attestation or compilation services or issue report; exceptions; use of terms certified public accountant, public accountant, CPA or PA; exceptions.

(11) Subsections (1) to (10) of this section apply to a person or business organization holding a certification, license, permit, designation or degree granted in another jurisdiction entitling the holder to engage in the practice of public accountancy or its equivalent in the other jurisdiction unless:

(a) The activities of the person or business organization in this state are limited to the provision of professional services to clients in this state, where the clients are residents of, governments of or business entities in the other jurisdiction in which the person holds the entitlement;

(b) The person or business organization does not provide attestation or compilation services or issue reports regarding the financial statements of any other persons, organizations or governmental units in this state; and

(c) The person or business organization does not hold out to clients, potential clients or the public in this state that the person or business organization is licensed or registered under ORS 673.010 to 673.457 and does not use any title or designation other than the one under which the person or business organization practices in the other jurisdiction, followed by the name of the other jurisdiction and, if applicable, any translation of the title or designation into the English language.

**Oregon Board of Accountancy
Checklist for out-of-state licensing requirement**

True False 1. I hold an active CPA license issued by another state licensing board, not Oregon.

True False 2. The clients for whom I provide public accounting services in Oregon are residents, governments or business entities in the jurisdiction in which I hold the CPA license.

True False 3. I do not provide attest or compilation services, or issue reports regarding the financial statements of any other person, organization or governmental units in Oregon.

True False 4. I do not hold out to clients, potential clients or the public in Oregon that I am a licensed CPA in Oregon;

True False 5. I do not use the CPA title or designation in Oregon, other than the designation to which I am entitled, followed by the name of the state in which I am licensed.

If you answered **TRUE** to **ALL** of the questions numbered two through five, you **are NOT required** to be licensed in the State of Oregon.

If you answered **FALSE** to any **ONE OR MORE** of the questions numbered two through five, you **ARE required** to license in the State of Oregon.

The Board has implemented a list serve information program. Subscribers may receive information from the Board via an internet subscription service. Licensees who have previously submitted an e-mail address were included on the subscription list. An individual who prefers not to receive this information, or who prefers to receive the information at a different e-mail address may unsubscribe from the service and re-subscribe using the preferred e-mail address.

Subscribers will receive the Board of Accountancy newsletter, administrative rule revisions, information concerning professional issues, and other information that affects licensees.

2006 Board Meeting Schedule

May 20 - 22 - Bend

August 7 – Salem Board Office

October 1 & 2 - Coast

December 11 – Salem Board Office

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

**New CPA Licenses Granted March 1, 2006 – April 3, 2006
Congratulations!**

| | | | | | |
|---------|------------|-----------|-------------|-------------|-------------|
| JAMES | ATKINS JR | MARK | EICHSTAEDT | SCOTT | MINNIG |
| DEBRA | BAKER | MARYLINDA | EICHSTAEDT | MARK | MOORE |
| EDWARD | BARTELT | RANDALL | FENICH | THOMAS | OVER |
| MARC | BERENFELD | TODD | FLYNN | RONALD | PASKINS |
| CORY | BLUTH | STEPHANIE | GAITTEN | GENE | PETERSEN |
| DALE | BONN | TAMMY | GARDNER | LUKE | PETERSON |
| MICHAEL | BOULGER | DAVID | GEDDES | MIKE | PHILLIPS |
| SHERYL | BRAKE | BRENDA | GILBERT | KEVIN | PICKHINKE |
| MICHAEL | BRANTLEY | CORNELIUS | GLOUDE | JASON | PIERCE |
| COLIN | BRAY | AMY | GRAVES | ADAM | PUCKETT |
| TRACY | BRESSLER | LUIS | GUERRERO | TERESA | RAWLINS |
| JEFFERY | BRIDGENS | MARLA | GULLICKSON | MICHAEL | REEVES |
| AMANDA | BRIDGES | JOHN | HAMBLIN III | KAREN | REFFNER |
| ANGIE | BRUMMITT | GEOFFREY | HORTON | CHRISTOPHER | RIEKE |
| JOEL | BUSSARD | GARY | HUNTER | JAMES | RIGOS |
| EDGAR | CAGAWAN | DANIEL | HUSTON | JENNIFER | RINKER |
| TAMARA | CAMPFIELD | MITCHELL | IRWIN | CHRISTOPHER | RIVARD |
| EILEEN | CAPACCIO | SHINYA | IYOKI | EARL | SALVEY |
| KONRAD | CAPELLER | JEFFREY | JANDA | FRANK | SAMBOR |
| SANDRA | CARLOS | MATTHEW | JESSUP | HANNAH | SCHMIDT |
| JOHN | CARPENTER | CELIA | JOHNSON | DAVID | SHANE |
| MIKE | CHEN | SAYER | JONES | KARA | SINGLETON |
| YU-YING | CHEN | ABDUL | KABANI | PAULA | THIELEN |
| RAMONA | CHUANG | JULIE | KINART | MICHAEL | TURNER |
| KRISTEN | CLARK | I-PING | KO | HEATHER | VAN HORN |
| PAM | CLEAVER | MATTHEW | KOSMICKI | SAMUEL | VAUGHT |
| BRUCE | COBLENTZ | GAIL | KRENTZMAN | MARK | WAGNER |
| WILLIAM | de la ROSA | JAMES | LYONS | KEITH | WALLACE |
| MEGHAN | DIEKMANN | CAROLYN | MACFARLANE | LYNNE | WILHELMSSEN |
| JEFF | DIELEMAN | ANTHONY | MAILHOT | MARY | WRIGHT |
| ROBERT | DRURY | JONATHAN | MCFADDEN | | |
| DAVID | EDDY | JAMES | MCMURTREY | | |

