

NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
FEBRUARY 23, 2006
SOMERSET ROOM

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record and the Star-Ledger. Andrew DuBoff, President of the Board, called the meeting to order at 9:35 A.M. The following roll call was taken:

Keith Balla, CPA Present
Robert Cagnassola, CPA Present
John Dailey, Jr., CPA Present
Andrew DuBoff, CPA Present
Bennie Hadnott, CPA Present
Albertus Jenkins, Public Member Present
Donald Jump, CPA Present
Aubrey Kosson, CPA Present
Margaret Shoe, Public Accountant Present
Robert Sommer, Public Accountant Present
Peter Torok, Public Member Present
John Tully, CPA, Government Member Excused

Also present at the meeting were William Mandeville, Executive Director; Marianne Greenwald, Deputy Attorney General; Dale Nelson, CPA, Director of Accountancy; Melba Perez, Assistant to the Executive Director; Marie Lisa, Board Staff; Jaleila Wilson, Board Staff; Jonathan Eisenmenger, Board Staff; Ralph Thomas, Executive Director, NJSCPA; Henry Rinder, President, NJSCPA; Mike Polito, CPA, Past President, NJSCPA; James Bourke, President Elect, NJSCPA and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of January 26, 2006

On a motion made by Donald Jump, seconded by Bennie Hadnott, the Board voted to approve the January 26, 2006 Public Session minutes with corrections. The vote of the Board was unanimous.

III President's Remarks

President DuBoff informed the Board that the Board meeting scheduled for June 22, 2006 has been rescheduled for June 20, 2006 in the Morris Room on the 6th Floor. The reason for change is that the NASBA Eastern Regional Meeting is being held on that week and there may be Board members that may want to attend.

President DuBoff and DAG Greenwald mentioned that the Board meeting scheduled for December 21, 2006 might be too close to the holidays. The December Board meeting has been rescheduled for December 14, 2006 in the Monmouth Room on the 7th Floor.

President DuBoff informed the Board that he drafted a notice regarding the revisions of the CPE regulations that the Board is currently working on. It will take a while to complete revising the rules and regulations. Whenever the regulations are adopted they will only be effective from the date of adoption, rather than retroactive. Mr. DuBoff also stated that the licensed accountants of New Jersey need to know that there is no grace period for completion of the CPE requirements. All CPE requirements should be

completed by December 31, 2008.

President DuBoff informed the Board that the California Board of Accountancy has adopted a practice privilege rule in their State. Any licensee who is preparing tax returns for any California resident must register with the California Board. President DuBoff also informed the Board that there are 31 other states that might follow similar procedures.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V Request for Waiver to Endorse License

A Henri D. Barnard

Henri Barnard is requesting a waiver to reciprocate his Virginia license. Mr. Barnard is lacking 42 semester hours in Liberal Arts.

On a motion made by Bennie Hadnott, seconded by Robert Sommer, the Board voted to deny Mr. Barnard's request for endorsement. Mr. Barnard is to be informed that he must qualify under the 150 hours rule or he must wait to meet the N.J.S.A. 45:2B-53(b) rule. The vote of the Board was ten voting in favor with Andrew DuBoff abstaining.

VI NASBA Matters

A Focus Questions

The Chair directed that since the Focus Questions answers are not due until April 2006, the questionnaire should be deferred to the March Board meeting so that all the members are able to review and develop answers to the questions.

VII Committee Reports

A CPA Examination Committee

Aubrey Kosson had no report for the Board.

B Ethics Committee - John Tully, Chairperson

Albertus Jenkins reported that the Committee met on March 3, 2006 via a telephone conference to discuss the review of new ethics courses. The Committee reviewed courses submitted by three providers. The Committee recommends approval of the NJSCPA course with the stipulation to update the appendix material.

The Committee recommends not approving Becker Gearty's course due to omitted pertinent course material including no pre-test or post test and utilizing outdated material regarding the NJ statute and regulations. The Committee recommends not approving the Dr. James Carroll, CPA course due to inclusion of inaccurate material. Both sponsors should be sent a letter regarding items to correct for re-submission.

A fourth provider, Loscalzo, only submitted an outline, which is insufficient.

On a motion made by Albertus Jenkins, seconded by Robert Cagnassola, the Board voted to approve the NJSCPA's ethics course and to deny the other three ethics course approvals at this time. The vote of the Board was ten voting in favor with John Dailey abstaining.

C CPE Committee

Robert Sommer had no report for the Board.

D RMA Committee

Robert Cagnassola had no report for the Board.

E QE Committee

Dale Nelson reported to the Board that on February 7, 2006 one licensee came in for quality review. The licensee was confused as to the disclosure he was required to include. Mr. Nelson informed the Board that the Committee members were satisfied with the fact that the licensee understood what the disclosure must be.

F Education Committee

Bennie Hadnott had no report for the Board.

G Reciprocity Committee

Keith Balla had no report for the Board.

H Nominating Committee

Robert Cagnassola informed the Board that office nominations will be held at the March Board meeting, voting will be held at the April Board meeting and the new officers will assume their places at the May Board meeting.

I Statute/Rules/Regulations Committee

Donald Jump informed the Board that a Rules and Regulations Committee meeting was held on February 16, 2006 and progress has been made regarding the CPE regulations. Mr. Jump informed the Board that the next Rules and Regulations Committee meeting will be held on March 2, 2006.

J Planning Committee

Margaret Shoe informed the Board that she would be polling the Board regarding the upcoming Certificate Ceremony and will give the Board a report at the March 2006 Board meeting.

K Monitoring Profession Committee

John Dailey had no report for the Board.

VIII Public Comments

Ralph Thomas, Executive Director, NJSCPA informed the Board that the Society issued a letter regarding the California practice privilege rule.

Mr. Thomas informed the Board that he had made a mistake last month on the date regarding the scholarship ceremony. The date of the scholarship ceremony is April 19, 2006. The Society Convention in Atlantic City is scheduled for May 4 and 5, 2006. There will be a gala dinner that night to install the new officers of the Society. Mr. Thomas invited all the Board members.

Mr. Thomas informed the Board that the Scholarship Institute Program is on June 22 and 23, 2006. The date was moved forward to allow more students to attend.

Mr. Thomas reported to the Board that the H&R Block bill was being heard on February 23, 2006 in Trenton. The bill requires that all tax preparers be registered under a statute and the authority of The Department of Banking and Insurance as well. The final bill will hopefully exempt CPAs and attorneys from the required registration.

Mr. Thomas commented on the current renewal process and the Society has been receiving numerous calls regarding the termination notices that have been sent. Mr. Thomas reported that licensees complained to the NJSCPA that there are some inconsistencies in the renewal and process and that the Board should really look into this matter.

Henry Rinder, CPA, President, NJSCPA commented to the Board that hopefully there is a procedure to correct some of the alleged incorrect reinstatement letters that were sent out to the licensees by the Board or by the Department of Revenue.

Mike Polito, CPA also commented on the reinstatement letters and the problem for people that have been practicing for many years and have multiple licensees.

Executive Director Mandeville informed the Board and the public members that single checks should not be sent in for renewals of multiple licenses.

On a motion made by Donald Jump, seconded by John Dailey, the Board voted to adjourn the Public Session Board meeting at 10:50 A.M. to reconvene in Executive Session to discuss the results of the February 14, 2006 Investigative Inquiry, one response from a former licensee that must take the exam, one request for endorsement, three requests for reinstatement, four items of Old Business, three items of New Business, the Ethics Report and four Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director