

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

Minutes
May 12, 2023

Draft Minutes. Minutes are not approved until the next Board meeting on July 14, 2023.

Friday, May 12, 2023

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:32 a.m. on Friday, May 12, 2023 with Chair Melissa Ruff presiding. The roll was called with the following members present: Melissa Ruff, Jeff Kanger, Christi Olsen, Ken Brauer, Mark Manning, Sarah Borchers, Drew Blossom, and Amy Holzworth. Also present were Executive Director Dan Sweetwood, and staff members Kristen VanWinkle and Heather Myers. The meeting was held at the Board Office, 1526 K Street, in the Red Willow Room, Lincoln, Nebraska. Chair Ruff 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. Also present was Joni Sundquist, Nebraska Society of CPAs President, and Dan Dustin, CPA, NASBA VP State Board Relations participated via Webex.
- B. Approval of Meeting Agenda for May 12, 2023.** Moved by Kanger, seconded by Borchers, approve the agenda for the May 12, 2023 meeting. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth voted aye. Motion #1 carried.
- C. Approval of Minutes from March 10, 2023.** Moved by Blossom, seconded by Olsen, to approve the March 10, 2023 Board minutes. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #2 carried.

2. Public Comment Period (15-minute period)

- A. 8:45 a.m. – Ms. Joni Sundquist, NE Society of CPAs President –**

The CPE Catalog & Member Guides are printed and in the process of being mailed to all Society members. CPE is off and running for the year – 175 total Society-sponsored courses, with about 20 of those in person, the remainder are live webcasts. PLUS 7,500-plus webcasts available through their website. The Business & Industry Conference was held April 25 – Great line-up of speakers but only about 30 attendees at Hillcrest County Club. May consider holding the conference online next year or have it every other year. In June, we have our annual NFP and Govt. Accounting Conference, which has been combined this year and moved to Innovation Campus here in Lincoln. There is also an ABCs of Business Happy Hour planned after Day 1 of the Conference at the Barred Owl. Attorneys and Bankers will join for drinks and networking. Sponsorship opportunities are available for all conferences!

They held their annual Committee Organizational Meeting at Quarry Oaks on May 3 – with about 60 participants, a good showing. Each of their 10 committees met and made plans for the coming year.

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Kicked off a brand-new 100% Membership Initiative in March. Firms with 100% of their CPAs as members are featured on the Society's website. Those firms in turn receive a special 100% logo that they can use on their websites and in marketing materials. They already have 14 firms signed up, with their largest being Lutz with more than 100 CPAs and then Dana Cole, Frankel Zacharia, and HBE with 20-50 CPAs.

In regard to the Foundation, scholarships are in the process of being selected. They held their Scholarship Selection Committee meeting this week. Thanks to member Mark Manning for serving on that committee and as president of the Foundation Board of Trustees. Foundation Board meeting will be held May 17, where decisions will be made regarding the amount and number of scholarships to be provided to students at 14 colleges and universities in the state.

Society Leadership (Shari Munro, Lori Egger, Kelly Martinson, and Joni Sundquist) are headed to the AICPA Spring Council Meeting in Washington, D.C., May 22-25. Pipeline will likely be discussed. They have meetings scheduled with Congressman Flood, and legislative directors from Adrian Smith (Josh Jackson) and Don Bacon's (Jeff Kratz) office. The Senate is on break at that time. Main discussion items will be:

1. The Fiscal State of the Nation Resolution, which is expected to be reintroduced in the coming weeks in both the House and Senate;
2. The inclusion of accounting in STEM (Science, Technology, Engineering, and Math) under the Technology field; and,
3. A bill that would allow for a federal tax extension "safe harbor."

- B. 9:00 a.m.** – Mr. Dan Dustin, CPA, VP State Board Relations, NASBA – Mr. Dustin started off by recognizing member Blossom for his feedback while serving on the Ethics Committee. Mr. Dustin overviewed the timeline of the last UAA Exposure Draft and what the changes involved. He discussed the vote to go to a 30-month exam window. He overviewed what the next steps are for State Boards and NASBA. A big issue to work through is ensuring State Boards will accept transfer scores for other Boards if they have a different exam window. He also discussed the Experience, Learn & Earn (ELE) program being developed to develop options for students finishing their last 30 hours within an education supported program while working for a CPA firm. More to come on this initiative. Several questions were then addressed by Mr. Dustin by Board members on these areas.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Kanger, seconded by Borchers, to approve the consent agenda. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #3 carried.

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- B. **Approval of Disbursements for March and April 2023.** Secretary Olsen overviewed the disbursements for the Board reporting no unusual activity for the period.
- C. **Review of Board Budget Status Report.** Secretary Olsen reported on several items. Salaries have increased due to approval/effect of staff reclassifications. Merchant fee payment impacted the budget due to timing of payment. Travel costs have gone up mainly due to NASBA meetings returning to in person. ED Sweetwood commented that this year several expenses have increased that will impact total expenses at the end of the fiscal year (June 30th, 2023).