License Reinstatements

The following individuals reinstated their Oregon CPA license.

To Active Status

| | | |
|---------------------|---------------|----------------------|
| Gary Allen | Matt Holovach | Rowena Torres |
| Natalia Gudgeon | Kelly Palin | George Webster |
| Betsy Brooks Harper | Daniel Powell | William J. Zielinski |

To Inactive Status

| | | | |
|-------------|-------------------|----------------|-------------------|
| Kelly Cihak | Clifford V Sander | David Thomason | Lisa Jean Wanless |
|-------------|-------------------|----------------|-------------------|

Congratulations to the following candidates who completed the CPA exam during the January/February 2006 testing window.

| | | | | |
|-------------------|-----------------------|----------------------|-------------------|------------------|
| Adams, Ryan | Bunce, Peter | Fauerbach, Stephanie | Lainfiesta, Marie | Rad, Aura |
| Aguon, Terryl | Campbell, Christopher | Hall, Brian | Larsen, Bret | Russell, Michael |
| Alcock, Joseph E. | Cheney, Stephanie | Henle, Josh | Le, Hung | Sarrett, Kori |
| Alexander, Ryan | Copenhaver, Ramona | Herinckx, Jolene | Li, Meizi | Watson, Luke |
| Allen, Christina | Day, Kari | Heyer, Alyson | Lindstrom, Ronna | Woodall, Wanda |
| Barnes, Eryn Rae | Degroat, Phillip | Keithley, Jonathan | Loreth, Aaron | Wu, Hsin |
| Bell, Nathaniel | Dutton, Lucas | King, Emily | McNaughton, Luke | Ye, Hongxia |
| Bergstrom, Laura | Fattah, Sarah | Kreiling, Emily | Mueller, Paul | |

Suit Alleges PCAOB Violates Constitution

The Free Enterprise Fund, a pro-free-market think tank based in Washington, DC. On February 7 filed a complaint against the Public Company Accounting Oversight Board claiming it violates the appointments clause of the US Constitution because its members are appointed by the Securities and Exchange Commission, not the President. According to the Fund, this means that the PCAOB has limited accountability although it has extensive governmental powers.

The complaint states: "... notwithstanding the Act's effort to characterize the Board as a private corporation, the Board is a government entity subject to the limits of the United States Constitution, including the Constitution's separation of powers principles and the requirements of the Appointments Clause. The Board's structure and operation, including its freedom from Presidential oversight and control and the method by which its members are appointed, contravene these principles and requirements. For this reason, the Board and all power and authority exercised by it violate the Constitution".

