

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 410, Lincoln, NE

Minutes
January 14, 2022

Draft Minutes. Minutes are not approved until the next Board meeting on March 11, 2022.

Friday, January 14, 2022

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:31 a.m. on Friday, January 14, 2022 with Chair Marcy Luth presiding. The roll was called with the following members present: Marcy Luth, Melissa Ruff, Christi Olsen, Ken Brauer, Jeff Kanger, Mark Manning, Drew Blossom and Sarah Borchers. Also, present were Executive Director Dan Sweetwood and staff members Heather Myers and Kristen VanWinkle. The meeting was conducted virtually as allowed per Neb. Rev. Stat. § 84-1411(2). Staff was available at the Board Office, 1526 K Street, Ste. 410, Lincoln, Nebraska for anyone who wanted to participate in person. Chair Luth noted the location of the notebook containing the Public Open Meeting Act was at the Board Office, and asked if anyone present needed an agenda or had any questions regarding the law. Joni Sundquist, Nebraska Society of CPAs President, and Mr. Justin Pfeil, CPA, were present.
- B. Approval of Meeting Agenda for January 14, 2022.** Moved by Ruff, seconded by Kanger, to approve the agenda for the January 14, 2022 meeting. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #1 carried.
- C. Approval of Minutes from November 12, 2021.** Moved by Ruff, seconded by Manning, to approve the November 12, 2021 Board minutes. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, and Manning voted aye. Members Blossom and Borchers abstained. Motion #2 carried.

2. Public Comment Period (15-minute period)

8:45 a.m. – Ms. Joni Sundquist, President of Nebraska Society of CPAs – Ms. Sundquist noted the Legislature just opened up their session, which is a short session this year. They are monitoring multiple bills. LB263 is the Occupational Boards bill, which the Society is opposed to unless the drafted amendment is introduced which removes the CPA profession from the bill. ED Sweetwood reminded the Board this Bill could impact and cause confusion regarding licensing through reciprocity. Working with the Society and later meetings with Senator McCollister, it was stressed the importance that the amendment be introduced to remove the Board from LB 263 provisions. LB422 is a tax on services/change sales tax rate bill, which the Society is also opposed. LB894 is the Society's bill, which changes the Public Accountancy Act regarding total number of CPA/non-CPA ownership of a CPA firm. ED Sweetwood reminded the Board this Bill was brought to the Legislature after a Society Task Force made up of Society leadership and Members Purcell & Luth determined to propose the change after no harm to the public could be determined while the change would especially assist small CPA firms in succession planning. It is scheduled for hearing on January 25th. The State Board usually does not take a position. The Society's State Senators' Reception was held on January 4th. Ms. Ebert is working on scheduling CPE for the next year. All conferences will be in person.

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9:00 a.m. – Mr. Justin Pfeil, CPA – Addressed the Board regarding his reasoning behind requesting firm name “Pfeil Right, LLC”.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Olsen, seconded by Kanger, to approve the consent agenda. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #3 carried.
- B. Approval of Disbursements for November and December 2021.** Secretary Olsen overviewed the disbursements for the Board.
- C. Review of Board Budget Status Report.** It was noted that Employee Bonuses were issued. Salaries were higher in the prior year as there was an extra pay period. Postage is up slightly in the current year due to more certified letters sent for stipulation and consent orders. Data Processing is higher due to purchasing a new printer and annual membership to Adobe. Rent has decreased for the 2021-2022 fiscal year. Merchant Fees are higher in the current year due to timing of payments. Income in the current year is up due to more late active renewals in July. Education Services is up due to Staff VanWinkle enrolling in the program for the Nebraska State Government Leadership Certificate. ED Sweetwood reminded everyone that Board Attorney Titus is being utilized on several projects whereas legal fees could increase through this fiscal year.

4. Report of the Chair

- A. Report of the Chair.** Chair Luth gave the report.
 - 1. Swear in New Board Members.** New Members Andrew Blossom, CPA, and Sarah Borchers, CPA, were sworn in and welcomed to the Board after being appointed by Governor Pete Ricketts to serve a four-year term. Member Blossom is an active permit holder representing the 2nd Congressional District while Ms. Borchers is an active permit holder representing the 3rd District.
- B. Executive Committee Meeting.** The Executive Committee met in December. They were updated on the possibility of a solution to replace the current database utilized by staff. There appeared to be no concern from the Board to move forward with this solution.
 - 1. Set 2022 Licensing Fees.** The committee felt comfortable with the current status of the cash fund. Motion out of Committee to keep licensing fees the same for 2022. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #4 carried.
 - 2. Set 2022 Administrative Fees.** The committee discussed a recommendation from the Licensing Committee to reduce the administrative fee for late Sole Proprietor renewals to \$100 to align with the required registration fees. Motion out of committee to adjust the Sole Proprietor administrative fee to \$100 and keep all other administrative fees the same for 2022. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #5 carried.