4. Report of the Chair

- A. **Report of the Chair.** Chair Ruff gave the report. She stated the Executive Committee approved monetary awards to Staff Myers and VanWinkle as allowed under the Board's Employee Recognition Program for performing above their normal work duties this year as recommended by ED Sweetwood.
- B. **Rules of Professional Conduct Task Force Update.** This important project continues. Dr. Tom Purcell sent his comments back and staff will work on scheduling the next task force meeting with the intent to provide an updated version to the Board in July.
- C. **2023 Exam Task Force Update.** Chair Ruff updated the Board on the progress of the task force. Their first meeting was on May 10th whereas members were presented an overview of current requirements and those proposed along with national maps for review. A second meeting has been scheduled that will include more discussion and possible recommendations by the Task Force for consideration. Member Kanger suggested a timeline be generated of when milestones should be completed by, such as drafting the updated PAA, working with the NE Society to find a state senator to sponsor the bill, etc. Staff will work on creating the timeline.
- D. **Attendance at NASBA Regional Meeting, June 27-29, 2023 – Kansas City, MO.** Chair Ruff commented that due to the importance of the several national issues being discussed, it is advantageous the meeting is in Kansas City that would defer expenses if Board members choose to attend. She requested Board members consider attending due to the importance of the issues discussed at the meeting. Moved by Brauer, seconded by Olsen to approve attendance of ED Sweetwood, Staff VanWinkle and any Board member who wishes to attend the NASBA Regional Meeting as this is considered to be essential travel. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #4 carried.
- E. **Review of Executive Director Performance and Salary Consideration.** The Board has been satisfied with the performance of the ED and staff. Moved by Ruff, seconded by Kanger, to approve a 5% salary increase starting July 1, 2023 for ED Sweetwood. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #9 carried.
- E. **Review Board Calendar.** No changes made.

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Closed Session

Closed Session. Moved by Blossom, seconded by Olsen, that the Board go into closed session at 10:24 a.m., on Friday, May 12, 2023, for the purpose of discussing 10 enforcement cases and the Executive Director's performance to protect the public interest and/or prevention of needless injury to individuals. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #5 carried.

Prior to going into closed session, Chair Ruff restated the limitation of the closed session, which was to discuss 10 enforcement cases and the Executive Director's performance, 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 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 Olsen, seconded by Blossom, that the Board return to open session at 11:09 am, on Friday, May 12, 2023. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #6 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. **Open Case/LMCO Update.** No update.
- B. **Ratification of LMCOs, if any** – No update.
- C. **Recommended Cases to Close** –
22-10 - *Complainant believes CPA has violated areas of Chapter 5 concerning professional work provided regarding his personal tax returns, such as poor tax work, questions regarding submission of forms #8879/signatures, and allowing unlicensed staff to prepare and file his tax returns.*
The Board discussed case #22-10. Due to detailed and transparent responses from the CPA, it was determined the actions did not rise to a level of gross negligence and it is

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recommended the case be closed with a letter being sent to the CPA advising of better practices to be considered in the future. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #7 carried.

23-02 - *The PCAOB reported sanctions against the large CPA firm for failing to disclose certain reportable events to the PCAOB. The firm was fined \$40,000.*

The Board discussed case #23-02. The firm responded to the Board office that no Nebraska licensees or clients were involved in the events resulting in the PCAOB order. Therefore, it is recommended that the case be closed. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #8 carried.

6. 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 applications. Motion out of committee to recommend approval of Katelyn Brown's application. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #10 carried. Motion out of committee to recommend approval of Patricia Altenbach's application. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #11 carried.
- Staff updated the Board on the status of 2023 Renewals.
- The committee discussed reviewing the issue of Firm Mobility again. It was last discussed several years ago but not adopted. More states have been moving to Firm Mobility in recent years. The Committee will continue to review and provide updates to the Board.
- B. Ratification of initial permits to practice issued, certificates issued, firm permits.** Members Kanger and Blossom requested agenda items 6B, 6C, 7B and 7C be moved to the Consent Agenda to save time so that more discussion can be held on the pressing issues of the profession. ED Sweetwood will consult with AAG Melson and report back.
- Motion out of committee to approve initial permits to practice issued, certificates issued, firm permits issued from March 10 – May 11, 2023. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #12 carried.
- C. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.** Moved by Brauer, seconded by Blossom to approve the Reinstatements to Active Permit, Inactive Retired Affidavits, and Surrendered Certificates from March 10 – May 11, 2023. On a roll call vote, Members Ruff, Kanger, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Motion #13 carried.

