

# Oregon State Board of Tax Practitioners

## Board Meeting Minutes

**Meeting Date:** May 8, 2008

**Time:** 9:00 a.m. – 2:05 p.m.

**Location:** Morrow Crane Building, Salem, Oregon

**Attendees:** Marilyn Johnston (Board Chair)  
 Alan Twombly (Vice-Chair)  
 Donna Gilmour  
 Toni Ellsworth  
 Jess Gutierrez  
 Merry VanAtta  
 Dorothy Hudson

**Guests:** Susan Parks, OAIA  
 Nancy Hubbard, OSTC  
 Monica Dwyer-Sinfield  
 Linda Thomas  
 Tim Walker, LFO  
 Judith Wilkins, OATC  
 John Bell  
 Rachel Nolin, BAM

**Staff:** Ron Wagner, Executive Director  
 Monica J. Walker, Senior Compliance Specialist/Investigator

ITEM	ACTION / DISCUSSION
Johnston called the meeting to order at 9:00 a.m.	
Dorothy Hudson sworn in as an official Board member.	Once confirmed by the Senate, Dorothy became a member of the Board, but the group recognized her formally while gathered at their first regular meeting since the confirmation.
Roll called.	Board members present: Gilmour, Ellsworth, VanAtta, Gutierrez, Twombly, Hudson, and Johnston.
Introduction of new staff.	Johnston introduced Ron Wagner as the new Executive Director starting March 1, 2008. Ron shared his plans to hire staff and process renewals. He related how he is in a learning mode, excited to have something new, and feels it is a great change.  Johnston introduced Monica J. Walker as the new Senior Compliance Specialist/Investigator.
Reminder of Board meeting protocol.	Johnston reminded Board members and the public of the Board meeting protocol.
Approval of meeting minutes.	The Board reviewed and discussed recommended changes to the minutes from the January 10th, February 12th, February 22nd, and March 14th Board meetings of 2008.  <b>Motion:</b> Gilmour made a motion to approve the 2008 January 10 <sup>th</sup> , February 12 <sup>th</sup> , February 22 <sup>nd</sup> , and March 14 <sup>th</sup> Board meeting minutes as reviewed by the Board. Motion passed. Ayes: Ellsworth, Gutierrez, Gilmour, Hudson, Twombly, VanAtta, and Johnston.  Board meeting minutes are located on the Tax Board Web site at: <a href="http://www.oregon.gov/OTPB/Meeting_Minutes.shtml">http://www.oregon.gov/OTPB/Meeting_Minutes.shtml</a>

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Licensing Report	
Statistics reported by Monica J. Walker.	Board member binders contained the report covering the period through March 2008. Walker explained the categories and the comparison with last year's statistics. Initial preparer numbers were down, but overall license numbers were increasing.
Administration Report	
Staffing status reported by Ron Wagner.	<p>Staff levels have been at a 60% vacancy based on the Agency's budget. Richard Phaneuf was hired on as a temporary worker, and has been helping to process the consultant renewals. Walker applied for and became the successful candidate for the Senior Compliance Specialist/Investigator position. The Exam &amp; Education Coordinator position had 25 applicants and should provide a good candidate pool. The Licensing Specialist position has been reopened to augment the recruitment. Ron hopes that within 5 weeks the Board will double its staff.</p> <p>It was suggested that the Board see how four staff members can handle the workload, and delay the hiring of the office specialist position. Hiring temporary services for the busy times of the year is a viable way to go from a business standpoint.</p>
Budget concerns.	<p>The SQL (Structured Query Language) serve program to update our database is still being considered. Concern was expressed about making sure the Board's software was secure for firewalls and the Web. Walker explained that DAS (Department of Administrative Services) handles this for the Board.</p> <p>Secretary of State felt that an agency audit would not be necessary unless the Board could see a problem.</p> <p>Gutierrez and Hudson need to go to Board training in September. Members commented that the training was very informative, and their time was well spent.</p> <p>The Board approved the legislative concept, which is based on the motion to include incompetence, negligence, integrity and objectivity to the preparation of all business tax returns. This would allow the Board the ability to do something if business tax returns are done negligently, creating complaints by consumers. The legislative concept needed to be prepared and presented by the end of March. Wagner suggested the Board have a clear idea of what is being proposed, what the ramifications are, what is expected, and how it would be administered before proceeding. Even if this won't help with the national licensing, it would provide additional consumer protection. Wagner will check with DAS for the timeline to submit the legislative concept.</p>

