



DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY
 2000 EVERGREEN STREET, SUITE 250
 SACRAMENTO, CA 95815-3832
 TELEPHONE: (916) 263-3680
 FACSIMILE: (916) 263-3675
 WEB ADDRESS: <http://www.cba.ca.gov>



**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
 PUBLIC MEETING NOTICE FOR THE COMMITTEE ON PROFESSIONAL CONDUCT
 (CPC), LEGISLATIVE COMMITTEE (LC), AND CBA MEETINGS**

DATE: Thursday, March 25, 2010

COMMITTEE MEETING (LC)

TIME: 9:00 a.m. to 12:00 p.m.

CBA MEETING

TIME: 1:00 p.m. to 4:00 p.m.

COMMITTEE MEETING (CPC)

TIME: 4:00 p.m., or upon adjournment of
 the CBA meeting

DATE: Friday, March 26, 2010

CBA MEETING

TIME: 9:00 a.m. to 1:00 p.m.

PLACE: The Crowne Plaza San Jose
 282 Almaden Blvd.
 San Jose, CA 95113
 Telephone: (408) 998-0400
 Facsimile: (408) 289-9801

Enclosed for your information is a copy of the agenda for the CBA meeting on March 25-26, 2010. For further information regarding this meeting, please contact:

Veronica Daniel, Executive Analyst
 (916) 561-1716, or vdaniel@cba.ca.gov
 California Board of Accountancy
 2000 Evergreen Street, Suite 250
 Sacramento, CA 95815

An electronic copy of this notice can be found at <http://www.dca.ca.gov/cba/calendar.shtml>

The next CBA meeting is scheduled for May 12-13, 2010 in Pasadena, California.

The meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Veronica Daniel at (916) 561-1718, or email vdaniel@cba.ca.gov, or send a written request to the Board Office at 2000 Evergreen Street, Ste. 250, Sacramento, CA 95815. Providing your request is at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.



DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY
 2000 EVERGREEN STREET, SUITE 250
 SACRAMENTO, CA 95815-3832
 TELEPHONE: (916) 263-3680
 FACSIMILE: (916) 263-3675
 WEB ADDRESS: <http://www.cba.ca.gov>



DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)

CBA MEETING
AGENDA

Thursday, March 25, 2010
1:00 p.m. – 4:00 p.m.

Friday, March 26, 2010
9:00 a.m. – 1:00 p.m.

The Crowne Plaza San Jose
 282 Almaden Blvd.
 San Jose, CA 95113
 Telephone: (408) 998-0400
 Facsimile: (408) 289-9801

March 25, 2010

1:00-2:30
TIME CERTAIN

- I. Roll Call and Call to Order (**Manuel Ramirez**).
- II. Petitions, Stipulations, and Proposed Decisions [Closed Session Government Code Section 11126(c)(3)] Petition Hearings are Public Before the Board with a Subsequent Closed Session.
 - A. Bernard Joseph Rosa Jr. – Petition for Reinstatement of Revoked Certificate.
 - B. Richard DeLap – Stipulated Settlement.
 - C. Christopher Gruys – Stipulated Settlement.
 - D. Jay J. Shapiro – Stipulated Settlement.
 - E. Alex Domantay – Stipulated Settlement.
 - F. Deborah M. McEwan – Stipulated Settlement.

2:30-3:00

- III. Report of the President (**Manuel Ramirez**).

- A. Update on California Research Bureau (CRB) Study (**Patti Bowers**).
 - B. Consideration of Increasing the Number of Accounting Education Committee (AEC) Members.
 - C. AEC Appointments.
 - D. Ethics Curriculum Committee (ECC) Appointment.
 - E. Peer Review Oversight Committee (PROC) Appointments.
 - F. Proposed 2011 CBA Meeting Dates.
 - G. Update on Peer Review Implementation (**Dominic Franzella**).
 - H. Discussion of Restatements as an Enforcement Tool (**Greg Newington**).
- 3:00-3:05 IV. Report of the Vice President (**Sally Anderson**).
- A. Enforcement Advisory Committee (EAC) Appointment.
- 3:05-3:30 V. Report of the Secretary/Treasurer (**Marshal Oldman**).
- A. Discussion of Governor's Budget.
 - 1. California Medical Association Lawsuit.
 - B. FY 2009/2010 Mid-Year Financial Statement.
 - C. Discussion Regarding Options for License Renewal Fee Reduction (**Dan Rich**).
- 3:30-3:40 VI. Report of the Licensing Chief (**Deanne Pearce**).
- A. Report on Licensing Division Activity.
- 3:40-4:00 VII. Report of the Enforcement Chief (**Paul Fisher**).
- A. Report on Status of Enforcement Matters.
 - 1. Activity and Status Report.
 - 2. Major Case Summary (**Greg Newington**).
 - 3. Report on Citations and Fines.

4. Reportable Events Report.

VIII. Public Comments.

March 26, 2010

IX. Roll Call and Call to Order (**Manuel Ramirez**).

9:00-10:40

X. Report of the Executive Officer (**Patti Bowers**).

A. DCA Director's Report (**DCA Representative**).

B. DCA Legal Office Guidance on Handling Abandoned Records (**Gary Duke**).

C. 2010-2012 CBA Communications and Outreach Plan (**Lauren Hersh**).

D. CBA Member Ambassador Program (**Vincent Johnston**).

E. Report on Hearing of Assembly Committee on Accountability and Administrative Review.

F. Compliance with DCA Travel Guidelines (**Dan Rich**).

G. Conference Attendance Requirements (**Dan Rich**).

H. Educational Presentation – Form 700 Statement of Economic Interests (**Gary Duke**).

I. Informational Presentation on Settlement Agreement between D. Edson Clark, CPA et al. and the Washington State Board of Accountancy (**Gary Duke**).

J. New Method of Distributing Agenda Materials to Interested Parties (**Dan Rich**).

K. Update on Current Projects List (Written Report Only).

XI. Committee and Task Force Reports.

10:40-11:25

A. Report of the Committee on Professional Conduct (CPC) (**Leslie LaManna, Chair**).

1. Reconsideration of Posting Accusations on the CBA's Web site (**Patti Bowers**).

2. Consideration of Clean-up Language for Article 12 – Continuing Education (**Dominic Franzella**).

3. Consideration of Renewing in an Inactive Status as it Relates to Peer Review **(Dominic Franzella)**.

11:25-12:25

B. Report of the Legislative Committee (LC) **(Michelle Brough, Chair)**.

1. Update on Bills on Which the CBA has taken a Position **(Matthew Stanley)**.
 - a. AB 797 – Accountants Discipline: Internet Posting
 - b. SB 389 – Fingerprinting
 - c. SB 691 – Elimination of Pathway 1
2. AB 1659 – Joint Sunset Review Committee **(Matthew Stanley)**.
3. AB 2130 – Sunset Review **(Matthew Stanley)**.
4. AB 1899 – State Agencies: Information on Web site. **(Matthew Stanley)**.
5. AB 1993 – State Government Reports: Declarations **(Matthew Stanley)**.
6. AB 2091 – Public Records: Information Security **(Matthew Stanley)**.
7. AB 2466 – Regulations: Legislative Validation **(Matthew Stanley)**.
8. AB 2494 – Personal Services Contracts **(Matthew Stanley)**.
9. AB 2537 – Adjudications: Presiding Officer **(Matthew Stanley)**.
10. AB 2603 – Regulations: Reductions **(Matthew Stanley)**.
11. AB 2738 – Regulations: Statement of Reasons **(Matthew Stanley)**.
12. SB 942 and SBx8 48 – State Auditor: Analysis of Regulations **(Matthew Stanley)**.
13. SB 1111 – Health Boards: Enforcement **(Matthew Stanley)**.
14. Non-health Boards Enforcement Legislation **(Matthew Stanley)**.
15. SB 1171 – Sunset Review **(Matthew Stanley)**.
16. SB 1351 – OAL: Regulation Review **(Matthew Stanley)**.

17. Senate Business, Professions and Economic Development Omnibus Legislation (**Matthew Stanley**).

18. ABx8 8 – Franchise Tax Board: Administration (**Matthew Stanley**).

19. SBx8 29 – Public Employees: Furlough Exemptions (**Matthew Stanley**).

20. Overview of Spot Bills Introduced in 2010 (**Matthew Stanley**).

C. Report of the Enforcement Program Oversight Committee (EPOC) (**Herschel Elkins, Chair**).

1. No report.

D. Report of the Board Member Guidelines and Procedure (G&P) Manual Committee (**Marshal Oldman, Chair**).

1. No Report.

12:25-12:35

E. Report of the EAC (**Harish Khanna, Chair**).

1. Report of the January 28, 2010 EAC Meeting.

12:35-12:45

F. Report of the QC (**Fausto Hinojosa, Chair**).

1. Report of the January 27, 2010 QC Meeting.

XII. Appeals – Personal/Written.

A. Personal Appeals.

None.

12:45-12:50

XIII. Adoption of Minutes

A. Draft Minutes of the January 20-21, 2010 CBA Meeting.

12:50-12:55

XIV. Other Business.

A. American Institute of Certified Public Accountants (AICPA).

1. Update on AICPA State Board Committee (**Donald Driftmier**).

2. AICPA Examination Panel Nominations.
- B. National Association of State Boards of Accountancy (NASBA).
1. Update on NASBA Committees.
 - a. Uniform Accountancy Act Committee (**Donald Driftmier**).
 - b. Compliance Assurance Committee (**Robert Petersen**).
 - c. Global Strategies Committee (**Rudy Bermúdez/Angela Chi**).
 - d. Ethics Committee (**Manuel Ramirez**).
 - e. Legislative Support Committee (**Marshal Oldman**).
 - f. Education Committee (**Leslie LaManna**).
 - g. Accountancy Licensee Database Task Force (**Patti Bowers/Sally Anderson**).
 2. Proposed Responses to NASBA's Regional Director's Focus Questions (**Dan Rich**).

12:55-1:00

XV. Closing Business.

- A. Board Member Comments.
- B. Comments from California Society of Certified Public Accountants (CalCPA) Representative.
- C. Comments from Society of California Accountants (SCA) Representative.
- D. Public Comments.
- E. Agenda Items for Future CBA Meetings.

Adjournment.

Please note: Action may be taken on any item on the agenda. The time and order of agenda items are subject to change at the discretion of the CBA President and may be taken out of order. In accordance with the Bagley-Keene Open Meetings Act, all meetings of the CBA are open to the public. Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the CBA prior to the CBA taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the CBA, but the CBA President may, at his or her discretion, apportion available time among those who wish to speak.



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



AGENDA COMMITTEE ON PROFESSIONAL CONDUCT

March 25, 2010
4:00 p.m., or
Upon Adjournment of CBA Meeting

Crowne Plaza San Jose
282 Almaden Blvd.
San Jose, CA 95113
Phone: (408) 998-0400
Fax: (408) 289-9081

(Board members who are not members of this Committee may be attending the meeting.)

- I. Reconsideration of Posting Accusations on the CBA's Web site (**Patti Bowers**).
- II. Consideration of Clean-up Language for Article 12 – Continuing Education (**Dominic Franzella**).
- III. Consideration of Renewing in an Inactive Status as it Relates to Peer Review (**Dominic Franzella**).
- IV. Comments from Members of the Public.
- V. Agenda Items for Next Meeting.

Action may be taken on any item on the agenda.

