

# STATE BOARD OF ACCOUNTANCY

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

|                         | Male | Female | Total | %     |
|-------------------------|------|--------|-------|-------|
| White Employees         | 4    | 4      | 8     | 100 % |
| Black Employees         | 0    | 0      | 0     | 0 %   |
| Other Racial Minorities | 0    | 0      | 0     | 0 %   |
| Total Minorities        |      |        | 0     | 0 %   |
| Total Employees         |      |        | 8     | 100 % |

### Publications

#### A.C.A. 25-1-201 et seq.

| Name                   | Statutory Authorization | Required for |                  | # of Copies | Reason(s) for Continued Publication and Distribution | Unbound Black & White Copies Produced During the Last Two Years | Cost of Unbound Copies Produced During the Last Two Years |
|------------------------|-------------------------|--------------|------------------|-------------|--|---|---|
|                        |                         | Governor     | General Assembly |             |  |   |   |
| Directory of Licensees | A.C.A.17-12-203 (b)     | N            | N                | 10          | Existence of Statutory Requirement                   | 0   | 0.00  |

## **Analysis of Budget Request**

**Appropriation:** A25 - Accounting Board-Cash Operations

**Funding Sources:** 303 - Accountancy Board - Cash

The State Board of Public Accountancy was authorized by Arkansas Code Annotated §17-12-201, and is responsible for oversight of the practice of public accounting and individuals performing duties as a certified public accountant. The Board is responsible for promulgating and amending the rules of professional conduct to establish and maintain high standards of integrity and dignity within the profession; printing and distributing to the public a register of all practitioners holding permits for the practice of public accountancy; and issuing rules of professional conduct pertaining to corporations practicing public accounting. Further, the Board is responsible for administering an examination, certifying educational and continuing educational requirements, and issuing certificates and licenses to those individuals meeting established standards for the practice of public accounting. The operations of the Board are funded from examination and license fees charged by the agency.

The Agency is requesting a total of \$1,236,357 in FY20 and a total of \$1,237,343 in FY21.

The Agency's Request to maintain appropriation above 10% of their FY18 actual expenditures include the following justifications:

- Extra Help appropriation is for the Board's part-time Attorney and is needed for legal services needs of the Board.
- Operating Expenses appropriation is needed for computer/network upgrades needed in the next biennium.
- Conference and Travel appropriation is needed only for contingency.
- Professional Fees appropriation is needed to pay an expert witness if there is a hearing before the Board.
- Refunds/Reimbursements appropriation is extremely variable. Most payments come through the Board's website and INA does not allow credits to licensees' credit cards if a refund is needed.
- Exam Fees appropriation is needed due to a \$15 price increase for the CPA exam that went into effect October 2017.

The Agency is requesting new Special Language that will allow for the purchase of Promotional Items, such as pens and pamphlets to be used when staff members are requested to attend career fairs or talk at colleges and universities about the CPA exam, an amount not to exceed \$500 each fiscal year.

The Executive Recommendation provides for the Agency Request, with the exception of the following:

- Conference and Travel recommended at \$5,000 each year,
- Professional Fees recommended at \$23,000 each year, and
- Exam Fees recommended at \$240,000 each year based on the five year actual expenses.

## Appropriation Summary

**Appropriation:** A25 - Accounting Board-Cash Operations

**Funding Sources:** 303 - Accountancy Board - Cash

### Historical Data

### Agency Request and Executive Recommendation

| Commitment Item                |         | 2017-2018        | 2018-2019        | 2018-2019        | 2019-2020        |                  | 2020-2021        |                  |
|--------------------------------|---------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                |         | Actual           | Budget           | Authorized       | Agency           | Executive        | Agency           | Executive        |
| Regular Salaries               | 5010000 | 437,017          | 463,942          | 432,149          | 463,289          | 463,289          | 464,089          | 464,089          |
| <b>#Positions</b>              |         | <b>9</b>         | <b>9</b>         | <b>9</b>         | <b>9</b>         | <b>9</b>         | <b>9</b>         | <b>9</b>         |
| Extra Help                     | 5010001 | 19,194           | 35,000           | 35,000           | 35,000           | 35,000           | 35,000           | 35,000           |
| <b>#Extra Help</b>             |         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         |
| Personal Services Matching     | 5010003 | 152,821          | 152,984          | 144,606          | 153,262          | 153,262          | 153,448          | 153,448          |
| Operating Expenses             | 5020002 | 190,864          | 220,662          | 220,662          | 220,662          | 220,662          | 220,662          | 220,662          |
| Conference & Travel Expenses   | 5050009 | 300              | 30,583           | 30,583           | 30,583           | 5,000            | 30,583           | 5,000            |
| Professional Fees              | 5060010 | 13,899           | 39,041           | 39,041           | 39,041           | 23,000           | 39,041           | 23,000           |
| Data Processing                | 5090012 | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Refunds/Reimbursements         | 5110014 | 10,840           | 14,520           | 14,520           | 14,520           | 14,520           | 14,520           | 14,520           |
| Capital Outlay                 | 5120011 | 0                | 0                | 0                | 0                | 0                | 0                | 0                |
| Exam Fees                      | 5900046 | 211,398          | 280,000          | 280,000          | 280,000          | 240,000          | 280,000          | 240,000          |
| <b>Total</b>                   |         | <b>1,036,333</b> | <b>1,236,732</b> | <b>1,196,561</b> | <b>1,236,357</b> | <b>1,154,733</b> | <b>1,237,343</b> | <b>1,155,719</b> |
| <b>Funding Sources</b>         |         |                  |                  |                  |                  |                  |                  |                  |
| Fund Balance                   | 4000005 | 432,742          | 157,055          |                  | 120,323          | 120,323          | 83,966           | 165,590          |
| Cash Fund                      | 4000045 | 760,646          | 1,200,000        |                  | 1,200,000        | 1,200,000        | 1,200,000        | 1,200,000        |
| <b>Total Funding</b>           |         | <b>1,193,388</b> | <b>1,357,055</b> |                  | <b>1,320,323</b> | <b>1,320,323</b> | <b>1,283,966</b> | <b>1,365,590</b> |
| Excess Appropriation/(Funding) |         | (157,055)        | (120,323)        |                  | (83,966)         | (165,590)        | (46,623)         | (209,871)        |
| <b>Grand Total</b>             |         | <b>1,036,333</b> | <b>1,236,732</b> |                  | <b>1,236,357</b> | <b>1,154,733</b> | <b>1,237,343</b> | <b>1,155,719</b> |

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.