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	<p>Wagner provided the Board with a report on the status of the upcoming Tax Forum which will be held in Las Vegas August 19-21, 2008.</p> <p>The financial plan doesn't have budget figures listed. Wagner will flag it and request to have the numbers plugged in.</p>
Budget reported by Ron Wagner.	<p>Ron Bersin, previous Director, used QuickBooks to enter all expenses, and this provided a snapshot for the Board. That process was not updated for a year. Wagner would like to recreate QuickBooks and go back to the beginning of the biennium (July 2007). The Board is fiscally fine as of last check—there is sufficient money in the budget, due to large personal services savings. Wagner would also like to reduce the AG budget by having Walker prepare what can be done in the office.</p> <p>The BRIO reports were distributed. Wagner shared that BAM (Budget and Management) expected the Board to provide planned figures or revenue forecasts for the '09-'11 biennium.</p>
<b>Newsletter Article Assignments</b>	
Members volunteered to do the following articles:	<p>The Board sends out newsletters annually on June 30<sup>th</sup> and October 31<sup>st</sup>. Board member articles are due by June 15<sup>th</sup>.</p> <p>Johnston – Message from the Board Chair  Wagner – Message from the Executive Director  Gutierrez – Importance/awareness of the 1040NR  Hudson – Perspective of a new Board member  Twombly – National licensing report  Ellsworth – Cancellation of the Instructor Workshop  VanAtta – Licensee Luncheon (November 5, 2008)  Gilmour – Retirement of and reflection on years as a Board member</p>
Board Meeting Break 10:15 a.m.-10:32 a.m.	
<b>Waiver Requests</b>	
Virginia Griffiths Sandy, Oregon	The Business Practices Committee reviewed this and upon receipt of additional information the Committee will make a recommendation
<b>Executive Session</b>	
To discuss information exempt from public disclosure under ORS 673.730(4). Pursuant to 192.660(2)(f). This Executive Session is closed to members of the public.	
Johnston called the meeting into Executive Session from 10:40 a.m.-12:02 p.m.	
<b>Lunch</b>	
Johnston reconvened the Board meeting at 12:41 p.m.	
<b>Compliance Report</b>	
Reported by Monica J. Walker.	There were sixteen open cases. Two were final orders by default, four pending further investigation, two pending additional

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	<p>information, five pending response to records inquiry, two hearings requested with possible settlements, and one pending assigned settlement agreement and payment. There were ten cases closed, seven of those were settled and paid, and the other three had no violations found. One case was failure to register a business, seven on unlicensed activity, one for fraudulent representation, and one for return of records. There were twelve mediated cases; four were errors on returns, and eight that were regarding return of records. Two field visits were made this last season concerning unlicensed activity, but no violations were found.</p>
<b>Public Comment</b>	
John Bell – Complaint	<p>John thanked the Board and gave an update on tax preparation in his three offices and ongoing challenges. He feels he created a bad situation and is now doing his best to get things cleaned up. He’s trying to get Jose Monteblanco to sell his practice to someone who would like to work with the Spanish community.</p>
<b>Examination &amp; Education Report</b>	
Reported by Monica J. Walker.	<p>The Consultant Item Writing Committee met on April 17<sup>th</sup> and 18<sup>th</sup>. The Board has been reviewing their suggestions and comments. One member from each group on the Committee was invited to join the Board during the work session to provide more insight about comments and recommendations. These still need to be voted on. They talked about adding a new category to the item banks—part-year non-resident. This would include four questions, two from how to file, and one from credits, and one from licensing law. They talked about the recommended additions to the source documents.</p> <p><b>Motion:</b> Gilmour made a motion to add the part-year and non-resident category. Motion passed. Ayes: Ellsworth, Gutierrez, Gilmour, VanAtta, Hudson, Twombly, and Johnston.</p> <p><b>Motion:</b> Gilmour made a motion to add Publication 519, Chapter 1 only to the source document list for consultant exams. Motion passed. Ayes: Hudson, Gutierrez, Twombly, VanAtta, Ellsworth, Gilmour, and Johnston.</p>
Instructor Pass Rates Report	<p>Covers June 2007-February 2008, and will be posted on the Board’s Web site as public information. Previous statistics are on the Web site and show these rates are typical. Instructor pass rates have increased. Examination statistics will be available at the next Board meeting.</p>
<b>Continuing Education Course Reviews</b>	
Members shared their opinions about	<p>There were four off site reviews, two were online, and two were</p>