In accordance with the Bagley-Keene Open Meetings Act, all meetings of the Board are open to the public.

Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the Board prior to the Board taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the Board. Individuals may appear before the Board to discuss items not on the agenda; however, the Board can take no official action on these items at the time of the same meeting. (Government Code sec. 11125.7(a).)



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3675
WEB ADDRESS: <http://www.cba.ca.gov>



AGENDA
LEGISLATIVE COMMITTEE

March 25, 2010
9:00 a.m.

Crowne Plaza San Jose
282 Almaden Blvd.
San Jose, CA 95113
Phone: (408) 998-0400
Fax: (408) 289-9081

(Board members who are not members of this Committee may be attending the meeting.)

- I. Update on Bills on Which the Board has Taken a Position (**Matthew Stanley**).
 - AB 797- Accountants Discipline: internet posting
 - SB 389- Fingerprinting
 - SB 691- Elimination of Pathway 1
- II. AB 1659- Joint Sunset Review Committee (**Matthew Stanley**).
- III. AB 2130- Sunset Review (**Matthew Stanley**).
- IV. AB 1899- State agencies: Information on Web site (**Matthew Stanley**).
- V. AB 1993- State government reports: declarations (**Matthew Stanley**).
- VI. AB 2091- Public records: information security (**Matthew Stanley**).
- VII. AB 2466- Regulations: legislative validation (**Matthew Stanley**).
- VIII. AB 2494- Personal services contracts (**Matthew Stanley**).
- IX. AB 2537- Adjudications: presiding officer (**Matthew Stanley**).
- X. AB 2603- Regulations: reductions (**Matthew Stanley**).
- XI. AB 2738- Regulations: statement of reasons (**Matthew Stanley**).
- XII. SB 942 and SBx8 48- State Auditor: Analysis of Regulations (**Matthew Stanley**).
- XIII. SB 1111- Health boards: enforcement (**Matthew Stanley**).
- XIV. Non-health boards Enforcement Legislation (**Matthew Stanley**).

- XV. SB 1171- Sunset Review **(Matthew Stanley)**.
- XVI. SB 1351- OAL: regulation review **(Matthew Stanley)**.
- XVII. Senate Business, Professions and Economic Development Omnibus Legislation **(Matthew Stanley)**.
- XVIII. ABx8 8- Franchise Tax Board: administration **(Matthew Stanley)**.
- XIX. SBx8 29- Public Employees: Furlough Exemptions **(Matthew Stanley)**.
- XX. Overview of Spot Bills Introduced in 2010 **(Matthew Stanley)**.
- XXI. Comments from Members of the Public.
- XXII. Agenda Items for Next Meeting.

Action may be taken on any item on the agenda.

In accordance with the Bagley-Keene Open Meetings Act, all meetings of the Board are open to the public.

Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the Board prior to the Board taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the Board. Individuals may appear before the Board to discuss items not on the agenda; however, the Board can take no official action on these items at the time of the same meeting. (Government Code sec. 11125.7(a).)

Memorandum

CBA Agenda Item III.B
March 25-26, 2010

To : CBA Members

Date : February 26, 2010

Telephone : (916) 561-1719

Facsimile : (916) 263-3674

E-mail : msmith@cba.ca.gov

From : 
Miatra Smith
Executive Support Analyst

Subject : Consideration of Increasing the Number of Accounting Education Committee (AEC) Members

During the November 2009 CBA meeting the Legislative Committee made recommendations to the CBA regarding membership of the Accounting Education Committee (AEC). One of the decisions the CBA adopted was to comprise the AEC of seven members who would be responsible for writing the accounting study regulations.

After considering the number of individuals that applied for membership on the AEC, CBA Leadership would like to recommend an increase in the size of the committee from seven members to nine members. CBA Leadership proposes that having nine members on the AEC would provide a more diverse group as well as a broader range of viewpoints.

M e m o r a n d u m

CBA Agenda Item III.C.
March 25-26, 2010

To : CBA Members

Date : March 9, 2010

Telephone : (916) 561-1718

Facsimile : (916) 263-3674

From :  Manuel Ramirez, President

Subject : Accounting Education Committee (AEC) Appointments

I am pleased to present for the CBA's consideration the attached Accounting Education Committee (AEC) appointment recommendations. These recommendations are being made in consultation with Vice President, Ms. Sally Anderson, after considering the needs of the committee.

Anticipating the CBA's decision to increase the number of AEC members, the AEC will have nine vacancies which need to be filled. After reviewing the résumés and qualifications, Ms. Anderson and I recommend the following candidates to serve on this committee, with Mr. Ruben Davila serving as Chair.

- Ruben A. Davila, Esq., CPA, Clinical Professor of Accounting, Leventhal School of Accounting, University of Southern California
- Sherri Anderson, CPA (Inactive), MBA, Professor of Accounting, Sonoma State University
- Betty Chavis, Ph.D., CPA, Chair and Professor of Accounting, School of Business Administration and Economics, California State University, Fullerton
- Thomas M. Dalton, Ph.D., CPA, Professor of Accounting, University of San Diego
- Donald A. Driftmier, CPA, CBA Member
- Michael L. Moore, Ph.D., CPA, Chair and Professor, Department of Accounting and Information Systems, University of California, Riverside
- Gary Pieroni, MBA, Professor of Accounting, Diablo Valley College, Pleasant Hill, California
- Sara Seyedin, Ph.D., Chair and Professor of Accounting, Foothill College, Los Altos Hills, California
- Xiaoli "Charlie" Yuan, Ph.D., Assistant Professor, California State University, East Bay

Attachments

M e m o r a n d u m

CBA Agenda Item III.D.
March 25-26, 2010

To : CBA Members

Date : March 9, 2010

Telephone : (916) 561-1718

Facsimile : (916) 263-3674

From :  Manuel Ramirez, President

Subject : Ethics Curriculum Committee (ECC) Appointment

I am pleased to present for the CBA's consideration the following ECC appointment recommendation. This recommendation was made in consultation with Vice President, Ms. Sally Anderson, after considering the needs of the committee.

Ms. Anderson and I recommend the appointment of Mr. Donald A. Driftmier, CPA, CBA Member, to the ECC.

Memorandum

CBA Agenda Item III.F.
March 25-26, 2010

To : CBA Members

Date : March 2, 2010

Telephone : (916) 561-1716

Facsimile : (916) 263-3674

E-mail : vdaniel@cba.ca.gov


From : Veronica Daniel
Executive Analyst

Subject : Proposed 2011 CBA Meeting Dates

Please find the following proposed CBA meeting dates for 2011. The dates were compared with state holidays, and a year-at-a-glance calendar is attached for your reference. Please review these dates and advise me of any scheduling conflicts.

If you have any questions or concerns, please contact me at the telephone number or email address listed above.

DATE

LOCATION

January 27-28, 2011

Southern

March 24-25, 2011

Northern

May 19-20, 2011

Southern

July 21-22, 2011

Northern

September 22-23, 2011

Southern

October 26, 2011*

Southern

November 17-18, 2011

Northern

*Proposed date for CBA working conference

Attachment

**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
PROPOSED 2011 MEETING DATES/LOCATIONS
(CBA MEMBER COPY)**

JANUARY 2011

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26 NC	27 SC	28 SC	29
30	31					

FEBRUARY 2011

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

MARCH 2011

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24 NC	25 NC	26
27	28	29	30	31		

APRIL 2011

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY 2011

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19 SC	20 SC	21
22	23	24	25	26	27	28
29	30	31				

JUNE 2011

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY 2011

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21 NC	22 NC	23
24	25	26	27	28	29	30
31						

AUGUST 2011

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER 2011

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22 SC	23 SC	24
25	26	27	28	29	30	

OCTOBER 2011

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26 SC	27	28	29
30	31					

NOVEMBER 2011

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17 NC	18 NC	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER 2011

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

COMMITTEE/TASK FORCE

SB-SPECIAL CBA MEETING ON LEGISLATION
EAC-ENFORCEMENT ADVISORY COMMITTEE
QC-QUALIFICATIONS COMMITTEE

GENERAL LOCATION

NC-NORTHERN CALIFORNIA
SC-SOUTHERN CALIFORNIA

	ON SHADED DATES CBA OFFICE IS CLOSED
	CBA MEETING
	DCA CONFERENCE
	CBA WORKING CONFERENCE
	SPECIAL CBA MEETING ON LEGISLATION
	EAC MEETING
	QC MEETING

Memorandum

CBA Agenda Item III.G.
March 25-26, 2010

To : CBA Members

Date : March 1, 2010

Telephone : (916) 561-4310

Facsimile : (916) 263-3672

E-mail : dfranzella@cba.ca.gov

From : Dominic Franzella, Manager
Renewal/Continuing Competency & Client Services Units

Subject : Update on Peer Review Implementation

At the January 2010 California Board of Accountancy (CBA) meeting staff provided information on the progress of peer review implementation. Specifically, staff overviewed the following topics: Regulations, Outreach, Establishment of the Peer Review Oversight Committee, Report to the Legislature, Database Development, Notifying Licensees of Reporting Requirement, the American Institute of Certified Public Accountants' (AICPA) Facilitated State Board Access (FSBA), and staffing.

Since the January update, staff have undertaken additional activities with regards to three of these topics – (1) Regulations, (2) Outreach, and (3) the AICPA FSBA. Provided below is an update on these activities.

Regulations

At the January meeting, the CBA took action to adopt regulatory language for two sets of peer review regulations, while also directing staff to issue a 15-day re-notice to make amendments to the originally proposed language. Staff have completed the materials for the 15-day re-notice and mailed and posted the materials to the CBA's Web site on February 26, 2010. Once the 15-day re-notice has elapsed, staff will finalize the remaining rulemaking materials and forward them to the Department of Consumer Affairs (DCA), State and Consumer Services Agency, and Department of Finance for review and approval prior to submission to the Office of Administrative Law.

Outreach

By the beginning of March, staff anticipate posting the peer review brochures to the Web site and circulating that information out via the E-News subscription. Also, for the upcoming Spring 2010 *UPDATE*, staff have drafted an article directed at providing additional information regarding who is subject to peer review, who performs peer reviews, and how and when to report peer review information.

Update on Peer Review Implementation
Page 2 of 2

Finally, staff is working, with assistance from DCA, on finalizing the contract for performing radio spots for peer review. Once completed, the contract will be submitted to DCA.

AICPA FSBA

On February 11, 2010, staff conducted a conference call with AICPA representatives regarding its FSBA system. Staff was informed that firms undergoing peer reviews administered using the AICPA Peer Review Program voluntarily participate in FSBA (via an opt-out method). Provided firms do not opt-out of FSBA, the peer review report, letter of response, and letter of acceptance will be made available to participating state boards of accountancy designated by the firm. State boards of accountancy are also able to perform searches and run reports via the FSBA.

Staff have undertaken the initial steps to gain access to the FSBA system. Once access has been provided, staff will participate in another conference call with representatives from the AICPA on how to navigate using the system.

As updates on these, and other, activities continue to occur, staff will inform members via the Executive Officer's Monthly Update and at future CBA meetings.

