

MINUTES  
IDAHO STATE BOARD OF ACCOUNTANCY  
Post Falls, Idaho  
June 18, 1997

REGULAR SESSION

The regular meeting of the Idaho State Board of Accountancy was called to order at 8:10 AM with Chair Curtis Pope presiding. The Board adjourned to executive session at 8:12 AM, reconvened the regular session at 8:45 AM, and adjourned at 2:45 PM.

**ROLL CALL:** The following members of the Board were present:

Curtis Pope, CPA  
LaVern Gentry, CPA  
Robert Briggs, LPA  
Don Etter, Public Member  
Alan Van Orden, CPA  
Leonard Hodge, CPA  
Sam Cotterell, CPA

Barbara Porter, Executive Director; was also in attendance.

**1. MINUTES:** Mr. Van Orden motioned to approve the minutes of the April 24, 1997 regular meeting with a correction on the motion to go to executive session to include Mr. Pope's "aye" vote. Mr. Etter seconded the motion. Motion carried. Mr. Gentry motioned to approve the minutes of the April 24, 1997 executive session. Mr. Cotterell seconded the motion. Motion carried.

**2. EXECUTIVE SESSION; ADJOURN/RECONVENE:** Curtis Pope, Chair, citing *Idaho Code* Section 67-2345 (1) (d) and (f), called for a vote to move to executive session for discussion of complaints and disciplinary proceedings before the Board. All members of the Board present voted as follows: Curtis Pope, CPA, yes; LaVern Gentry, CPA, yes; Robert Briggs, LPA, yes; Alan Van Orden, CPA, yes; Don Etter, yes; Leonard Hodge, CPA, yes and Sam Cotterell, CPA, yes. The Board adjourned to executive session at 8:12 AM.

The regular session resumed at 8:45 AM.

The Board took formal action on items discussed during the June 18, 1997 Executive Session.

Docket #96-32: Mr. Cotterell motioned to close. Mr. Hodge seconded the motion. Motion carried with Mr. Gentry abstaining.

Docket #97-04: Mr. Cotterell motioned to close. Mr. Briggs seconded the motion. Motion carried.

Docket #97-05: Mr. Cotterell motioned to close. Mr. Van Orden seconded the motion. Motion carried.

Docket #97-07: Mr. Cotterell motioned to close. Mr. Etter seconded the motion. Motion carried.

Docket #97-08: Mr. Cotterell motioned to close. Mr. Van Orden seconded the motion. Motion carried.

**3. APPLICANTS FOR LICENSURE:** Mr. Van Orden motioned to approve the following individuals for licensure. Mr. Hodge seconded the motion. Motion carried.

|       |         |         |                     |
|-------|---------|---------|---------------------|
| R-WA  | CP-3494 | 4/17/97 | CAMPOS, LINDA C.    |
| EXAM  | CP-3495 | 4/17/97 | CLEVERLY, KYLE G.   |
| R-MI  | CP-3496 | 4/17/97 | COLBY, ROY J.       |
| TG-OR | CP-3497 | 4/17/97 | FOX, KATHY L.       |
| EXAM  | CP-3498 | 4/17/97 | KINCAID, DANIEL L.  |
| EXAM  | CP-3499 | 4/17/97 | LLOYD, JOHN L.      |
| EXAM  | CP-3500 | 4/17/97 | NELSON, DAREN A.    |
| R-UT  | CP-3501 | 4/17/97 | SCHROEDER, JAMES E. |
| R-MT  | CP-3502 | 4/17/97 | ULRICHS, DAVID      |
| EXAM  | CP-3503 | 5/23/97 | LAVINS, CATHYANNE   |

**4. EXAMINATION:** Mr. Van Orden motioned to approve Brandi Newton's request to transfer her exam fees forward to the November 1997 exam. Mr. Cotterell seconded the motion. Motion carried.

**5. QUALITY REVIEW:** Mr. Hodge indicated that NSA's response to Idaho's request for modification to NSA's QAR program was very positive. QROC will be receiving copies of NSA's draft manual to review. After QROC reviews the draft they will make a recommendation to the Board regarding the status of NSA as an Administering Organization. The Board agreed to hold a conference call meeting after QROC provides its recommendation.

**6. NASBA/AICPA JOINT PROPOSAL OF THE PROFESSION:** The Board decided to discuss individual points of the Joint Proposal.