Beckstead and Watts, LLP (B&W), an accounting firm located in Henderson, NV, joined the Free Enterprise Fund in bringing the suit. The firm characterizes itself as "a small niche firm" with an audit practice focused on "micro-cap" and "development stage" companies., Seven PCAOB inspectors visited the firm over a two-week period, from May 17 to 28, 2004. At that time, a majority of the firm's clients had "going-concern" audit reports, B&W states. The complaint says the PCAOB's inspectors "evaluated Beckstead and Watts's audits in the same manner that one would evaluate the audits for a Fortune 1000 company, notwithstanding the cost issues discussed above and the relative benefits (or lack thereof) to the investing public of applying such strict standards to this segment of the marketplace." On September 28, 2005 the PCAOB initiated formal investigation proceedings against B&W. The firm reports it has incurred legal fees in defending itself against the investigation proceedings and its professional reputation has been damaged by the inspection report posted on the PCAOB's public Web Site.

The plaintiffs are seeking relief that includes an order declaring unconstitutional the provisions of the Sarbanes-Oxley Act (SOX) creating and empowering the PCAOB, and enjoining the PCAOB from taking any further action against the firm and voiding any prior adverse action against the B&W, and recovery of costs.

PCAOB General Counsel Lewis Ferguson had announced he would resign from his post at the end of March but now has said he will stay on to defend the PCAOB.

State Board Report, March 2006

Board Members

James Gaffney, CPA, Chair
Moss Adams LLP
805 SW Broadway #1200
Portland, OR 97205

Lynn Klimowicz, CPA, Vice-Chair
Slight, Klimowicz & Friel PC
PO Box 1819
Roseburg, OR 97470

Kent Bailey, CPA, Treasurer
Guyer Lindley Bailey & Martin CPAs PC
2790 Main St
Baker City, OR 97814

Jens Andersen, CPA
Jones & Roth PC
PO Box 10086
Eugene, OR 97440

Stuart Morris, PA
5922 NE Sandy Blvd
Portland, OR 97213

Anastasia Meisner, Public Member
Guyer Meisner Attorneys
16325 Boones Ferry Rd #205
Lake Oswego, OR 97035

Raymond N. Johnson, CPA
Portland State University
PO Box 751
Portland OR 97207-0751

DISCIPLINARY ACTIONS

It is the Board's policy to publish the name of each licensee who is disciplined for violations of Board statutes and rules, including licensees who fail to provide a change of address. The easiest way to change your address is to access the change of address form on the Board website at www.Oregon.gov/BOA using the tool bar on the left. You will receive an e-mail confirmation within 24 hours for address changes submitted on-line.

Suspensions Withdrawn

Lisa Jean Wanless

The Following Licensee CPA Permits are Suspended for failure to pay civil penalties under ORS 673.170(2) (m):

David L Foreman

Vladimir Turin

Josie V Vanderzanden

Failure to Respond to Board Communication

The following licensees were assessed a \$250 civil penalty for failure to respond to the CPE audit within 21 days, in violation of OAR 801-030-0020(7):

Gary A Danner

Donald Hicks

Cheri Ann Lister

Tammy Yeager

Failure to Provide Written Notice of Change of Address within 30 days:

The following licensees were assessed a \$100 civil penalty for failure to provide written notice of change of address within 30 days:

B E Caldwell Jr CPA PC

R Keith Bebb CPA

Stanley M Carrothers CPA

Wissbaum & Steiner CPAs

William J Perry CPA Business Consultant

Jessica Love: \$1000 civil penalty for violation of OAR 801-010-0120, use of the CPA designation while inactive without including the words "inactive" or "retired".

Todd D. Knapp: \$12,000 civil penalty for violation of OAR 801-030-15(2)(d)(C), \$6,000 of the civil penalty to be stayed if Knapp completes 24 hours of continuing professional education in compilation and review standards and for a period of two years from the date of the final order, Knapp shall obtain an annual peer review of his compilation and attest working papers and reports, such peer reviews to be conducted by a licensed CPA who holds an active license and is qualified to conduct peer reviews.

Dennis Weldon: \$100 civil penalty for failure to comply with the litigation monitoring agreement in which licensee provides the Board with a written report describing the status of his investigation and/or litigation at least every 90 days.

Lance Brant: \$15,000 civil penalty and CPA certificate and permit is suspended for eight months for dishonesty, fraud, or misrepresentation not in the practice of public accountancy in violation of ORS 673.170(4), for professional misconduct in violation of OAR 801-030-0020(1), and for failure to respond fully and truthfully to the Board in violation of OAR 801-030-0020(7).