Memorandum

CBA Agenda Item III.H
March 25-26, 2010

To : CBA Members

Date: February 25, 2010
Telephone : (916) 561-1725
Facsimile : (916) 263-3673
E-mail: pfisher@cba.ca.gov

From : Paul Fisher
Acting Supervising Investigative CPA
Enforcement Division

Subject : Discussion of Restatements as an Enforcement Tool

On August 26, 2002, AB 270 (Assembly Member Correa and Senator Figueroa) was chaptered into law. Among other things, AB 270 modified the Accountancy Act to include §5063(b)(1), which requires licensees to report to the California Board of Accountancy (CBA) in writing the occurrence of any restatement of a financial statement and related disclosures by a client audited by the licensee. In January 2004 CBA Regulation Section 59 was enacted, requiring submission to the CBA only those restatements as follows:

- Resulting from the audit of a publicly traded company that is required to file a tax return with the California Franchise Tax Board
- A government agency located in California, when the financial restatement(s) exceed the planning materiality used by the licensee in conjunction with the current year audit
- Any restatement of a financial statement of a charitable organization registered by the Office of the Attorney General's Registry of Charitable Trusts which is issued for purposes of correcting any error in a previously issued financial statement and which has resulted in the filing of an amended or superseding Internal Revenue Service Form 990 or 990PF

When CBA Regulation Section 59 was first introduced, there was much debate as to the scope of the restatements that are to be required. Of principal note, staff provided the CBA Committee on Professional Conduct (CPC) with an amendment to Section 59(a)(1)(B), which would have eliminated the self-reporting of restatements of school districts or county offices of education. The reason for this was to avoid duplicating the oversight of the Office of the State Controller. Staff further noted that mechanisms were, and are still, in place for the State Controller to report audit problems to the CBA.

In a letter from Assembly Member Correa and Senator Figueroa dated April 28, 2003, the Assembly Member and Senator took issue with this proposal. The recommendations

accompanying their letter states: “there is no indication that the Legislature wished to exempt these restatements from its reporting requirement.” It was also noted that the sections of the Education Code noted by the CBA did not appear to require notification to the CBA of substandard audits or of restatements in a manner sufficiently protective of the public. It was suggested that until the CBA could demonstrate the adequacy of oversight by the Office of the State Controller, the proposed amendments to Section 59 were premature.

After considering this information the CPC did not forward the revision to the CBA, and Section 59(a)(1)(B) was not modified to exempt restatements of audits of school districts and county offices of education.

At the September 2008 meeting, the CBA requested that legislation eliminating the restatement reporting requirement be crafted for possible sponsorship. Legislation was crafted, and presented to the CBA in November 2008. After discussion related to the length of time the restatement requirement had been in effect, and the possible detrimental impact the presentation of the bill may have had on other currently pending legislation, most notably Peer Review, the CBA decided to delay action on restatements at that time.

At the January 2010 CBA meeting, the issue was again raised, from an enforcement perspective, of whether there is any material value to the CBA staff receiving restatements. When a restatement is received, it is entered into a log. It is then vetted by enforcement staff for possible enforcement action. After staff looks at the restatement, if there is no cause for action, the restatement is filed and retained for one year. Below is a chart detailing restatements received by the CBA since Regulation 59 became effective on January 23, 2004.

Type	Governmental	Non-Profit	Public	Unidentified	Total
Year					
2004	105	42	181	21	349
2005	144	28	291	19	482
2006	146	24	252	26	448
2007	98	26	228	37	389
2008	196	10	142	37	385
2009	160	2	62	36	260
Total	849	132	1156	176	2313
% of Total	36.7%	5.7%	50.0%	7.6%	100%

The issue of public protection through the reporting of restatements is often raised. It should also be noted that publicly traded companies are also required to report restatements to the Securities and Exchange Commission (SEC). Further, the SEC reviews all restatements of publicly traded companies received for possible action. With the SEC’s much greater resources in regards to staff and experience in publicly traded company audits, and considering the dual oversight in regards to publicly traded

company restatements, it may be advantageous for CBA enforcement staff to simply monitor the SEC and Public Company Accounting Oversight Board (PCAOB) Web sites for action against CBA licensees resulting from a restatement, and proceed as necessary. This tactic has proven fruitful in the past, and staff has no hesitation to believe it will continue to be an efficient and effective means to learn of possible restatements containing enforcement issues into the future.

The issue before the CBA is whether to pursue elimination of §5063(b)(1) of the Accountancy Act. The CBA may choose to direct staff to draft legislation to eliminate §5063(b)(1), or to maintain the status quo. Please note that although from practice it appears there is little value to restatements, from the outside it may appear the CBA is attempting to decrease regulation of certified public accountants. The deletion of the requirement to collect restatements from law may garner significant opposition from outside sources.

Staff will be present to discuss this matter at the meeting.

Memorandum

CBA Agenda Item IV.A.
March 25-26, 2010

To : CBA Members

Date : March 9, 2010

Telephone : (916) 561-1718

Facsimile : (916) 263-3674

From : Sally Anderson
Vice President

Subject : Enforcement Advisory Committee (EAC) Appointment

I am pleased to present for the CBA's approval the following recommendation for appointment on the EAC. This recommendation was made on the advice of and in consultation with the committee chair, who carefully reviewed and considered the needs of this committee and the skills and talents of existing and prospective committee members. My thanks to Chair Harish Khanna for his hard work and diligence in making this recommendation.

Mr. Khanna recommends, with my concurrence, the appointment of Ms. Mary Rose Caras to the EAC.

Attachment

	FY 2009/10 Received/Expended 7/01/09 - 12/31/09 (6 months) [9]	FY 2008/09 Received/Expended 7/01/08 - 12/31/08 (6 months) [9]	% Change FY 2009/10 to FY 2008/09 (A:B)	FY 2009/10 Annual Governor's Budget 7/01/09 - 6/30/10 (12 months) [10]	FY 2009/10 Receipts/Expenditures Over/Under Budget (D:A)
RECEIPTS					
Revenues:					
Renewals [1]	4,736,400	4,664,500	1.5%	7,622,300	-37.9%
Examination Fees	1,363,551	1,051,956	29.6%	2,697,645	-49.5%
Licensing Fees	487,100	444,650	9.5%	1,507,287	-67.7%
Practice Privilege Fees	65,900	65,800	0.2%	194,550	-66.1%
Miscellaneous [2]	32,640	29,609	10.2%	4,000	716.0%
Monetary Sanctions [3]	0	0	NA	0	NA
Citation & Fines	0	0	NA	0	NA
Penalty Assessments	1,210	18,148	NA	15,000	-91.9%
Total Revenues	6,686,801	6,274,663	6.6%	12,040,782	-44.5%
Interest	29,065	173,021		590,000	-95.1%
Cost Recovery	42,556	196,935	-78.4%	0	NA
TOTAL NET RECEIPTS	6,758,422	6,644,619	1.7%	12,630,782	-46.5%
EXPENDITURES:					
Personal Services:					
Salaries & Wages	1,854,246	2,042,484	-9.2%	3,575,655	-48.1%
Benefits	705,125	736,229	-4.2%	1,615,492	-56.4%
Total Personal Services:	2,559,371	2,778,713	-7.9%	5,191,147	-50.7%
Operating Expenses:					
Fingerprints	8,247	8,634	-4.5%	185,000	-95.5%
General Expense	70,168	95,888	-26.8%	151,009	-53.5%
Printing	58,459	26,668	119.2%	271,826	-78.5%
Communications	13,746	15,182	-9.5%	110,833	-87.6%
Postage	101,102	36,007	180.8%	225,719	-55.2%
Travel: In State	47,854	61,638	-22.4%	149,062	-67.9%
Travel: Out of State	572	0	NA	2,236	-74.4%
Training	1,545	2,802	-44.9%	83,684	-98.2%
Facilities Operations [4]	555,531	385,107	44.3%	706,818	-21.4%
Utilities	0	0	NA	0	NA
Consultant & Professional Services Int	0	0	NA	3,708	-100.0%
Consultant & Professional Services Ex	124,329	183,644	-32.3%	1,431,363	-91.3%
Departmental Services	651,540	663,450	-1.8%	1,170,097	-44.3%
Consolidated Data Center	30,000	30,000	0.0%	41,148	-27.1%
Data Processing	6,550	28,810	-77.3%	79,479	NA
Central Administrative Services	199,680	221,781	-10.0%	400,436	-50.1%
Exams [5]	131,506	75,650	73.8%	44,452	195.8%
Enforcement	224,645	216,852	3.6%	1,713,551	-86.9%
Minor Equipment	33,656	17,937	NA	50,000	-32.7%
Major Equipment	0	0	NA	24,000	-100.0%
Total Operating Expenses:	2,259,130	2,070,050	9.1%	6,844,421	-67.0%
TOTAL EXPENDITURES	4,818,501	4,848,763	-0.6%	12,035,568	-60.0%
Less Reimbursements	10,428	11,745	-11.2%	296,000	-96.5%
TOTAL NET EXPENDITURES	4,808,073	4,837,018	-0.6%	11,739,568	-59.0%
RECEIPTS IN EXCESS OF EXPENSES	1,950,349	1,807,601		891,214	
BEGINNING RESERVES JULY 1 [6]	11,776,000	25,653,000		11,776,000	
GENERAL FUND LOAN 2008 [7]	0	-14,000,000		0	
PROJECTED ENDING RESERVES	13,726,349	13,460,601	2.0%	12,667,214	
GENERAL FUND LOAN 2002 [7]	(6,000,000)	(6,000,000)			
GENERAL FUND LOAN 2003 [7]	(270,000)	(270,000)			
GENERAL FUND LOAN 2008 [7]	(14,000,000)	(14,000,000)			
MONTHS IN RESERVE (MIR) [8]	13.7	12.7		12.6	

Footnotes:

- [1] Includes biennial renewals, delinquent and prior year renewals, and initial licenses.
- [2] Includes misc. services to the public, dishonored check fees, certification fees, duplicate licenses, name changes, over/short fees, suspended revenue, prior year adjustments, and unclaimed checks.
- [3] Enforcement monetary sanctions received as components of stipulated settlements and disciplinary orders approved by the Board. These orders bring to a conclusion any accusations that had previously been filed by the Executive Officer, and are separate from fines or citations.
- [4] Facilities figures for FY 2009/10, discussed in the narrative, are "skewed" up due to DCA encumbrance errors in FY 2008/09.
- [5] The "Exams" line item identifies the expenses incurred by the CBA relative to a contract with the National Association of State Board Accountancy (NASBA). This contract provides for the special accommodations of examination candidates under the Americans With Disabilities Act (ADA). Funding is provided by the CBA's available expenditure authority and not from the Governor's Budget.
- [6] FY 2009/10 beginning reserve amount was taken from Analysis of Fund Condition statement, prepared by the Department of Consumer Affairs (DCA) Budget Office on January 14, 2009.
- [7] Funds borrowed per California Government Code Section 16320, which indicates that the Budget Act is the authority for these loans. The "terms and conditions" of the loans, per the Budget Act are: "The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer." (Estimated at 2.64% for 2002, 1.64% for 2003, and 2.78% for 2008 loan). "It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through a reduction in service or an increase in fees."
- [8] Calculation: expenditure authority for FY 2009/10 (\$12,035,568) divided by twelve months equals monthly expenditure authority (\$1,002,964). Total ending reserves divided by monthly authority equals "Months in Reserve" (MIR).
- [9] Received/Expended amounts through December 31, 2009 for FY 2009/10 and December 31, 2009 for FY 2008/09 include encumbrances, and are taken from the DCA CalSTARS (FM06) Budget Report.
- [10] This column reflects figures contained in the revised Governor's Budget provided by DCA in November 2009.

