

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

Minutes  
July 10, 2020

**Draft Minutes. Minutes are not approved until the next Board meeting on Sept. 18, 2020.**

**Friday, July 10, 2020**

**1. General**

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:30 a.m. on Friday, July 10, 2020 with Chair Michele Stromp presiding. The roll was called with the following members present: Michele Stromp, Tom Purcell, Marcy Luth, Mike McClure, Glen Waltemath, Jeff Kanger and Melissa Ruff. Member Ken Brauer arrived at 8:54 am. Also present were Executive Director Dan Sweetwood and staff members Heather Myers and Kristen VanWinkle. Board Intern Curtis Schneider was not available. Chair Stromp noted the location of the notebook containing the Public Open Meeting Act, and asked if anyone present needed an agenda or had any questions regarding the law. The Board followed social distancing guidelines as determined by the Centers for Disease Control and Prevention (CDC) and the Nebraska Department of Health and Human Services (DHHS). Also present was Joni Sundquist, Nebraska Society of CPAs President.
- B. Approval of Meeting Agenda for July 10, 2020.** Moved by Purcell, seconded by McClure, to approve the agenda for the July 10, 2020 meeting. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Kanger, and Ruff voted aye. Member Brauer was absent. Motion #1 carried.
- C. Approval of Minutes from May 20, 2020.** Moved by McClure, seconded by Waltemath, to approve the May 20, 2020 Board minutes. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Kanger, and Ruff voted aye. Member Brauer was absent. Motion #2 carried.

**2. Public Comment Period (15-minute period)**

**Joni Sundquist, President of Nebraska Society of CPAs** – The Not-For-Profit and Governmental Accounting & Auditing Conferences were successfully held via webcast June 2-4. In addition to those two conferences, they held five other courses in June. This past Wednesday, they held the Audits of School District course, taught by Julie Bauman and Marcy Luth, which went great. This course also will count for Yellow Book; Kelly Ebert at the Society will be sharing that information with attendees. Attendance at all of their webcast conferences and courses has been consistent with their in-person conferences and courses from previous years. They have 7 courses left in July. All courses through the end of August have been moved to webcast due to COVID. The Fall Conference and Annual Meeting being held Oct. 29-30 has also been moved to webcast. They will be pre-recording the award winners' acceptance speeches and officer speeches. Vern Hoven cancelled all of his courses this year. They have hired Mark Mirsky from TaxSpeaker to take Mr. Hoven's spot. While holding webcasts, they are making sure their production company and vendors are displaying keywords and following the attendance checks. They will continue to make any necessary adjustments to the remaining live courses on the 2020 CPE calendar and are keeping their website up-to-date. They are seeking individuals for Class II of the

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY  
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Minutes  
July 10, 2020

Leadership Academy. The NE Legislature reconvenes on July 20<sup>th</sup>. They are hopeful that LB782, now imbedded within banking legislation bill LB808, will pass.

**3. Consent Agenda**

- A. Published Notice of Meeting.** Moved by Purcell, seconded by Ruff, to approve the consent agenda. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #3 carried.
- B. Review of Disbursements for May and June 2020.** Board Secretary Luth overviewed the disbursements for the Board.
- C. Review of Board Budget Status Report.** Board Secretary Luth noted that yearly expenses are up from this time last year and the main difference is salaries. Postage/printing is down due to sending out the Board's Annual Letter electronically only this year. Staff is working with Secretary Luth to determine why revenue has decreased the last two years.

**4. Report of the Chair**

- A. Report of the Chair.** Chair Stromp gave the report. The Board reviewed ED Sweetwood's performance and salary during closed session. She indicated the Board was very pleased with his performance this last year. Moved by Kanger, seconded by Luth, to approve a 2.3% salary increase for ED Sweetwood commencing on August 1, 2020. Motion #9 carried. Vice Chair Purcell thanked the staff for their hard work during the pandemic.
- B. Election of 2020-2021 Board Officers**  
Moved by Luth, seconded by Brauer to elect member Purcell as the 2020-2021 Board Chair. On a roll call vote, Members Stromp, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Member Purcell abstained. Motion #4 carried.  
Moved by Kanger, seconded by Ruff to elect member Luth as the 2020-2021 Board Vice Chair. On a roll call vote, Members Stromp, Purcell, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Member Luth abstained. Motion #5 carried.  
Moved by Purcell, seconded by McClure to elect member Ruff as the 2020-2021 Board Secretary. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, and Kanger voted aye. Member Ruff abstained. Motion #6 carried.
- C. NASBA Western Regional Report** – ED Sweetwood provided a written summary of the meeting. Many Board members were able to attend the virtual meeting. Some topics of note were NASBA's response to the COVID-19 pandemic, CPA Evolution, Continuous Testing, the Practice Analysis, and Firm Mobility. It is anticipated the NASBA Annual Meeting scheduled for the fall will be in a virtual format.
- D. Review Board Calendar 2020** – No updates.

