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FROM THE CHAIR

ELLEN K. ADKINS, CPA



Ellen Adkins

It is a great honor to serve as the Chair of the South Carolina Board of Accountancy for 2017-2018.

The South Carolina Code of Laws requires that the Board be comprised of eleven members appointed by the Governor, all of whom must be residents of South Carolina. Seven of the board members must be Certified Public Accountants, one from each congressional district. Two members must be a licensed public accountant or a licensed accounting practitioner. Two members must be from the public at large, one of whom must be an attorney licensed in South Carolina. The public members can have no financial interest in the profession and have no immediate family members in the profession. This variety of representation is intended to focus the South Carolina Board of Accountancy (SCBOA) on the overarching mission of public protection.

The SCBOA's core mission of public protection is divided into four basic areas of responsibility:

1. Oversight and implementation of licensure requirements;
2. Enforcement of South Carolina's accountancy laws and regulations;
3. Oversight of peer reviews; and
4. Monitoring licensee compliance with continuing professional education (CPE) requirements.

With CPE reporting a requirement of license renewal which is due by February 1, I want to focus on that issue. CPE compliance works mostly on an honor system. Licensees annually certify in their renewal applications that they are in compliance and must submit certificates of completion for self-study hours. The staff of the Board reviews the submissions and may request additional support for all hours claimed during a CPE audit. Licensees should retain appropriate documentation in their files for 5 years.

The South Carolina CPE rules are straightforward. Licensees must complete 40 hours of acceptable CPE each calendar year as a condition of obtaining a renewal license. One hour of credit is granted for each 50 minutes of actual instructional contact time. No more than 8 hours may be in personal development, no more than 20 hours may be in self-study programs, and no more than 10 hours of CPE can be earned in a calendar day. Included is a requirement for 6 hours of ethics over a 3-year period, with 2 of these hours in South Carolina Rules and Regulations. Currently, South Carolina does not accept any CPE increments of less than 25 minutes after the first one hour credit has been earned in a course.

CPE is not busy work or just another regulatory burden. The accounting profession is changing rapidly. As stated in the August 2016 AICPA/NASBA Statement on Standards for Continuing Professional Education Programs:

“The profession of accountancy is characterized by an explosion of relevant knowledge, ongoing changes and expansion, and increasing complexity. Advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions have created a dynamic environment that requires CPAs to continuously maintain and enhance their professional competence.”

Continuing professional education is intended to help licensees keep up with these changes to ensure an appropriate level of competence is offered in the licensees' practice of accountancy.

Any thoughts or suggestions for future newsletter topics are greatly appreciated.



ELECTION OF OFFICERS

The South Carolina Board of Accountancy elected new officers at its August 24, 2017, meeting. Ellen K. Adkins, CPA was elected Chairwoman, K. Todd Dailey, CPA was elected Vice Chairman, and Charles Alvis, CPA was elected Secretary.

UPDATE YOUR CONTACT INFORMATION

You must notify the Board if there are any changes in your address or contact information. If you have moved, changed your address, phone number, email address, or changed employers, you can update your information online by visiting: <https://eservice.llr.sc.gov/SSO/>

- Individuals changing their name will need to include a copy of the legal document changing it.
- Resident Managers have the responsibility to inform the Board of any changes regarding their firms' information within 30 days of the action.



CPA EXAM Q & A

Did the Board grant an extension of the 18-month testing window due to the delay in reporting scores for the 2nd quarter of 2017?

- Changes to the exam which took effect 4/1/2017 caused a delay in reporting scores for the 2nd quarter of 2017, and scores were held until approximately 8/17/2017.
- This delay caused some people to lose credit for a section previously passed because they did not get the grades for sections taken in the 2nd quarter of 2017 in time to reschedule during the 3rd quarter of 2017.
- During the Board's 8/24/2017 meeting, the Board granted an extension for all credits that would have expired during the 2nd quarter of 2017. Credits that would have expired during the 2nd quarter of 2017, instead expired on 12/10/2017.
- Candidates who believe they qualify under this extension and have not already contacted the board, should submit their requests for an extension to the Board in writing as soon as possible.

RENEWALS

Renewal notices were mailed mid-November, and during the renewal period, the Board will send out 3 to 5 emails to licensees who have not renewed as of that date. Licensees are responsible for updating their contact information with the Board, as the current contact information on file with the Board will be used to send reminders to licensees.

Please note that due to a system error, the 2018 renewal notice for some licensees showed an incorrect amount of carryover hours from the 2016 calendar year to the 2017 calendar year. Please check your records to ensure that the corrected carryover in this email matches the carryover you calculated on your 2016 report, and if it does not, please do not hesitate to contact the Board by phone at (803)896-4770 or email at contact.accountancy@llr.sc.gov. The Board apologizes for this error and has taken steps to avoid such a mistake in the future.