NOTE: Board Financial Reports are prepared quarterly (October, January, April, and August) and included in Board Meeting materials. These reports provide an overview of receipts, expenditures, and the status of the Accountancy Fund Reserve.

CALIFORNIA BOARD OF ACCOUNTANCY
FISCAL YEAR 2009/10
MID-YEAR FINANCIAL REPORT
(for period of 7/01/09 through 12/31/09)



DISCUSSION AND ANALYSIS OF FINANCIAL REPORT

BUDGET

The Governor's Executive Order (EO) S-13-09 mandating three furlough days each month continues to be in force until June 30, 2010. The California Board of Accountancy (CBA) continues to be staffed at a level such that the direct service provided to our stakeholders has been only minimally impacted to date by furlough days. This has been accomplished by prioritizing workloads along with cross-training selected staff to assist in those program areas where a strategic need has been identified.

As a result of a projected \$20.7 billion General Fund budget shortfall, the Governor issued EO S-01-10 on January 8, 2010 requiring that all state agencies put a plan in place to achieve a five percent salary savings for FY 2010/11. To implement this five percent salary savings, the CBA projects it will need to hold four positions vacant in FY 2010/11. CBA's personal services salary savings target, as provided by the Department of Consumer Affairs' (DCA) budget office is \$221,600 for FY 2010/11.

REVENUES/TOTAL RECEIPTS

During the first half of FY 2009/10, the CBA collected \$6.7 million in total receipts, consistent with the first half of FY 2008/09. Licensing revenues reflect a nine percent increase from the FY 2008/09 mid-year report. The Licensing Division remains committed to providing exceptional customer service to initial licensing candidates, and is processing mid-year initial licensing applications in an average of 27 days at the time of this report.

Cost Recovery revenue fell by 78 percent compared to the previous fiscal year. Revenue in this category cannot be anticipated and the Enforcement Division advised that in the first quarter of FY 2008/09, two unusually large payments totaling \$127,000 inflated last year's figures. Consequently, the percent difference shown in this report reflects an unusual 78 percent decrease for FY 2009/10.

EXPENDITURES

Expenditure categories reflecting significant changes from last year's report are outlined below:

- Large increases in printing and postage expenditures reflected in the mid-year report are attributed to three mass mailings from CBA's Licensing Division in November 2009. Written notice was given to inform stakeholders of AB 117, which requires the holder of an inactive CPA license to specify that he or she is inactive when using specified CPA titles, designations, or references on correspondence, Internet Web sites, business cards, nameplates, or name plaques. Another mailing was made to inform stakeholders about AB 138 and Peer Review implementation. The third mailing was to inform interested parties regarding SB 819, and changes in licensing pathways and continuing education requirements. Subsequent printing and postage expenditures will reflect a modest increase going forward, due to production and mailing of the CBA's *Update* publication which is now produced three times per year beginning in December 2009.
- Facilities expenditures appear to have increased compared to the same period last year; however, the DCA budget office advised that an error was made in FY 2008/09 when encumbering the funds for the building rent. Typically, the entire amount is encumbered during the first quarter. Last year, the DCA did not encumber any rent in the first quarter, resulting in a skewed expenditure amount reflected in last year's first quarter financial report.

**CALIFORNIA BOARD OF ACCOUNTANCY
FISCAL YEAR 2009/10
MID-YEAR FINANCIAL REPORT
PAGE 2**

- Exam expenses totaled \$131,506, for the first half of FY 2009/10, representing a 74 percent increase from last fiscal year. This line item tracks the costs incurred by the CBA for a contract

with the National Association of State Boards of Accountancy, related to providing special accommodations to examination candidates under the Americans with Disabilities Act. The contract and this line item do not have specific funding from the Governor's Budget, as funding is provided by the CBA's available expenditure authority.

RESERVES

Statutory mandates require that the CBA maintain nine months of "anticipated" expenditures in the Accountancy Fund Reserve. The CBA ended the first half of FY 2009/10 with approximately 13.7 months of expenditures in reserve, a modest increase from the same time period last year.

It was expected that the reserve level would face a significant impact in the next few years associated with the costs of the new Peer Review Program as well as the two committees mandated by SB 819. Staff have estimated the cumulative costs of these programs will total approximately \$600,000 annually over the next few years, after which the annual expense will drop to approximately \$400,000 as the two SB 819 committees sunset. These increased expenditures may result in a reduction to the CBA's reserve to more closely reflect the statutorily mandated level of nine "months' expenditures in reserve."

Memorandum

CBA Agenda Item V.C.
March 25-26, 2010

To : CBA Members

Date : March 10, 2010

Telephone : (916) 561- 1713

Facsimile : (916) 263- 3678

E-mail : drich@cba.ca.gov

From : Daniel Rich
Assistant Executive Officer

Subject : Discussion Regarding Options for License Renewal Fee Reduction

The California Board of Accountancy (CBA) members requested that staff analyze and determine the effect of lowering CPA biennial and delinquent fee renewals to achieve a reduction in the number of the "months of expenditures in reserve" (MIR) contained in the Accountancy Fund Reserve (Reserve). The MIR is mandated by law to be maintained at a nine-month level; however, the past few fiscal years have shown the MIR to be consistently in the double-digit range despite increases in CBA expenditure authority.

Should the CBA decide to presently reduce biennial renewal fees to shrink the Reserve, a number of decisions need to be made and actions taken.

- Action to set the new biennial renewal fee level;
- Decision whether this is to be a permanent fee reduction, requiring a separate action to later raise fees as needed, or a temporary reduction that incorporates restoration of fees to current levels at some future date in the same regulatory package;
- Action to approve proposed regulatory language to set new fee biennial renewal fee levels.

Background

At its meeting of November 17-18, 2005 the CBA made a decision to lower the biennial renewal fee for a period of time in order to reduce the Reserve to mandated levels. To this end, staff were instructed to bring a proposal to the January 2006 CBA meeting, with a recommendation regarding the level at which the biennial renewal fee should be fixed to achieve the desired reduction in the Reserve. In **Attachment 1**, staff recommended that the biennial renewal fee of \$200 be lowered to \$120 for a four-year period, beginning January 1, 2007 and ending December 31, 2010. At the end of the four years, the biennial renewal fee was to be restored to \$200. At its meeting of May 19, 2006, CBA adopted proposed amendments to Section 70 of the CBA Regulations, a package focused on reducing the biennial renewal fees as described above.

The FY 2007/08 Governor's Budget released on January 10, 2007 contained a number of budget change proposals that would increase the CBA's annual expenditure authority by nearly \$1.3 million if approved by the Legislature. A new Fund Condition statement developed by the Department of Consumer Affairs (DCA), that took into consideration the increased expenditure levels, reflected a decrease in the Reserve to mandated levels in approximately four years without any reduction in renewal fees.

In light of these facts, the DCA Budget Office recommended that the CBA delay any fee reduction being considered. CBA staff agreed with this assessment and recommended that consideration of any fee reductions be delayed until November 2009 at the earliest, when new Reserve projections would be developed based on the CBA's FY 2009/10 budget. At the CBA meeting on January 19, 2007, a recommendation to withdraw the adoption of the proposed amendments was approved by the CBA (**Attachment 2**) and notice was subsequently provided to the Office of Administrative Law (OAL).

Options to Consider

Staff have prepared three renewal fee reduction options for CBA member consideration, all of which use as a base the DCA Budget Office "Analysis of Fund Condition" statement prepared on February 16, 2010. **Attachment 3** details these options; one with renewal fees reduced to \$150 and delinquent renewals at \$75, the second with renewal and delinquent fees set at \$120 and \$60, respectively, and the third with fees set at \$100 and \$50. The current fee structure reflects renewal fees of \$200 and delinquent fees of \$100.

The focus of this License Renewal Fee Reduction analysis is to present a picture of the Reserve over the next six years based on reduced fee levels. The analysis demonstrates the effect of a **four-year reduction in fees**, with implementation beginning in FY 2011/12 to account for the amount of time it will take to get the fee change proposal through the regulatory process. Additionally, the License Renewal Fee Reduction analysis continues for one fiscal year past the proposed "fee reduction period" to reflect the "restoration" of renewal fees to the \$200 level, once the temporary fee reduction period ends. The process of requesting the fee amendments through the OAL would begin in the current year.

There are numerous reasons why staff believe that renewal fee reductions should be planned for a **minimum of a four-year period**. Chief among these are:

- Potential confusion among CBA licensees regarding the "correct" renewal fee level;
- Obsolescence, and therefore required re-printing, of licensee handbooks and other hardcopy documents;
- Risk that once fees are reduced, DOF will be averse to increase them to prior levels;
- Length of time it takes to effect regulatory changes;
- Changes required to the Consumer Affairs System database;
- Changes required at the State Controller's Office to the California State Automated Reporting System;
- Changes required to DCA accounting systems and CBA cashing logs; and
- Changes required to national publications that detail California's fee structures.

Analysis Accuracy

In spite of the Reserve projections being provided in this analysis, in truth these estimates will all likely be “off the mark” in terms of accurately predicting the Reserve balance over time. This is due to the fact that a basic underlying assumption in the projections is that the CBA will fully spend its budget each year – an occurrence that last took place in 2001. In recent years the CBA has regularly seen annual savings of up to \$3,000,000, most of which stems from under-expenditure of funds budgeted for the Enforcement Program.

Quite simply, the dichotomy that exists between setting fee levels on presumed full expenditure of the CBA’s budget, and then under-expending that budget, is the major reason that the Reserve grows and grows, until such time that projections indicate fees can be reduced within parameters acceptable to DOF, at which point the CBA, in turn, acts to reduce fees. One of the very basic assumptions that DOF has historically made when looking at the CBA’s fee reduction proposals is that the CBA will fully expend its annual budget. Still, though it is not the norm for the CBA to fully expend its budget, to presume a “savings factor” into expenditure projections being used to establish revenues is, quite simply, not prudent in light of the fact that the CBA’s Enforcement Program could at any time embark on a major case that may result in fully expending the budget year after year.

Caveat

There is an element in this License Renewal Fee Reduction analysis that was not considered in any previous fee analyses presented to the CBA. Subsequent to the last fee reduction analysis performed in 2006 staff became aware of Government Code (GC) Section 16320, which states that General Fund loans made to address fiscal years 2001/02, 2002/03, and 2003/04 budgetary shortfalls are “not deducted from the balance of the fund or account from which the loan is made for the purpose of calculating a fee or assessment.”

CBA staff sought clarification on this issue with the DCA and in response to our inquiry in January 2010, the DCA Budget Office staff took the question to the Department of Finance (DOF) for resolution. The DOF has instructed the DCA that in making projections for the purpose of setting fees, General Fund loans made in years referenced by GC Section 16320 should be added back into the Reserve. Consequently, the “Projected Reserve” amounts reflected for fiscal years 2010/11 through 2015/16 on **Attachment 3** would, in actuality, be approximately \$6,000,000 lower if not for this administrative adjustment.

No statutory language similar to GC Section 16320 was enacted in relation to the General Fund loan made in FY 2008/09, so the \$14 million borrowed from the Accountancy Fund is not used in the fee reduction analysis.