**Closed Session**

**Closed Session.** Moved by McClure, seconded by Luth, that the Board go into closed session at 10:00 a.m., on Friday, July 10, 2020, for the purpose of discussing 21 enforcement cases to

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, NE

Minutes  
July 10, 2020

protect the public interest and/or prevention of needless injury to individuals and personnel matters. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #7 carried.

**Return to Open Session.** Moved by McClure, seconded by Waltemath, that the Board return to open session at 10:55 a.m., on Friday, July 10, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #8 carried.

**5. Report of Enforcement of Professional Conduct Committee**

- A. **Open Case/LMCO Update.** Committee Chair McClure gave the report.
- B. **Ratification of LMCOs, if any** – There were none.
- C. **Recommended Cases to Close** –
  - #19-04** - Lawsuit filed by plaintiff who indicates his business partner enriched himself with corporate funds while the CPA firm/CPA was negligent and did not use reasonable care in distributing proceeds to the partners of the firm.*  
The Board discussed case #19-04. Since the civil lawsuit reached a settlement, the committee recommends no additional action needs to be taken unless additional information is received. Motion out of committee to close case #19-04 with the option to re-open the case if additional information is received. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #10 carried.
  - #20-04** - The Board received a letter from the Montana Dept. Labor & Industry Standards Division notifying that a person, not licensed in Nebraska, was holding out as a CPA from Nebraska. Various materials were provided.*  
The Board discussed case #20-04. Staff spoke with the certificate holder and requested a letter confirming all references to being a CPA have been removed. The certificate holder was very cooperative. Letter has been received and no additional action needs to be taken. Motion out of committee to close case #20-04. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger, and Ruff voted aye. Motion #11 carried.

**6. Report of Continuing Professional Education (CPE) Committee**

- A. **Report of the Committee.** Committee Chair Purcell gave the report. The committee reviewed 2 reinstatements and determined they be forwarded to the Licensing Committee. Staff Myers updated the committee on the status of the CPE audit. It is complete and all were 100% compliant with no issues.
- B. **Ratification of Staff Program Qualification Evaluations.** The committee reviewed a total of 23 courses from May 6 – June 20, 2020 with 23 courses recommended for Board approval and none denied. Motion out of committee to ratify Board approval of 23 courses. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #12 carried.  
The committee reviewed an additional course for the NE Society of CPAs. Motion out of committee to approve additional course for the NE Society of CPAs titled “New

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, NE

Minutes  
July 10, 2020

Solution to Assist Financially Distressed Businesses.” On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye.

Motion #14 carried.

The committee reviewed a CPE request for a documentary film. Moved by Ruff, seconded by McClure to approve 2 ethics hours for the film “All the Queen’s Horses”. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #15 carried.

The committee reviewed a CPE request for Casualty Actuarial Society exams. Staff is gathering additional information.

- C. **Ratification of CPE Sponsor.** The committee reviewed quarterly courses provided by Sponsor Lutz & Company. Motion out of committee to approve quarterly courses provided by Sponsor Lutz & Company. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #13 carried.

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

- A. **Report of the Committee.** Committee Chair Luth gave the reports from the June and July meetings. An impromptu meeting was called in June to consider extending current NTSs further into the future. The committee moved to extend NTSs expiring June 11, 2020 (the date of the meeting) through December 30, 2020 to December 31, 2020. Moved by Purcell, seconded by Ruff to ratify the committee’s motion to extend NTSs. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #16 carried. At the July meeting, staff updated the committee regarding exam application/credit questions being received. Staff at NASBA has been very helpful and responsive with these issues. The committee discussed if it was necessary for exam candidates to provide every transcript with their exam application. It was determined by the committee that if transfer credit from a community college appears on a 4-year college transcript, then the community college transcript does not need to be sent. NASBA is drafting some language to the candidate regarding the change. It will be recommended to the candidate that sending in all transcripts could help ensure fewer delays in processing their exam application, but it is not required that every transcript be sent per the above guidance. The committee was provided the exposure draft of UAA changes and determined there is no need to respond. The committee discussed accepting AP and Exam Credit toward the General Business subject area requirements and determined that both are acceptable.
- B. **Approval of Exam Scores from April 1 – June 30, 2020, if available** – Exam scores were not yet available.

**8. Report of the Legislative Committee**

- A. **Report on Legislation:** No Report at this time.
1. **LB867 – Index Updates/Policy Changes:** Staff has identified a couple possible policies to consider later on.

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, NE

Minutes  
July 10, 2020

- B. **LB782 - Update of Proposed Legislation to Increase the Provisional Window to sit for the CPA Exam.** See Joni Sundquist's comments during the Public Comment Period.
- C. **2021 Rule Package Consideration** – Staff has been receiving more questions about providing records. This could be a good opportunity to review our current records requirements in Chapter 5. Vice Chair Purcell proposed reviewing our rules of professional conduct in total in Chapter 5.