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- C. **LB894 - Small Firm Ownership Task Force Update/ Nebraska Society of CPAs** – See agenda item #2 – Public Comment Period for the update.
- D. **10:45 a.m. - Rules of Professional Conduct Task Force Update** – Task Force Chair Tom Purcell joined the meeting to update the Board regarding their last meeting and the task force's recommendation moving forward. He explained the process on how the task force came to their recommendation. The task force recommends adopting parts of the AICPA Code of Professional Conduct as guidance documents under LB867 (Administrative Procedure Act ["APA"], Neb. Rev. Stat. §§ 84-901 to 84-918). No concerns were raised from the Board regarding this recommendation. Moved by Olsen, seconded by Manning, to authorize the Task Force to move forward with drafting the guidance document(s). On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #14 carried. Task Force Chair Purcell will work with Board Staff to draft the guidance documents with a review by the Board Attorney.
- E. **Attendance at NASBA ED and Staff Conference & NASBA Legal Conference, April 25-27, 2022, Clearwater Beach, FL.** During the Executive Committee meeting, it was discussed of the importance and continuity in the office that it is imperative that staff members stay current on national events and training. ED Sweetwood will ask NASBA if a scholarship could be made available for one attendee. Motion out of committee to approve ED Sweetwood, Board Attorney Titus, and, if possible, one staff member to attend the 2022 NASBA ED/Staff Conference & NASBA Legal Conference due to the importance and being essential travel. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #6 carried.
- F. **Review Board Calendar.** No changes were made to the calendar.

Closed Session

Closed Session. Moved by Ruff, seconded by Kanger, that the Board go into closed session at 9:43 a.m., on Friday, January 14, 2022, for the purpose of discussing 9 enforcement cases and to protect the public interest and/or prevention of needless injury to individuals. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #7 carried.

Prior to going into closed session, Chair Luth restated the limitation of the closed session, which was to discuss 9 enforcement cases and read the following statement:

“The Board may go into closed session for the purpose of discussion (no action) on matters involving litigation, personnel, disciplinary matters/enforcement, or matters regarding which the subject matter is otherwise protected under statutory law.

The Board may go into closed session on its own motion; however, it must approve a motion to go into closed session and another one to return to open session. The time in which the Board goes into and comes out of closed session is to be noted in the minutes, and the motion

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must be passed by a majority vote. The motion to go into closed session must contain the subject matter and reason requiring the closed session.

Prior to closed session, the Board Chair will restate the limitation of the subject matter that may be discussed in closed session and such restatement shall be noted in the minutes. No action items will be voted upon in closed session.”

Return to Open Session. Moved by Ruff, seconded by Kanger, that the Board return to open session at 9:59 a.m., on Friday, January, 14, 2022. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #8 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** Committee Chair Ruff gave the report.
- B. **Ratification of LMCOs, if any** – There were none.
- C. **Recommended Cases to Close –**
#19-06 - *The SEC released an Order involving serious sanctions against a Nebraska licensed CPA firm.*
The Board discussed case #19-06. It was recommended the case be closed due to the firm complying with the Consent Order issued in 2021. No further action was determined to be necessary. Moved by Ruff, seconded by Olsen, to close case #19-06 due to Consent Order stipulations have been met. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, and Manning voted aye. Members Blossom and Borchers abstained. Motion #9 carried.

6. Report of Continuing Professional Education (CPE) Committee

- A. **Report of the Committee.** Committee Chair Olsen gave the report. The committee reviewed three reinstatements and determined they should be forwarded to the Licensing Committee. The committee reviewed one CPE medical waiver request for 33.5 hours. Moved by Ruff, seconded by Blossom, to waive 33.5 hours of CPE for #W0001 per Title 288/Chapter 8.009.04. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #13 carried. Chair Olsen noted she is serving on the NASBA CPE Committee.
- B. **Ratification of Staff Program Qualification Evaluations.** The committee reviewed 105 courses from November 1 – December 31, 2021 with 105 courses recommended for Board approval and none denied. Motion out of committee to ratify Board approval of 105 courses. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #10 carried.
- C. **Ratification of CPE Sponsor.** The committee reviewed two CPE Sponsor requests from ACCPE and Lutz & Company. Motion out of committee to approve CPE Sponsorships for ACCPE and Lutz & Company. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #11 carried.

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The committee reviewed an additional course list from Lutz & Company, PC. Motion out of committee to approve the additional course list from Lutz & Company, PC. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Kanger, Manning, Blossom and Borchers voted aye. Motion #12 carried.