Regulatory Language

Also at the January 2010 CBA meeting, members instructed staff to bring proposed regulatory language to the March 2010 CBA meeting, in order to compress the period of time it will take to change CBA Regulations to implement the reduction in fees. Attachments 4 and 5 contain the regulatory language that will be needed to effect any biennial renewal fee change decision made by the CBA. **Attachment 4** is the language needed to put a temporary biennial fee reduction in place for a four year period, after which the biennial renewal fee “resorts” to \$200. **Attachment 5** makes a permanent reduction in the biennial renewal fee and will require that the CBA again consider this issue sometime in

March 15, 2010

Page 4

mid-2013, or approximately two years after the fee reduction takes effect. At that time more information would be available regarding the impact the fee reduction has made on the Reserve, as well as assess any budgetary changes that might have occurred over the course of the next three years.

Conclusion

Given the information presented on this agenda item, staff is requesting that the CBA provide direction regarding a possible fee reduction proposal and regulatory package to present to the DCA and DOF. Staff will be available at the CBA meeting to answer any questions that CBA members might have, and stand ready to initiate any actions members may wish to pursue.

**California Board of Accountancy
Licensing Division Activity
November 1, 2009 through February 28, 2010**

Examination Unit								
CPA Exam Applications and Medical Accommodations Received	November 2009		December 2009		January 2010		February 2010	
First-time Sitter	320		453		686		635	
Repeat Sitter	803		1686		1337		903	
Medical Accommodation	8		15		9		9	
Average Number of Days to Process a Completed Exam Application	November 2009		December 2009		January 2010		February 2010	
First-time Sitter	16		15.7		21.7		22	
Repeat Sitter	7		8		9		8	
Appeals	November 2009		December 2009		January 2010		February 2010	
	Approved	Denied	Approved	Denied	Approved	Denied	Approved	Denied
Management-Level Appeals	11	7	12	6	13	5	12	2
Board-Level Appeals	0	0	0	0	0	0	0	0

Highlights

- Processing time frames are currently at 21 days for the month of February for first-time applicants.
- Staff processed 10,583 scores from the October/November testing window, a nine percent increase when compared to the same testing window in 2008.
- The California Board of Accountancy (CBA) has received the first “wave” of score reports for the January/February 2010 testing window, and Examination Unit staff are working to post the scores and release them to the candidates.

**California Board of Accountancy
Licensing Division Activity
November 1, 2009 through February 28, 2010**

Initial Licensing Unit				
Applications Received	November 2009	December 2009	January 2010	February 2010
CPA	327	307	290	310
Partnership	17	10	22	8
Corporation	23	22	25	25
Fictitious Name Permit (Registration)	11	25	12	18
Processing Time Frames (Average Number of Days to Process a Completed Application)	November 2009	December 2009	January 2010	February 2010
CPA	27	28	35	30
Partnership	17	19	13	8
Corporation	17	19	13	8
Fictitious Name Permit (Registration)	17	19	13	8
Applicants Licensed Under	November 2009	December 2009	January 2010	February 2010
Pathway 0	2	8	8	20
Pathway 1A	14	32	48	85
Pathway 1G	14	36	55	65
Pathway 2A	50	69	85	166
Pathway 2G	54	90	125	243

**California Board of Accountancy
Licensing Division Activity
November 1, 2009 through February 28, 2010**

Initial Licensing Unit				
	November 2009	December 2009	January 2010	February 2010
Requests Received	91	104	107	62
Processing Time Frame (Average Number of Days)	25	29	30	33

Highlights

- The Initial Licensing Unit had a slight increase in the processing time frame of initial applications during January mainly due to the training of new staff and senior staff and initial licensing management being offsite to attend both the CBA Meeting and the QC meeting.

**California Board of Accountancy
Licensing Division Activity
November 1, 2009 through February 28, 2010**

Renewal and Continuing Competency Unit				
Licenses Renewed	November 2009	December 2009	January 2010	February 2010
CPA	2,640	2,988	2,616	2,908
PA	3	2	6	2
Partnership	28	50	36	33
Corporation	67	139	75	84
Continuing Education Worksheet Review	November 2009	December 2009	January 2010	February 2010
CPA/PA Applications Reviewed	1,457	3,727	1,595	1,687
Deficient Applications Identified	61	79	88	93
Compliance Responses Received (Including Requests for Inactive Status)	43	60	36	12
Enforcement Referrals	0	0	1	0
Outstanding Deficiencies (Including Abandonment)	18	19	51	81

Highlights

- Staff have received four applications from providers seeking approval to offer the 2-hour Regulatory Review course. Staff were able to provide approval of one course, two courses are being returned for revisions, and one course is pending review. Staff anticipate a list of approved courses will be available for posting on the CBA Web site by early April.
- The CBA Web site has been updated with detailed information regarding license renewal requirements, specific continuing education requirements, license status conversion, pre-selected continuing education audits, inactive license disclosure, and CE extension/exemption requests.

**California Board of Accountancy
Licensing Division Activity
November 1, 2009 through February 28, 2010**

Practice Privilege Unit				
Notifications Received	November 2009	December 2009	January 2010	February 2010
Hardcopy	48	74	131	71
Electronic	156	226	332	212
Disqualifying Conditions Received	November 2009	December 2009	January 2010	February 2010
Approved	2	4	3	5
Denied	0	0	0	0
Pending	0	0	0	1
Practice Privilege Suspension Orders	November 2009	December 2009	January 2010	February 2010
Notice of Intent to Suspend	1	1	0	0
Administrative Suspension Order	0	1	0	0

**California Board of Accountancy
Licensing Division Activity
November 1, 2009 through February 28, 2010**

Client Services Unit

Special Projects

- Update on Secret Shopper and Site Visits
The first site visit for 2010 was completed in February by CBA member, Angela Chi. She used a site evaluation checklist during the visit, which will be forwarded to NASBA for review. Staff have received a total of eight responses from CBA, Qualifications Committee, and Enforcement Advisory Committee members noting their interest in conducting a site visit at Prometric Testing Centers and four responses from members interested in being Secret Shoppers. Client Services staff will continue to reach out to members, CBA proctors, and staff to ensure all California testing sites are evaluated over the next year.

- Renewal of Foreign Credential Evaluation Services
All 13 CBA-approved Foreign Credentials Evaluation Services that were sent renewal notices have successfully been approved for renewal and are current until their next re-evaluation in five years. The two services that were not due to renew are current until May 2012 and May 2013.

Memorandum

CBA Agenda Item VII.A.1
March 25-26, 2010

To : Patti Bowers, Executive Officer
CBA Members

Date : March 10, 2010

Telephone : (916) 561- 1725

Facsimile : (916) 263- 3673

E-mail : pfisher@cba.ca.gov

From : Paul Fisher
Acting Supervising Investigative CPA

Subject : Proposed Change:
Enforcement Activity and Status Report

Background

As part of the Department of Consumer Affairs (DCA) Consumer Protection Enforcement Initiative, all Boards and Bureaus within the DCA are required to provide monthly statistical information related to the activities within their respective Enforcement Divisions.

In addition to the requirements of the Department, the CBA's Enforcement Division provides statistical information at each of the CBA meetings in the form of the Enforcement Case Activity and Status Report.

Issue

Since the information captured on the DCA report is more extensive and will be considered the Department Standard, it would be advantageous to have the Enforcement Case Activity and Status Report mirror the DCA report.

Proposed Revisions

Attachment A is the revised format that is being suggested to replace the previous Enforcement Case Activity and Status Report.

**Action
Requested**

It is recommended that Attachment A –

Enforcement Case Activity and Status Report –
January 1, 2010 – February 28, 2010

be utilized as the new *Standard* for reporting Enforcement statistics at each Board meeting. In doing so, statistical information that is provided to both the Department and at the CBA meetings will remain consistent allowing for less confusion. As was in the past, the new report will be updated prior to each meeting providing the most updated information that has been given to the DCA.

Attachments

To assist you in your review, attached are the following:

- **Attachment A:**
Revised Enforcement Case Activity and Status Report for the Period Ended February 28, 2010.
- **Attachment B:**
Prior version of the CBAs Enforcement Case Activity and Status Report As of 10/22/09 (Information Only).

**Additional
Information**

Please note the following:

- The DCA has plans to add additional reporting elements to their new report. As those items are added, so too will the Enforcement Case Activity and Status Report be updated to reflect the new information.
-

**CALIFORNIA BOARD OF ACCOUNTANCY
ENFORCEMENT CASE ACTIVITY AND STATUS REPORT
January 1, 2010 - February 28, 2010**

ATTACHMENT A

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
COMPLAINTS						
<i>Received</i>	59	54				
<i>Closed without Assignment for Investigation</i>	18	41				
<i>Assigned for Investigator</i>	22	22				
<i>Average Days to Close or Assign for Investigation</i>	17	22				
<i>Pending</i>	185	175				
<i>Average Age of Pending Complaints</i>	A report is being created to capture this information. Data to be available at next Bd meeting.					
Convictions/Arrest Reports						
<i>Received</i>	18	4				
<i>Closed</i>	18	5				
<i>Average Days to Close</i>	1	31				
<i>Pending</i>	3	3				
<i>Average Age of Pending Convictions/Arrest</i>	A report is being created to capture this information. Data to be available at next Bd meeting.					
INVESTIGATIONS						
<i>Initial Assignment for Investigator</i>	22	23				
<i>Investigations Closed</i>	26	24				
<i>Average Days to Close</i>	152	142				
<i>Investigations Pending</i>	146	143				
<i>Average Age of Pending Investigation</i>	A report is being created to capture this information. Data to be available at next Bd meeting.					

CALIFORNIA BOARD OF ACCOUNTANCY
ENFORCEMENT CASE ACTIVITY AND STATUS REPORT
January 1, 2010 - February 28, 2010

ATTACHMENT A

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
ENFORCEMENT ACTIONS						
<i>AG CASES</i>						
<i>AG Cases Initiated</i>	3	3				
<i>AG Cased Pending</i>	29	31				
<i>SOIs Filed</i>	0	0				
<i>Accusations Filed</i>	1	2				
Disciplinary Orders						
<i>Proposed Decisions / Default Decisions Adopted</i>	2	1				
<i>Stipulations Effective</i>	0	2				
<i>Average Days to Complete Proposed Decisions/Default Decisions/Stipulations *</i>	261	684 **				
Citations						
<i>Final Citations</i>	4	1				
<i>Average Days to Complete</i>	245	220				

* Average Days to Complete Proposed Decisions/Default Decisions/Stipulations is based on the number of days from Receipt of complaint to the effective date of Disciplinary Order.

** The 684 day average noted for the Feb 2010 period was the result of three cases. One case aged 970 days. A second case aged 613 days and the last case aged 469 days. The delays encountered in the 970 day case were the result of time constraints in settling the matter with Respondent which resulted in missing a scheduled Board meeting submission cut-off date. The case was deferred to a subsequent meeting date.