**9. Report of the Peer Review Committee**

- A. **Report of the Committee.** Committee Chair McClure gave the report. He reminded the Board of the 6 month extension on Peer Reviews as provided by the AICPA Peer Review Board.

**10. Report of the Licensing Committee**

- A. **Report of the Committee.** Committee Chair Brauer gave the report. A couple details in the July committee minutes will be updated by staff.  
The committee discussed two Business, Governmental & Academia (BGA) experience applications.  
Motion out of committee to recommend approval of Cameron McKee's application. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #17 carried.  
Motion out of committee to recommend approval of Jonathan Foss's application. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #18 carried.  
The committee discussed firm mobility and were updated on what was discussed during the Central Region break-out session of the NASBA Western Regional meeting as requested by ED Sweetwood. Concerns shared by the region centered on Peer Review and the varying amount of oversight in each state. If enacted in Nebraska, there would be a loss of revenue that would need to be considered. At this point, the Board is comfortable not moving forward and waiting to see how firm mobility progresses across the country.
  - 1. **Permit/Registration Renewal Update** - Staff VanWinkle provided an update on 2020 Renewals and opened it up to the Board for discussion on when to require the Stipulation and Consent Order and \$250 administrative fee to renew an active or firm permit. The Board considered the updated tax deadline when deciding to extend the renewal grace period through July 17<sup>th</sup>. After this date, active permit holders and firm permit holders will have to sign the consent order and pay the administrative fee in addition to the renewal fee. Staff is seeing more CPA firm owners choosing to go inactive or inactive-retired. It is important for those firms to consider how that impacts their number of CPA owners to non-CPA owners and their compliance with the Board. Staff has identified a couple firms to reach out to who may no longer be in compliance.
- B. **Ratification of initial permits to practice issued, certificates issued, firm permits.**

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

Minutes  
**July 10, 2020**

Moved by Luth, seconded by Purcell to approve initial permits to practice issued, certificates issued, firm permits issued from May 20 – July 9, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #19 carried.

**C. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.**

Moved by Luth seconded by Waltemath to approve Reinstatements to Active Permit, Inactive Retired Affidavits, and Surrendered Certificates from May 20 – July 9, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #20 carried.

Reinstatements:

- Michael Bradley – Omaha, NE
- Julie Schluter – Omaha, NE

Inactive - Retired affidavits:

- Gail Gubbels – Yankton, SD
- Larry Heemstra – Spirit Lake, IA
- Larry Hoppel – Lincoln, NE
- Kenneth Jarosz – Omaha, NE
- Telford Lodden – Urbandale, IA
- Rodger Merz – Lincoln, NE
- Becky Ruehle – Newton, IA
- Greg Tennant – Wichita, KS
- Marlan Watson – Superior, NE
- Gerald Broz – Gretna, NE
- Darrell Kading – Honey Creek, IA
- Robert McChesney – North Platte, NE
- Chris Ritterbush – Omaha, NE

Surrendered Certificates:

- David Butler, Jr. – Katy, TX
- Pepper David – Topeka, KS
- Leslie Fry – Fort Worth, TX
- Sharon Heck – Omaha, NE
- Nicole Hepler – Dubuque, IA
- Kurtis Krentz – Minneapolis, MN
- Karen Linn – Topeka, KS
- Ralph McElderry II – Council Bluffs, IA
- Ruth Munger – Albia, IA

**11. Report of the Executive Director**

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

1526 K Street, Suite 410, Lincoln, NE

Minutes  
July 10, 2020

- A. **Development/Update of FY 2021-2023 Board Budget** - ED Sweetwood indicated he and Ms. Myers have begun working on the new budget. Narratives will be drafted first and then the budget will be developed for review by the Executive Committee. The budget is due for submission to the DAS/ Budget Office by September 15, 2020. This is the first recommended submission to the Governor. Early next year, the Legislature's Appropriation Committee will review for approval.
- B. **Staffing & General Office Issues.**
  - 1. **COVID-19 Updates**
    - a. **Continued Review of Board Operations.** Staff is continuing to review the contingency plan and will hold an off-site staff meeting to discuss the plan and current operations. Due to the pandemic, staff has put the internship position on hold until the pandemic has subsided and staff is back in the office full time. We thanked Curtis for his time and assistance for the short amount of time he was with us. ED Sweetwood acknowledged Ms. VanWinkle and Ms. Myers for their hard work and understanding during the pandemic.

**12. New Business**

- A. **NASBA Items:**
  - 1. **NASBA, AICPA and Prometric to Begin Year-Round Testing for U.S. CPA Exam**
- B. **Other Miscellaneous Items: FYI articles**

**13. Adjournment**

Moved by Purcell, seconded by Ruff to adjourn the meeting at 12:55 p.m. on July 10, 2020. On a roll call vote, Members Stromp, Purcell, Luth, McClure, Waltemath, Brauer, Kanger and Ruff voted aye. Motion #21 carried.

Respectfully submitted by,

Board Secretary  
**Marcy Luth**