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<p>courses offered for CPE.</p>	<p>disc reviews. The online reviews, CCH, Inc. and Surgent McCoy, Inc. were assigned to Johnston. The Drake Software and ClientWhys, Inc. disc reviews were assigned to Ellsworth.</p> <p><b>Motion:</b> Gilmour made a motion to accept the hours as recommended by the Board members. Motion passed. Ayes: Hudson, Ellsworth, Gutierrez, Twombly, Gilmour, and Johnston. Nays: VanAtta.</p>
<p><b>2008 Instructors Workshop</b></p>	
<p>Workshop Concerns</p>	<p>This Workshop has been held every year, but concern was expressed over gathering enough subject matter or speakers; perhaps it should be held every other year. Attendance has gradually been declining. Plans were made for the agenda. Recommendations to have a couple of speakers in the morning, have the examination review in the afternoon along with the panel discussion. Still looking for some speakers and topics. With the shortage of staff, consideration was given to not hold the Workshop this year.</p> <p>Ellsworth volunteered to write a newsletter article regarding the cancelation of the 2008 Instructor Workshop as well as provide information on an upcoming survey to see what topics instructors are interested in and when they are available to attend workshops. August has been good because it's right before classes start. The Board discussed reaching the instructors that haven't attended the Workshop in the past with the survey and marketing toward colleges and H &amp; R Block.</p> <p><b>Motion:</b> Gilmour made a motion to cancel the 2008 Instructor Workshop. Motion passed. Ayes: Ellsworth, VanAtta, Gilmour, Twombly, Hudson, Gutierrez, and Johnston.</p>
<p>Calendar</p>	<p>A recommendation was made to change the August Board meeting to September. Members will check calendars and report back to staff by mid-June to schedule a September date. The Board will meet on July 10<sup>th</sup> and November 5<sup>th</sup> as well.</p>
<p><b>Other Business</b></p>	
<p>Government Accountability Office (GAO)</p>	<p>In January, the Federal GAO visited and met with the Agency. They were interested in how things were in the beginning and how licensing got started. VanAtta found an Agency brochure "<i>Need Help Preparing Your Taxes</i>" and faxed it to the committee. This consumer brochure needs to be updated. Distribution avenues for the brochure were discussed. Members were reminded to review the flyer to make suggestions for improvement.</p>
<p>License Numbers on Federal and State Returns</p>	<p>This is required in the rules now, but VanAtta would like to see this eliminated. She believes it's not necessary for Federal returns</p>

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	with electronic filing. Currently there isn't room in the signature block for both preparer and consultant numbers. It was decided to add this topic as an agenda item for the July meeting.
Planning Ahead to Review Rules	The intent and possible rewriting of OAR 800-010-0050(5) was discussed. It was decided to add this topic as an agenda item for the July meeting.
Continuing Education	It was suggested that the employer be responsible and have the Designated Consultant or owner check and be sure their employees have completed 30 hours of CPE annually.
Agency Best Practices	The Board will need to go through and approve a list of best practices to have for a report to the Legislature in September, as a kind of internal performance review for performance measures. This topic will be added to the agenda for the July meeting.
Board Member Task List	Walker will create this for Board members to use as a reminder.
<b>Board Elections</b>	
Board Chair	<b>Motion:</b> Gilmour made a motion to re-elect Marilyn Johnston. Motion passed. Ayes: Ellsworth, Gutierrez, Gilmour, VanAtta, Hudson, Twombly, and Johnston.
Board Vice Chair	<b>Motion:</b> Gilmour made a motion to nominate Alan Twombly as Board Vice Chair. Motion passed. Ayes: VanAtta, Gilmour, Gutierrez, Twombly, Hudson, Ellsworth, and Johnston.
<b>Adjournment</b>	
Johnston adjourned the Board meeting at 2:05 p.m.	

**Next meeting:**

July 10, 2008

9:00 a.m.

Morrow Crane Building

Salem, Oregon