**CALIFORNIA BOARD OF ACCOUNTANCY
CITATION ACTIVITY
FOR THE PERIOD 7/1/09 THRU 2/25/10**

CBA Agenda Item VII.A.3
March 25-26, 2010

VIOLATION ANALYSIS

RULE	AVERAGE AMOUNT	TOTAL FINES ISSUED	TOTAL \$FINES ASSESSED	APEALS RECEIVED
ACCOUNTANCY RULES AND REGULATIONS				
3		1	\$200	
52		3	\$2,000	
54.1				
57				
58				
63				
66				
66.1				
67				
68				
80				
87	\$833	3	\$2,500	
87(a)				
87(b)				
87 (c)				
87(d)				
87.6				
87.7	\$500	2	\$1,000	
89				
89(b)				
89(c)				
89.1				
90				
BUSINESS AND PROFESSIONS CODE SECTION				
5037				
5050	\$1,743	7	\$12,200	
5055				
5056				
5058				
5060	\$2,000	2	\$4,000	
5061				
5062				
5063				
5071				
5072				
5079(A)				
5079(B)				
5100				
5100C				
5100G	\$2,500	1	\$2,500	
5100H				
5100I				
5100K				
5151				
5152				
5153				
5154				
5156				
TOTALS		19	\$24,400	0

RECONCILIATION OF FINES OUTSTANDING 7/1/09 - 2/25/10

Balance at 7/1/09	\$48,162
Fines Assessed 7/1/09 - 2/25/10	\$24,400
Previous Paid Off - Reinstated - Revoked License	\$0
Appeal Adjustments 7/1/09 - 2/25/10	(\$5,000)
Withdrawn Violations (3 violations, 1 case)	\$0
Modified Violations ()	\$0
Remain As Issued Violations ()	(\$10,000)
Uncollectible Violations (7 violations, 5 cases)	
Collections 7/1/09 - 2/25/10	(\$7,630)
Fines Outstanding at 2/25/10	\$49,932

COMPOSITION OF FINES OUTSTANDING

Fine Added to License Renew Fee/B & P 125.9 (29 violations, 17 cases)	\$37,612
AG Referral (Citation Appealed/Non Compliance) (3 violations, 1 case)	\$1,750
Issued/Pending Receipt of Fine (10 violations, 5 cases)	\$8,700
Installment Payments (1 violation(s), 1 case)	\$1,870
Appeal Request Pending Review (0 violations, 0 case)	\$0
Stipulation/Decision Pending Compliance (0)	\$0
Total Fines Outstanding at 2/25/10	\$49,932

**CALIFORNIA BOARD OF ACCOUNTANCY
 REPORTABLE EVENTS RECEIVED
 07/01/09 -02/25/10**

Felony Conviction – 5063(a)(1)(A)	0
Criminal Conviction – 5063(a)(1)(B)	1
Criminal Conviction – 5063(a)(1)(C)	1
Cancellation, Revocation, Suspension of Right to Practice by Other State or Foreign Country – 5063(a)(2)	0
Cancellation, Revocation, Suspension of Right to Practice before any governmental body or agency – 5063(a)(3)	0
Restatements – 5063(b)(1) <ul style="list-style-type: none"> • Governmental – 92 • Non Profit – 2 • SEC Registrant – 39 	133
Civil Action Settlement – 5063(b)(2)	19
Civil Action Arbitration Award – 5063(b)(2)	1
SEC Investigation – 5063(b)(3)	0
Wells Submission – 5063(b)(4)	4
PCAOB Investigation – 5063(b)(5)	4
Civil Action Judgement – 5063(c)(1)(2)(3)(4)(5)	1
Reporting by Courts – 5063.1	0
Reporting by Insurers – 5063.2	7
TOTAL REPORTABLE EVENTS RECEIVED 07/01/09 TO 02/25/10	171

Memorandum

CBA Agenda Item X.B.
March 25-26, 2010

To : CBA Members

Date : February 10, 2010

Telephone : (916) 574-8220

Facsimile : (916) 263-3678

E-mail : Gary_duke@dca.ca.gov

From : Gary Duke
Legal Affairs

Subject : DCA Legal Office Guidance on Handling Abandoned Records

Background

Practice abandonment is a matter of concern for California consumers. When professionals or businesses cease doing business, either through death or by choice, they sometimes abandon records that contain sensitive personal information about Californians. If the records are improperly disposed of, they can fall into the hands of those who would use them in unauthorized ways.

In the early 1990s, the California Board of Accountancy (CBA) came into possession of records that had been abandoned by a licensee in a commercial leased office. The CBA's enforcement staff attempted to find successor licensees to take over the files. Though initial interest was expressed by some licensees, no licensee was willing to take over the papers unless they were indemnified by the CBA. The CBA was unwilling to do this, and subsequently took possession of the records and returned records to clients who could be located and either stored or disposed of records for clients who could not be located.

At its September, 1995 meeting, the Administrative Committee (AC) Chair, Willard Altman, informed the CBA that there had been three recent situations regarding practice abandonment. He also presented it with the costs and risks of taking possession of abandoned records and presented the AC's recommendation to not take control of abandoned records in the future (**Attachment 1**). It was noted "that the Societies do have programs to assist in situations such as in the death of a practitioner" (**Attachment 2**). The CBA adopted the AC's recommendation and incorporated it into the Board Policy and Procedures Manual (**Attachment 3**).

Last year, the Legislature passed, and the Governor signed, AB 1094 (which was supported by the CBA) which provides that a cause of action shall not lie against a business that disposes of abandoned records containing personal information in accordance with the law. It further set forth findings regarding records that end up in the possession of a storage company or commercial landlord, and provides that the

Abandoned Records
Page 2 of 2

intent of the Legislature was to create a safe harbor for such record custodians who properly dispose of records. In other words, a commercial landlord would be within his or her rights, and not be civilly liable, to destroy the client records of a deceased tenant.

Recently, two more incidents have come to our attention when a landlord has contacted the CBA with a situation where a tenant had passed away who was a licensee. With the advice of counsel, staff followed the policy outlined above and indicated that the CBA does not have any legal authority to accept, take custody, or recommend how to deal with client files of a deceased licensee.

Recommendations

I will provide my opinion and recommendations at the CBA March 2010 meeting.

Memorandum

Attachment 1

To : Avedick Poladian, President
Board Members

Date : September 12, 1995

Telephone : (916) 263 -3960

From : *SP. 7/ for Willard Altman*
Willard Altman, Chair, Administrative Committee

Subject : Abandonment of Practice/Files by Licensees

On August 25, 1995, the Administrative Committee discussed recent situations in which Board staff were advised of practice and file abandonment by licensees. In one case Board resources amounting to \$18,000 were expended to deal with a CPA's abandoned files and attempts to return them to the clients involved.

After a discussion of the Board's mission, costs involved in taking control of files, and civil risks inherent in taking control of client files, the Administrative Committee recommends that Board staff not take control of a licensee's files in future situations of practice abandonment. Client's (complainants) who contact the Board office should be advised that violations of the Accountancy Act, including retention of client files, will be investigated and pursued promptly, however obtaining and returning client files is beyond the jurisdiction of the Board of Accountancy.

cc: Gregory P. Newington, Chief, Enforcement Program



BOARD OF ACCOUNTANCY
 2000 EVERGREEN STREET, SUITE 250
 SACRAMENTO, CA 95815-3832
 (916) 263-3680

Attachment 2

DEPARTMENT OF CONSUMER AFFAIRS

STATE BOARD OF ACCOUNTANCY

MINUTES OF BOARD MEETING

FINAL

SEPTEMBER 22, 1995

Board Conference Room - 2000 Evergreen Street, Suite 250
 Sacramento, California 95815
 Telephone: (916) 263-3981

I. Call to Order

President Dick Poladian called the meeting to order at 9:00 a.m. in the Board of Accountancy Conference Room at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815.

Marilyn Nielsen, Assistant Deputy Director, Board Relations, for the Department of Consumer Affairs, administered the Oath of Office to Christina Chen, newly appointed Board member. Ms. Chen is a public member, appointed by the Governor, and is from Whittier, California.

The Board immediately went into closed session to take up Agenda Item XII. A.

<u>Board Members</u>	<u>9/22/95</u>
Avedick Poladian, President	9:00 a.m. - 2:30 p.m.
Bob Shackleton, Vice-President	9:00 a.m. - 2:30 p.m.
Robert Badham	Absent
Victor Calderon	9:00 a.m. - 2:30 p.m.
Christina Chen	9:00 a.m. - 2:30 p.m.
E. Eileen Duddy	9:00 a.m. - 2:30 p.m.
Walter Finch	9:00 a.m. - 2:30 p.m.
"Mik" Mikkelsen	9:00 a.m. - 2:30 p.m.
Baxter Rice	9:00 a.m. - 2:30 p.m.
Diane Rubin	9:00 a.m. - 2:30 p.m.
Michael Schneider	9:00 a.m. - 2:30 p.m.
Joseph C. Tambe	9:00 a.m. - 2:30 p.m.

b. Major Case Program Summary

Mr. Newington reported there are six cases in the open inventory, and all six cases have Board Liaisons assigned.

4. Report on Fines and Citations

a. Mailer Statistical Results

Mr. Newington reported on the Cite and Fine project wherein a direct mailer has been sent to licensees who are in a delinquent license status.

b. Update Publication Results

Mr. Newington advised that there have been two publications of names in the Board's Update newsletter, to alert licensees that they are delinquent. This project began in December 1994, and staff anticipate they will wrap up the data collecting process by the end of this month. An Administrative Committee Task Force meeting is scheduled in October 1995 to draw preliminary conclusions and recommendations. Staff will analyze, summarize conclusions, and prepare a formal report with recommendations to the AC in January 1996. This item will come to the Board in March 1996.

5. Recommended Legal Options Re: Licensees Abandoning Practices Without Proper Procedures

Mr. Altman referred to his memo to the Board (See Attachment 3), regarding abandonment of practice and files by licensees. He explained there have been three situations in the past where licensees have abandoned their practices and not properly provided for the clients to obtain their files.

Mr. Poladian inquired whether the societies or AICPA might have guidelines in writing regarding the record retention issue, as this is an ethical situation. It was noted that the Societies do have programs to assist in situations such as in the death of a practitioner.

Mr. Miller noted that the State Bar does have an existing statutory authority to obtain a court order to deal with an attorney who has abandoned or cannot practice, and this provides protection from civil liability. However, he added, it is not a policy that is commonly adopted within the Boards at Department of Consumer Affairs.

It was moved by Mr. Finch, seconded by Mr. Shackleton, and unanimously carried that the Board adopt the Administrative Committee's recommendation that Board staff not take control of a licensee's files in future situations of practice abandonment. Client's (complainants) who contact the Board office should be advised that it is a violation of the Accountancy Act for a licensee to withhold client files, and such a matter will be investigated and pursued promptly; however, obtaining and returning client files is beyond the jurisdiction of the Board of Accountancy. (Mr. Tambe was temporarily absent.)

6. Revised Regulatory Language on Reportable Events

Mr. Altman referred to his memo to Mr. Poladian on the definition of Reportable Events, reflecting the Administrative Committee's votes on the issues in the discussion (See Attachment 4); he also referred to the draft wording of the reportable events rule attached to Mr. Granen's memo, dated June 20, 1995 (Attachment 4).

Important to the implementation of a reportable events regulation would be instituting a fingerprinting requirement. Such would provide a continuous reporting system from the FBI and the Department of Justice.

Mr. Landis noted another means of gaining compliance with the regulation would be to provide on the biennial renewal form, a statement which specifically raises these questions, which must be signed under penalty of perjury. There was a general consensus that this was an excellent suggestion and could be implemented if the rule was adopted.

Mr. Tambe inquired whether there was any reason this was being considered as a rule as opposed to being pursued in legislation, and Mr. Granen responded that there is no reason it could not be pursued in legislation, but regulation seemed to be the most cost effective process for the present time.