*****Member Kanger left at 10:24 a.m.***

7. Report of Education & Exam (E&E) Committee

- A. **Report of the Committee.** Committee Chair Luth gave the report. Dr. Purcell joined the meeting to overview his question regarding if the 25% guidance for non-business courses being applied toward the 30 hours of general business requirement should be applied to upper-level accounting courses. Overall, this question will be forwarded to the next EAC meeting to determine if the Education Guidelines need to be updated. ED Sweetwood overviewed the committee on the Education Committee Webinar from January 6th. The committee also discussed the discontinuation of the NASBA annual jurisdiction/university reports. Specifically, there is concern regarding schools not having the information from the university report as that helps them evaluate their programs compared to peer schools.
- B. **Approval of Exam Scores from October 1 – December 31, 2021, if available –** Scores were not yet available.

8. Report of the Legislative Committee

- A. **Report on Proposed Legislation:** ED Sweetwood gave the report. See agenda item #2 – Public Comment Period for additional updates.
- B. **LR116 – Legislative Committee Review of Public Accountancy Act.** The response from the Legislative Committee was shared with the Board. It was determined that the Public Accountancy Act is appropriately regulating the profession. The report is available on the Legislature's Website at [Nebraska Legislature - Committee Surveys](#)
- C. **Compliance with LB867 (Index Updates/Policy Changes).** No updates at this time.

9. Report of the Peer Review Committee

- A. **Report of the Committee –** Committee Chair Manning gave the report. He and member Kanger met in December and discussed several items regarding Peer Review including regulations within Chapter 13 and the need for a Peer Review Oversight Committee (PROC). The annual Peer Review Committee meeting will be held in February with representatives from AICPA and the Nevada Society. He noted that member McClure has asked to be removed from the committee. He asked for any recommendations on who could be a replacement.

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10. Report of the Licensing Committee

- A. Report of the Committee.** Committee Chair Brauer gave the report. The committee discussed two Business, Governmental & Academia (BGA) experience application. Motion out of committee to recommend approval of Robert Richardson, Jr's application. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #15 carried. Motion out of committee to recommend approval of Julie Lacy's application. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #16 carried. Staff overviewed an issue regarding the need for the applicant and supervisor's signatures being notarized on initial applications and experience forms. The committee felt it was important for the supervisor's signature to be notarized, but not so much the applicant's. ED Sweetwood noted there are no statutory or regulatory requirements for the signatures. Motion out of committee to change applicable forms to discontinue requirement the applicant's signature be notarized while continuing to require the CPA supervisor's signature be notarized. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #17 carried. Staff overviewed the issue regarding alternate practice structures. The committee felt that additional guidance documents would be appropriate to assist in guiding CPAs who want to engage in an alternate practice structure. This will be a project for the Licensing Committee moving forward. The committee discussed three firm name requests. Motion out of committee to approve Solidus CPA, LLC. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #20 carried. Motion out of committee to approve AssurancePoint, LLC. On a roll call vote, Members Luth, Ruff, and Brauer voted aye. Member Olsen voted nay. Members Blossom, Manning and Borchers abstained. Member Kanger was absent. Motion #21 failed. The Board discussed Mr. Pfeil's comments during the Public Comment Period. Staff will provide the additional feedback to Mr. Pfeil.
- B. Ratification of initial permits to practice issued, certificates issued, firm permits.** Moved by Ruff, seconded by Manning, to approve initial permits to practice issued, certificates issued, firm permits issued from November 12, 2021 – January 13, 2022. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #18 carried.

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- C. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Moved by Ruff, seconded by Olsen, to approve the Reinstatements to Active Permit, Inactive Retired Affidavits, and Surrendered Certificates from November 12, 2021 – January 13, 2022. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #19 carried.

Reinstatements:

- Heidi Isernhagen – Deshler, NE
- Steven Painter – Lincoln, NE
- Kenneth Patry – Plattsmouth, NE

Inactive - Retired affidavits:

- John Binderup – Omaha, NE
- Francis Clark – Council Bluffs, IA
- Max Kathol – Wayne, NE
- William Leacox – Tampa, FL
- Williams Schneidewind – Omaha, NE
- Judith Wulf – Windsor, CO

11. Report of the Executive Director

- A. Budget Status** – See above 3 (C)
- B. Staffing & General Office Issues** – Staff remains in their hybrid office environment to protect themselves, as a small office, from exposure. Upon approval of the Executive Committee, a television and mobile stand will be purchased to assist with virtual Board & Committee meetings going forward.

12. New Business

- A. NASBA Items:** Chair Luth stated she sat in on a UAA Committee meeting where NOCLAR and Work Experience Requirements were the noted topics. ED Sweetwood is serving on the NASBA Executive Director's committee and as the Chair of the ALD Task Force. Member Ruff is serving on the NASBA Audit Committee.
- B. Other Miscellaneous Items: FYI articles**

13. Adjournment

Moved by Olsen, seconded by Brauer to adjourn the meeting at 12:26 p.m. on January 14, 2022. On a roll call vote, Members Luth, Ruff, Olsen, Brauer, Manning, Blossom and Borchers voted aye. Member Kanger was absent. Motion #22 carried.

Respectfully submitted by,

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Board Secretary
Christi Olsen