*Substantial Equivalence:* The Board agrees conceptually with substantial equivalence. However, the Board expressed concerns over the possibility of Idaho surrendering its authority to NASBA to determine all qualifications for licensure.

*Experience:* Currently we require two years of experience, but would be willing to compromise to one year. The Board strongly believes that the experience should be under the supervision of a licensee.

*Education:* The Board concurs with the 150 hour requirement.

*Exam:* The Board supports the changes that are currently underway.

*4 out of 10 Rule:* The Board supports its current rule which recognizes the 5 out of 10 rule.

*CPE:* The Board has no position until the CPE rules are determined.

*Licensing in State of Primary Office:* The Board recognizes the benefits to the licensees, but difficulties in regulating across state lines is a concern. Additionally, the loss of revenue could impact our ability to resolve discipline issues across state lines.

*Attest/Non-Attest/Inactive:* The Board sees no advantage to going to a two-tier license status.

*Non-CPA Ownership:* The Board has virtually a 50/50 split in their support and opposition. Feedback from our licensees and the public is needed.

*CPE Reciprocity:* The Board supports CPE reciprocity if other states' standards are equivalent to Idaho's.

*Commissions and Contingent Fees:* A super-majority (but not unanimous) opinion is to reject allowing commissions and contingent fees. Feedback is needed. First Global sent a letter probing the issue of commissions and contingent fees in Idaho. The Board requested that Mr. Richards draft a letter in response to First Global's inquiry. The letter is to indicate that Idaho Code prohibits commissions and contingency fees.

*Safe Harbor:* The Board feels Idaho's safe harbor language is superior to that currently recommended.

**7. REPORT FROM THE PASSING STANDARD SUBCOMMITTEE TO THE NASBA BOARD:** The Board reviewed the report from the passing standard committee to the NASBA Board. Mr. Cotterell motioned to accept the conclusions of the report. Mr. Hodge seconded the motion. Motion carried.

**8. TREASURER'S REPORT:** The Board members reviewed the Treasurer's report. No motion was needed.

## **9. DIRECTOR'S REPORT:**

### Old Business

1. *Office furniture and computer hardware and software acquisition:* Ms. Porter updated the Board on purchases. Mr. Van Orden commented that many firms believe that at least 5% of their gross receipts should go towards automation. He feels that offices need to keep up with computerization enhancements. The Board approved the purchases.

2. *International Reciprocity:* No update.

3. *AICPA Professional Ethics Interpretations and Rulings Exposure Draft*: The Board had no objections to the draft and felt there was no need to comment to the AICPA.

4. *Policy vs. Rule Making for Implementation Procedures*: The Board reviewed Mr. Greenberg's correspondence concerning policy vs. rule making. His points are well taken and are being researched.

5. *150 Hour Requirement*: The Board directed Ms. Porter to contact the University's for their preferred representatives as committee members to implement the 150 hour rule. The staff was also directed to pursue rule making on grandfathering per given verbiage on rule 115.01.

#### New Business

1. *CPE Audit*: The Board reviewed a request for extension to the extension granted by the CPE Committee from Mr. Robert Schwarz. Mr. Gentry motioned to grant the extension until August 31, 1997 and to remind him of his requirements for 1997 CPE. Mr. Van Orden seconded the motion. Motion carried.

2. *Board Revenues*: Ms. Porter asked the Board to consider the possibility of not assessing the firm registration charge for FY98. Mr. Cotterell motioned to grant a one year waiver of the registration fees. Mr. Etter seconded the motion. Motion carried.

**ELECTION OF OFFICERS:** Mr. Van Orden motioned to approve the nominations of officers for the upcoming year as follows: Mr. Gentry, Chair; Mr. Van Orden, Vice-Chair; Mr. Hodge, Secretary; Mr. Cotterell, Treasurer and Investigative Chair. Mr. Etter seconded the motion. Motion carried.

**NEXT BOARD MEETING DATE:** The next Board meeting is scheduled to be held on October 2, 1997 in Boise, Idaho. NASBA's annual meeting will be held September 21-24, 1997. The AICPA/NASBA Joint Proposal will be a significant portion of the agenda. Board participation is encouraged.

There being no further business brought before the Board, the regular session adjourned at 2:45 PM.

---

Curtis Pope, Chair

---

LaVern Gentry, Vice-Chair

---

Alan Van Orden, Secretary