NOTICE TO AFFECTED LICENSEES: If this issue adversely affects your CPE hours for the 2017 calendar year, such that you fall short of the 40 required hours, you will have until 3/1/2018 to complete the remaining required hours and submit your CPE report for the 2017 calendar year. Please note that this extension only applies to the CPE hours reported on the renewal notice that were in excess of the correct carryover amount.

BOARD MEMBERS:

Ellen K. Adkins, CPA, Chairman
 Charles E. Alvis, CPA, Secretary
 Gale K. Bell, Accounting Practitioner
 Mark S. Crocker, CPA
 K. Todd Dailey, CPA, Vice Chairman
 Tanya G. Greenlee, CPA
 Ronald D. Hollins
 Brian Johnson, CPA
 David C. Nichols, Accounting Practitioner
 Michael R. Putich, CPA
 Robert P. Wood, Esquire

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CALENDAR OF EVENTS

JANUARY 2018

TESTING MONTH
 1 New Year's Day - Closed
 15 Martin Luther King, Jr. Day - Closed
 23 Board Meeting – Room 108

FEBRUARY 2018

TESTING MONTH
 19 George Washington's Birthday /
 President's Day - Closed

MARCH 2018

1-10 TESTING OPEN
 11-31 TESTING CLOSED

Unless otherwise noted, all Board meetings start at 10 a.m. Requests to appear before the Board, together with all related documentation, must be in writing and be submitted at least ten (10) business days before the meeting. Written requests are to be sent to SC Board of Accountancy, PO Box 11329, Columbia, SC 29211-1329.



RECENTLY LICENSED CPAS APRIL - OCTOBER 2017

Amanda Black	Kevin Caskey
G. Bruner	Morgan Crittenden
Seungbok Choi	Claudia Edmundson
Jonathan Cregg	Mallory Hammett
Jacquelyn Curtin	Diana Haran
Jieling Gui	Lee Hewitt
Luann Hundley	Rebecca Jones
Paul Parks	John Kraft
Timothy Roth	Rebecca Leshman
Sheila Crabtree	Brian Moore
Katrina Deluca	Bryce Morgan
Mark Dennis	John Morriss
Laura Flannery	Geoffrey Musselman
William Frankhouser	Justin Pease
Diana Gonzalez-Simpson	Lisa Pendergrass
Louis Hite	Joseph Pray II
Jacqueline Honeycutt	Rose Santiago-Toca
Tristan Howard	James Smyth
Kathy Johnson	John Stafford
Natascha Kastel	Rosemary Thommen
Edward Kersting	Stanley Van Ostran
Stefan Leonhardt	Krystle Walden
Patrick Lowe	Roarke Williams-McClure
Matthew Mckenna	Barry Yates
August Smith	Leonard Blanchard
Lawrence Towsey	Kayla Charles
Tinus Van Wyk	Nida Gataveckiene
Robert Vickers	Leslie Maley
Stuart Wallace	Urszula Mazur
Dolf Dunn	Joseph Weston
Steven Habina	Katherine Beddingfield
Andrew Hammes	Kathryn Boysen
Collin Hill	Elizabeth Brown
Linda Maslar	Neil Crossley
Shari Padgett	Kathryn Davis
Yelena Sivova	Kim Fleming
Nicholas Stoltmann	Adrienne Gill
Joseph Warman	Jorge Guerrero Velazquez
Joshua Williams	Justin Herp
Kevin Wilson	Deborah Johnson
Timothy Cook	Michelle Mahle
Audrey Dangerfield	Sherri Melsha
Meagan Denouden	Andrew Milanak
Sara Goodwin	Kristen Noel
Karen Gray	Julie Norden
John Jackson	Brianne Powers
Katherine Poston	Brandon Richins
Lynn Tezza	Shannon Taylor
Jordan Thrasher	Andrew Valdez
Shayna Wiggins	Isabel Valle
Elizabeth Wilkerson	Robert Vallejo
Charles Alsdurf	David Walker
Anne Borgelt	James Wax
Zachary Buchanan	Grey Worthly
Louis Callahan	Ryan Young

FINAL PLAN ON PEER REVIEW

The American Institute of CPAs released its final plan on the “Evolution of Peer Review Administration” on August 31. The plan is based on an original proposal for reorganization of the peer review program’s administration distributed in February 2016 and then a subsequent paper sent to the State Boards of Accountancy in July 2016, which was then revised in a second paper sent out in January 2017. The paper proposed benchmarks for peer review administrators, technical reviewers and peer review committees/report acceptance bodies. Twenty-six Boards of Accountancy had responded to the AICPA’s peer review reorganization proposal by the June 30, 2017 comment deadline. According to the AICPA, “Feedback on the revised proposal supported the benchmarks approach to evolving administration.”