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Reinstatements:

- John Robbins – Omaha, NE
- Noah Witkowicz – Lincoln, NE
- Joseph Zugmier – Lincoln, NE

Inactive - Retired affidavits:

- David Hershisser – Omaha, NE
- Barbara Johnsen – Beatrice, NE
- Linda Renner – Omaha, NE
- Reed Showalter – Acampo, CA
- William Conley – Papillion, NE
- Keith Helms – Montgomery, AL
- Katherine Lempka – Waterloo, NE
- Sandra Popescu – Desert Hot Springs, CA
- Douglas Qualset – Rohnert Park, CA
- Gerald Woo – Tamuning, GU
- Michelle Zieg – Omaha, NE

Surrenders:

- R. W. Johnston – Centennial, CO
- Hollis Richter – Boise, ID
- Blake Roper – Lehi, UT
- Keith Snyder – Goodyear, AZ
- Martha Zajicek – Omaha, NE
- Dennis Anhorn – Littleton, CO
- Philip Heywood – Lincoln, NE
- Justin Oehm – Bennington, NE
- James Steele – Omaha, NE
- Joseph Urzendowski – Omaha, NE

***Vice Chair Kanger left the meeting at 12:00 p.m.*

7. Report of Continuing Professional Education (CPE) Committee

- A. Report of the Committee.** Committee Chair Olsen gave the report. She stated staff provided the committee with an updated draft of the CPE Guidelines. The next step is to overview the changes with the NE Society. Staff Myers updated the Board regarding the status of the CPE Audit. The NASBA National Registry Summit will be held September 19-20, 2023 in Clearwater, FL. Motion out of committee to send Staff Myers to the NASBA National Registry Summit so she can stay up-to-date on current CPE initiatives and it is deemed

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essential travel. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Member Kanger was absent. Motion #16 carried.

- B. Ratification of Staff Program Qualification Evaluations.** The committee reviewed 42 courses from March – April 2023 with 42 courses recommended for Board approval and none denied. Motion out of committee to ratify Board approval of 42 courses. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Member Kanger was absent. Motion #14 carried. The committee received an additional course list from Lutz & Company, PC. Motion out of committee to recommend Board approval of the additional course list from Lutz & Company, PC. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Member Kanger was absent. Motion #15 carried.
- C. Ratification of CPE Sponsor.** No update.

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

- A. Report of the Committee.** Committee Chair Borchers gave the report. The committee reviewed the history and process of approving CPA Exam scores each meeting, as well as the rules in Ch. 6. The committee felt this process wasn't very beneficial at this time. Motion out of committee to recommend ceasing the process of reviewing exam scores each quarter and move to review on an as-needed basis. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Member Kanger was absent. Motion #17 carried. See Public Comment Period discussion with Dan Dustin for updates on the exam window.

9. Report of the Legislative Committee

- A. Report on Proposed Legislation:** ED Sweetwood gave the report.
- B. Compliance with LB867 (Index Updates/Policy Changes).**
- 1. Proposed Changes to CPE Guidelines.** Will be reviewed at a subsequent meeting after staff meets with the NE Society after some concern was expressed.
- C. 2022-2023 Rule Project** – Potentially looking toward a September 2023 Rules hearing in conjunction with a future Board meeting. Updated drafts have been shared with the respective committees depending on the nature of the drafted amendments to the regulations that will continue as the hearings near. Decisions will be needed by the Committee based on the timing of recommended UAA language especially concerning examination issues located in Chapter 6.

10. Report of the Peer Review Committee

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- A. **Report of the Committee** – Committee Chair Manning gave the report. Staff Myers stated Peer Review letters have gone out to firms to report their status with the Board. Those reporting issues will be reviewed by the Committee.

11. Report of the Executive Director

- A. **Budget Status.**
- B. **Thentia Database Update** – ED Sweetwood updated the Board on the status of the Thentia project including a recent meeting with Staff Myers. It was noted Thentia is moving to a new strategic program that will end weekly updates & work on the project to a month focused program.
- C. **Staffing & General Office Issues** – A temporary worker from the DAS Pool has been engaged to assist staff in filing and other back office work. ED Sweetwood commented that the long-time Board chairs were wearing out and replacements could be considered in the future.
- 1. Meeting & Hearing Room Update.** Staff continues to look for options for formal in person Board meetings due to the loss of Hearing Room 4D. Members indicated the current room for this meeting was comfortable for discussion type meetings while meetings with multiple guests and hearings would require another option.

12. New Business

- A. **NASBA Items:**
- B. **Other Miscellaneous Items: FYI articles**

13. Adjournment

Moved by Olsen, seconded by Brauer to adjourn the meeting at 1:04 p.m. on May 12, 2023. On a roll call vote, Members Ruff, Olsen, Brauer, Manning, Borchers, Blossom, and Holzworth. Member Kanger was absent. Motion #18 carried.

Respectfully submitted by,

Board Secretary
Christi Olsen