DEPARTMENT OF CONSUMER AFFAIRS CALIFORNIA BOARD OF ACCOUNTANCY



BOARD POLICY MANUAL

POLICY NUMBER: ENF B95 02	ADOPTION DATE: September 22, 1995	PROGRAM AREA: Enforcement	PAGE: 1 of 4
MINUTES PAGE NUMBER: 6753	TOPIC (TITLE): Practice Abandonment		
SUPERCEDES POLICY ON PAGE:	REFERENCE ITEMS:		

POLICY STATEMENT

Board staff are not to take control of a licensee's files in future situations of practice abandonment. Clients (complainants) who contact the Board office should be advised that it is a violation of the Accountancy Act for a licensee to withhold client files, and such a matter will be investigated and pursued promptly; however, obtaining and returning client files is beyond the jurisdiction of the Board of Accountancy.

Memorandum

CBA Agenda Item X.C
March 25-26, 2010

To : CBA Members

Date: March 11, 2010

Telephone : (916) 561- 1789
Facsimile : (916) 263- 3675
E-mail : lhersh@cba.ca.gov

From : Lauren Hersh
Information & Planning Manager

Subject : 2010-2012 Communications and Outreach Plan

In 2009, development of a new communications and outreach plan was begun as part of the CBA's 2010-2012 Strategic Plan. In December 2009, CBA Leadership requested an increased emphasis on CBA communications and outreach activities for 2010. As a result, the attached 2010-2012 Communication and Outreach Plan (Plan) was developed and is presented for consideration today.

Utilizing staff input from across CBA divisions and programs, the Plan identifies:

- CBA's stakeholders
- Specific communications and outreach goals to each stakeholder group
- Strategies and tools
- 2010 Calendar of activities

Intended to provide a roadmap for accomplishing the goals of increased communication and outreach, the Plan provides:

- high-level strategies to provide guidance in planning
- ground-level tools for guidance in executing the Plan
- a focus on consumer protection and enforcement activities within CBA's role as a regulatory body
- opportunities to increase education efforts with its stakeholders as CBA seeks to elevate its visibility
- enhanced accountability and transparency through calendared activities and opportunities

Additionally, an internal staff Communications Committee is being established to provide input and resources from the many different program areas at CBA. The Communications Committee will also be responsible for the Communications & Outreach Calendar, which has a monthly focus on a particular stakeholder group or message. As a first order of business, the Communications Committee will provide to management its recommendation for the monthly focus from April - December 2010.

2010 Communications & Outreach Plan

While the Plan reflects the three years covered by the Strategic Plan, the Communications and Outreach Calendar is specifically for activities in 2010. The calendar presented to you today is a draft, which will be updated as the CBA commits to specific outreach activities.

Staff are available to answer any questions CBA members may have regarding this Plan. Should the CBA have other ideas it would like staff to incorporate, the additional input would be appreciated.

The seal of the California Board of Accountancy is a circular emblem. It features a central figure, likely a personification of Justice or Truth, holding a scale and a sword. The figure is surrounded by various symbols, including a bear, a ship, and a plow. The text "CALIFORNIA BOARD OF ACCOUNTANCY" is written in a circular path around the top, and "DEPARTMENT OF CONSUMER AFFAIRS" is written around the bottom. The words "STATE OF CALIFORNIA" and "EUREKA" are also visible within the seal's design.

California Board of Accountancy
2010-2012 Communications & Outreach
Plan



1. Overview

1.1 Purpose and Scope

The purpose of this document is to define the 2010-2012 communications goals and strategies of the California Board of Accountancy (CBA), in support of the 2010-2012 Strategic Plan, Goal 4, which states: "Provide and maintain effective and timely outreach to all CBA stakeholders." The 2010-2012 Communications & Outreach Plan identifies CBA's stakeholders and outlines the goals of the communication efforts to reach and inform each group. These high-level strategies and goals are intended to provide guidance in planning and measuring results of the current and future communications efforts.

Without detailed plans for communications activities that identify the organization and policy needed to carry them out, the CBA will not be able to coordinate efforts with other groups or report its activities and results to oversight stakeholders. Risks of insufficient planning include: failure to accomplish key objectives; duplication of effort; waste of resources; and stakeholder rejection of future requests for communications support.

CBA communications and outreach efforts should be based on explicit, detailed and calendared communications plans. Success for CBA communications should be measured against plan objectives.

In concert with these objectives, CBA staff has created a Communications Committee to provide input and resources from across divisions and programs. The Communications Committee provides the oversight to ensure that planning and executing communications and outreach efforts will be integrated with the goals of the 2010-2012 Communications and Outreach Plan.

2. Stakeholders and Communications Goals

2.1 Background

The 2010-2012 Communications & Outreach Plan is part of the 2010-2012 Strategic Plan (Objective 4.4) and was developed to provide a roadmap for accomplishing goals and objectives identified in the Strategic Plan and directed by CBA members. Where appropriate, the goals listed in this plan will reference the 2010-2012 Strategic Plan.

2.2 Stakeholders and Goals

Communication is the CBA's primary tool for promoting cooperation, participation, and coordination between all stakeholders. The CBA has identified seven current stakeholder groups and has specific communications goals for each. (Strategic Plan Goal 4)

2.2.1 Consumers- Individuals and Businesses (Strategic Plan Goal 4)

Goals: Inform and educate

- How consumers can protect themselves when choosing a CPA
- What consumers can do if they have a complaint against a CPA
- What is the CBA and its purpose (Strategic Plan Objective 4.5)
- What a CPA does-the roles of different types of tax preparers
- How to choose a CPA
- Has your CPA completed a Peer Review

2.2.2 Licensees (Strategic Plan Goal 7)

Goals: Inform and educate

- License renewal requirements (Strategic Plan Objective 7.4)
- New Continuing Education (CE) requirements (Strategic Plan Objective 7.4)
- Peer Review Program and requirements (Strategic Plan Objective 7.2)
- Common pitfalls; discipline/reportable events (Strategic Plan Objective 1.7, 1.8)

2.2.3 Applicants for Licensure (Strategic Plan Goals 3, 4 and 7)

Goals: Inform and educate

- What is the CBA and its purpose (Strategic Plan Objective 4.5)
- How to apply for the Uniform CPA Exam
- Changes to the Uniform CPA Exam (CBT-e)
- How to obtain a license
- Elimination of Pathway 1
- The benefits a license provides

2.2.4 Colleges and Universities (Strategic Plan Goal 4)

Goals: Inform and educate

- What the CBA is and its purpose (Strategic Plan Objective 4.5)
- The educational requirements for becoming a CPA
- How to obtain a license
- The benefits a license provides

2.2.5 Professional Organizations (CalCPA, SCA, NASBA, AICPA) (Strategic Plan Goals 4 and 5)

Goals: Inform and gain support

- What the CBA is seeking to achieve and how it will benefit stakeholders
- Promote professional organizations' participation in the 2010-2012 Communications & Outreach Plan (Strategic Plan Objective 5.3)
- Leverage the organizations as advocates for CBA's consumer protection goals

2.2.6 Civic Organizations, Chambers of Commerce and Business Bureaus (Strategic Plan Goal 4)

Goals: Inform and gain support

- What the CBA is seeking to achieve and how it will impact small business
- Promote participation in outreach elements of the 2010-2012 Communications & Outreach Plan
- Leverage the organizations as advocates for support in CBA's consumer protection goals

2.2.7 DCA and Other State Agencies (Strategic Plan Goal 4)

Goals: Maximize opportunities for synergy and resources

- What the CBA is seeking to achieve that will dovetail with DCA and other state agencies (Strategic Plan Objective 4.2; 4.3)
- What opportunities may be extended to DCA and other state agencies to enhance outreach (Strategic Plan Objective 4.3)

- What opportunities extended to the CBA by DCA and other state agencies may be accepted to enhance outreach, i.e., CSLB's Senior ScamStoppers, DCA's "Scam Busters" (Strategic Plan Objective 4.3)
- What DCA/other state agency resources may be utilized to minimize CBA costs (Strategic Plan Goal 6)

3. Communications Strategies and Tools

The communications activities and relationships described in this plan may change as the 2010-2012 Communications & Outreach Plan evolves.

3.1 Press Releases (Strategic Plan Goal 4)

- Issued before and after CBA meetings
- Issued to inform/educate stakeholders regarding enforcement actions/consumer protection
- Issued to various stakeholders informing them of "Hot Topics" of interest

3.2 E-News (Strategic Plan Goal 8)

- Market E-News subscriptions on all correspondence
- Market E-News via "shared links" with professional organizations
- Utilize E-News for delivery of CBA information and activities to subscribers

3.3 UPDATE (Strategic Plan Goal 7)

- Expand publication to three times annually (Strategic Plan Objectives 1.7;4.1;4.5, 7.2)
- Seek/solicit "guest writer" from consumers, licensees, professional organizations, higher education, civic organizations/business bureaus/Chambers of Commerce

3.4 Brochures (Strategic Plan Goal 4)

- Develop new brochures as determined necessary (Strategic Plan Objective 4.7)
- Review content and design of current brochures for possible update/redesign (Strategic Plan Objective 4.7)

- Disseminate to consumers, licensees, professional organizations, colleges/universities, civic organizations/business bureaus/Chambers of Commerce
- Request consumer brochures be included in DCA's "Scam Busters Kit"
- Post to CBA Web site and make links available to professional organizations, colleges/universities, civic organizations/business bureaus/Chambers of Commerce

3.5 People to People (Strategic Plan Goal 4)

- Scheduled personal communications by CBA leadership to specified stakeholder leadership
- Contact by CBA leadership with legislators as CBA activities/interests warrant

3.6 Presentations

- Develop talking points/ program and leave-behind materials geared toward students/faculty at colleges/universities
- Develop talking points/program Professional Trade Organization chapter/regional meetings
- Develop talking points/program for Civic Organizations (Rotary, Kiwanis, etc.)
- Develop talking points/program for State/Federal agencies which serve and/or employ CPA licensees and potential applicants (FTB/IRS/BOE)
- See Stakeholders noted in sections 2.2.4-2.2.6 of this plan for additional presentation opportunities

3.7 CBA Web site

- Provide relevant information regarding enforcement activities, legislation, regulation, CBA meeting minutes, agenda and other items of interest to stakeholders (Strategic Plan 1.7;4.4; 4.6)
- Provide link to live Webcast CBA meetings and video files (Strategic Plan 4.5)
- Within State of California and DCA-permitted parameters, enhance "site" experience for end-users through leverage of Web page real estate and enhanced technologies (Strategic Plan 4.2)
- Provide links to audio files of radio spots and sponsorships (Strategic Plan 4.5)

3.7 Media Relations

- Monitor CBA in the news, responding to reporters responsible for the item as warranted or advantageous (Strategic Plan 4.1)
- Monitor trends in media to be poised to maximize opportunities and build relationships
- Regularly scheduled contact by Communications & Planning Manager with specified business and media editors

4. Addendum

4.1 2010 Calendar of Communication & Outreach Activities

JANUARY 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4 ▪Peer Review webpage press release ▪Monitor CBA in news*	5 Tax Tips links for Consumers added to Website	6	7	8 Furlough	9
10	11 Pre-CBA meeting press release	12 E-News release re: pre- CBA meeting press release	13 Enforcement release re:Murray ISO	14	15 Furlough	16
17	18	19	20 CBA meeting webcast	21 CBA meeting webcast	22 Furlough	23
24	25	26 E-News Alert re:QC meeting notice	27 QC meeting	28 EAC meeting	29	30
31						