“The benchmarks approach remains the primary focus of the final plan, with some minor revisions based on questions and comments received. Some benchmarks may require changes to current guidance. The AICPA Peer Review Board will consider and formalize the plan’s current and implied benchmarks and corresponding guidance at its meeting on February 2, 2018,” the AICPA announced.

One of the points that had been raised by several Boards in their comment letters was whether it was really necessary to have a CPA on the staff of the administering entity. According to the AICPA: “After extensive discussion and deliberation with state society stakeholders, the AICPA believes it is essential to have an actively engaged CPA on staff to lead the administration of the Program. At the same time, the AICPA recognizes this may be a significant change for some, and has included in the plan an option to delay compliance with the requirement for up to three years to allow time for the transition.”

During NASBA’s June Regional Meetings, several Accountancy Boards questioned if they would be consulted should there be a change in the administering entity for their program. In announcing the final plan, the AICPA said that the administering entities “are expected to proactively communicate” with the Boards. The AICPA is meeting with a panel of State Board executive directors on November 1, 2017, and the AICPA Peer Review Board will meet with the NASBA Compliance Assurance Committee on November 20, 2017.

Compliance Assurance Committee Chair John F. Dailey, Jr., will outline the details of the AICPA’s final proposal at NASBA’s 2017 Annual Meeting.

This article was originally published in the October 2017 issue of the NASBA State Board Report.

DETERMINING CARRYOVER HOURS



Think about a 40-hour jar of sand:

1. First, add your carryover hours from the previous year (up to 20 hours)
2. Then, add in your required ethics
3. Add any personal development (up to 8 hours)
4. Next, add in any self-study (up to 20 hours)
5. Add any other hours that are limited
6. Then top it off with your All Other hours

Any hours spilling over the top will be your carryover!

For any area where the hours are limited, excess hours are discarded.



TOTAL LICENSEES AND REGISTRATIONS

AS OF 10/6/2017

Accounting Firms In State	1,229
Accounting Firms Out Of State	358
Accounting Practitioner	79
Certified Public Accountant	5,985
Public Accountant	6
Total Licensees/Registrations	7,657

UPDATED FAQ

The Board is in the process of updating its FAQ, and a preliminary update was included in the electronic materials for each of the SCACPA Professional Issues Updates (PIUs). If you didn't attend one of the SCACPA PIUs this year, you can access the preliminary update online at: <http://www.llr.sc.gov/POL/Accountancy/index.asp?file=faq.htm>

EDUCATION POLICY

Currently, the Board will accept traditional classroom courses and online courses that are for a set semester, led by an instructor, and have required coursework and exams. Section 40-2-35(C) specifically requires at least 24 semester hours in accounting taught at the junior level or above. The Board does not accept duplicate courses and does not accept courses from schools that do not issue degrees. The Board does not accept nontraditional college credits. Some examples of credits that will not be accepted are course credits that are obtained through nontraditional methods such as life experiences, competency exams, and competency credits, with the exception of CLEP and AP Exams. Non-accredited university credits will not be accepted, and the Board will not accept credits from non-accredited universities that have been transferred to an accredited university. Section 40-2-35(D) states that "the Board shall accept a transcript from a college or university accredited by the Southern Association of Colleges and Schools or another regional accrediting association having the equivalent standards or an independent senior college in South Carolina certified by the State Department of Education for teacher training, and accounting and business programs accredited by the American Assembly of Collegiate Schools of Business (AACSB) or any other accrediting agency having equivalent standards. Official transcripts signed by the college or university registrar and bearing the college or university seal must be submitted to demonstrate education and degree requirements. Photocopies of transcripts must not be accepted."

DISCIPLINARY ACTIONS

Information regarding complaints and ongoing investigations is confidential, however, you can access and search all public Board orders and public disciplinary actions at: <http://www.llr.state.sc.us/POL/Accountancy/index.asp?file=finalorders.htm>.

CPA OATH CEREMONY

The last Oath Ceremony was held in conjunction with the South Carolina Association of CPA's Fall CPA Summit on Thursday, November 16, 2017, at the Marriott Columbia. The next Oath Ceremony will be held in May 2018, and all New Licensees are encouraged to attend the Oath Ceremony.



November 2017 New CPA Oath Ceremony, Photo Courtesy of SCACPA

EMERITUS STATUS

A licensee who is retiring may request his or her license be put into Emeritus status. A licensee with Emeritus status may not perform or offer to perform for compensation one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory, or consulting services or the preparation of tax returns or the furnishing of advice on tax matters. A licensee with Emeritus status may provide services as a CPA on a volunteer basis, as long as those services would not normally be subject to peer review. A licensee with Emeritus status must renew his or her license annually and no fee or CPE is required. A license in Emeritus status may not be reinstated as an active license. If a licensee in Emeritus status later decides that he or she would like to offer or perform services as a CPA in exchange for compensation, he or she will have to apply for a new license and retake the CPA exam.