Notes:

*monitoring news a daily activity necessary to assess outcomes

Calendar events will be updated throughout the year

Activities: Tax Tips links for Consumers added to CBA Web site

January Focus: Tax Tips for Consumers

FEBRUARY 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5 Furlough	6
7	8	9 New CBA language and link added to BOE Web site	10	11	12 Furlough	13
14	15	16	17 CBA E-News link added to CalCPA's Web site	18	19 Furlough	20
21	22	23	24	25 Enforcement action press release	26 E-News release re: Enforcement action	27
28						

Notes:

E-News Alerts are sent throughout the month

Activities: CBA Web link added to BOE Web site on 2/9; E-News subscription link added to CalCPA Web site 2/17

February Focus: Licensees

MARCH 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Posting of Practice Privilege Regulations	2	3	4	5 Furlough	6
7	8 -Consumer Protection Day at DCA -Peer Review Brochure added to CBA Web site	9	10	11	12 Furlough	13
14	15 Pre-CBA meeting press release	16 E-News Alert re: pre-CBA meeting press release	17	18	19 Furlough	20
21	22 -Messages promoting E-News -Customer Service Survey to be added to outgoing email	23	24 E-News alert re: CBA meeting	25 CBA meeting webcast	26 CBA meeting webcast	27
28	29 Post-meeting press release	30 E-News Alert re: post-meeting press release	31			

Notes:

E-News Alerts sent throughout the month

Activities: CBA Outreach @ Consumer Protection Day, DCA 3/8

March Focus: Consumer Protection Month

APRIL 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2 Furlough	3
4	5	6	7	8	9 Furlough	10
11	12	13	14	15	16 Furlough	17
18	19	20 E-News Alert re: QC meeting notice	21 QC meeting	22	23	24
25	26 Statewide traffic sponsorships anticipated to begin	27 Post link to sponsorship audio file to CBA Web site	28 ▪Enforcement action press release ▪E-News alert re:Enforcement actions	29	30	

Notes:

E-News alerts sent throughout the month

April Focus:

MAY 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 Pre-CBA meeting press release	4 E-News Alert re: pre-meeting press release	5 E-News alert re: EAC meeting	6 EAC meeting	7 Furlough	8
9	10	11 E-News alert re: CBA meetings	12 CBA meeting Webcast	13 CBA meeting Webcast	14 Furlough	15
16	17 Post-CBA meeting press release	18 E-News alert re: post-CBA meeting press release	19	20	21 Furlough	22
23	24	25	26	27 ▪UPDATE posted on CBA Web site ▪E-News alert	28 UPDATE mailout	29
30	31					

Notes:
E-News alerts sent throughout the month

May Focus:

JUNE 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4 Furlough	5
6	7	8	9	10	11 Furlough	12
13	14	15	16 Enforcement action press release	17 E-News Alert re:Enforcement action press release	18 Furlough	19
20	21	22	23	24	25	26
27	28	29	30			

Notes:
E-News Alerts sent throughout the month

June Focus:

JULY 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 *Post Peer Review reporting form on Web site	2 E-News alert re: Peer Review reporting form posting	3
4	5	6 Peer Review notification press release	7	8	9	10
11	12	13	14	15	16	17
18	19 Pre-CBA meeting press release	20 E-News Alert re: pre-CBA meeting press release	21	22	23	24
25	26	27 E-News alert re CBA meeting	28 CBA meeting Webcast	29 ▪Post-meeting press release ▪E-News Alert re: post-meeting press release	30	31

Notes:

*Peer Review notification and reporting form to be sent to licensee #01-33 (Approximately 19,000)

Related Activities: July 1, 2, 6

E-News Alerts sent throughout the month

July Focus:

AUGUST 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 E-News Alert re:EAC meeting	5 EAC meeting	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30 Enforcement action press release	31 E-News Alert re: Enforcement action press release				

Notes:

E-News Alerts sent throughout the month

August Focus:

SEPTEMBER 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13 Pre-CBA meeting press release	14 E-News Alert re: Pre-CBA meeting press release	15	16	17	18
19	20	21	22 E-News alert: CBA meetings	23 CBA Meeting Webcast	24 CBA Meeting Webcast	25
26	27 Post-CBA meeting press release	28 E-News Alert re: Post-CBA meeting press release	29	30 UPDATE mailout		

Notes:

E-News Alerts sent throughout the month

September Focus:

OCTOBER 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 *E-News alert	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18 Pre-CBA conference press release	19 E-News alert re:QC meeting	20 QC meeting	21	22	23
24	25 Enforcement action press release	26 E-News Alert re: ▪Enforcement action press release ▪CBA conference notice	27 CBA Conference	28	29	30
31						

Notes:
E-News Alerts sent throughout the month

October Focus:

NOVEMBER 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Post-CBA conference press release	2 E-News Alert re: Post CBA conference press release	3	4	5	6
7	8 Pre-meeting press release	9 E-News re: pre-meeting press release	10	11	12	13
14	15	16	17 E-News alert re: CBA meetings	18 CBA meeting Webcast	19 CBA meeting Webcast	20
21	22 Post-meeting press release	23 E-News re: post-meeting press release	24	25	26	27
28	29	30				

Notes:
E-News Alerts sent throughout the month

November Focus:

DECEMBER 2010

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20 Enforcement action press release	21 E-News Alert re: Enforcement action press release	22	23	24	25
26	27	28	29	30	31	

Notes:
E-News Alerts sent throughout the month

December Focus:

Memorandum

CBA Agenda Item X.D
March 25-26, 2010

To : CBA Members
Date : February 16, 2010
Telephone : (916) 561-4344
Facsimile : (916) 263-3674
E-mail : vjohnston@cba.ca.gov

From : Vincent Johnston, Analyst
Executive Unit

Subject : CBA Member Ambassador Program

On December 21, 2009 CBA leadership and staff met to discuss topics of importance for the upcoming year. One point of interest was the creation of an “ambassador” program to perform outreach on behalf of the CBA, mostly to schools, but to other organizations as necessary.

At the March 2010 CBA meeting, staff will be presenting the 2010-2012 Communications and Outreach Plan. The plan will encompass outreach to various stakeholders, including consumers, licensees, and business organizations. Should the CBA decide to adopt an ambassador program, staff anticipate augmenting the outreach plan to incorporate the ambassador program. However, before staff adds the ambassador program to the plan, the role of the ambassador must be more clearly defined.

The overarching message of the 2010-2012 Communications and Outreach Plan should remain consistent; however the question becomes which portions of the plan the ambassador should present. Due to the large number of topics and audiences outlined in the plan, it would be difficult for one person to perform all aspects of outreach without extensive internal process training. It may be advantageous for the CBA to focus the ambassador program “message” on certain elements of the Communication and Outreach Plan. This would allow the ambassador to become a subject matter expert on a few portions of the plan, as opposed to attempting to master the plan in its entirety.

Due to current staffing and workload challenges, staff suggests the CBA designate one of its members to serve as the ambassador. Staff will prepare a Frequently Asked Questions primer for the ambassador, which would assist him/her in answering most questions as received. Due to the limited scope of duties as assigned to the Vice President in the CBA Member Guidelines and Procedures Manual, staff suggests that the CBA consider designating the Vice President as the ambassador, calling on other CBA members to assist as needed.

CBA Member Ambassador Program
Page 2 of 2

Staff is bringing this issue to the CBA for exposure to determine:

- The level of interest in creating an ambassador program/position
- How often the position should be utilized in outreach presentations
- What topics from the outreach plan should be covered by the presentations
- Direction regarding designating the Vice President as the ambassador, or if a number of CBA members should perform in this role.

Should the CBA choose to follow staff suggestion regarding having the Vice President serve as an ambassador, revised language for the Guidelines and Procedures manual will be brought to a future CBA meeting for adoption. A training and outreach program will also be created, and elements of the presentation will be presented at a future CBA meeting for input and subsequent inclusion into the CBA 2010-2012 Communications and Outreach Plan.

Staff will be present to discuss this matter at the March meeting.

Memorandum

CBA Agenda Item X.E.
March 25-26, 2010

To : CBA Members

Date : March 10, 2010

Telephone : (916) 561-1711

Facsimile : (916) 263-3678

E-mail : pbowers@cba.ca.gov

From : Patti Bowers
Executive Officer

Subject : Report on Hearing of Assembly Committee on Accountability and Administrative Review

On February 10th, 2010, the Assembly Accountability and Administrative Review Committee met with various agencies to discuss recent reports of excessive state spending, in light of governmental cuts in education, public safety, and other necessary services. The hearing addressed state contracting and procurement, furniture purchases, conference and outside meeting expenses, and motor vehicle purchases. Participating agencies are listed below:

- Department of General Services
- Air Resources Board
- Health and Human Services Agency
- Department of Motor Vehicles
- Department of Education
- Department of Consumer Affairs
- Department of Transportation
- Department of Motor Vehicles
- Department of Forestry and Fire Protection
- Department of Parks and Recreation

Legislative panelists presiding:

- Hector De La Torre: Chair
- Audra Strickland: Vice Chair
- Other panelists not listed on the Agenda

The objective of the Committee hearing seemed to be two-fold. One was investigative in order to understand the procurement policies of the participating agencies, and the other was fact-finding, discovering areas of conflicting information and data, making follow-up recommendations for agencies, and offering legislative support and assistance.

It was communicated by the panel to the agencies present that it was critical to ensure that procurement and expenditure decisions were made responsibly, only out of necessity, less costly, and to include follow-up auditing along with data transparency.

Statements by panelists suggested that it appeared that some agencies were “out-of-touch” with current economic realities. This was in light of panelists’ statements that the legislators were the watchdog for the consumer and needed to be assured that the state is getting value for every dollar spent. In addition, each dollar spent would need to be justified should it be questioned. One legislator remarked that when the state is cutting critical services including enforcement services, and when there are 40-plus children in a classroom, certain types of state expenditures must be explained to his constituents.

Cross-cutting issues of concern on the agenda (**Attachment 1**) are identified below:

Procurement:

- Contracts written to purchase goods and services were in many cases vague and did not convey the extent of the purchase to justify the cost.
- State-negotiated contracts for furniture were considered by the panel as being excessive. One panelist used the term “extraordinary.” A mix of new and used workstation cubicles parts was cited as averaging between \$5,000 to \$7,000 per cubicle, but the current FY 2009/10 DCA Price Book contract price for a cubicle workstation is \$6,000.
- The panel members implied that with the state’s large purchasing power, it believed that better rates could be negotiated. A comment was made that furniture made using PIA labor which is “cents-on-the-dollar,” seems not to be reflected in the contract pricing. Another panelist asked if agencies sent competitive bids to outside vendors to get a more reasonable cost. The Department of General Services (DGS) and some other agencies explained that more is involved in pricing than just the physical units. Also incorporated is the cost of designing the modular furniture to fit into the space identified, installation of the cubicle, and all necessary supporting infrastructure such as power, network, and telephone.
- Furniture the state owns or that is available for use is in databases not readily accessible for all agencies.

Conferences and Outside Meeting Expenditures:

- The legislative panel members focused on determining if agencies were using state owned facilities for meetings and conferences, especially upon learning that there is no centralized reservation system available. Another point of interest was determining the number of people attending a meeting and whether the state or another governmental entity was paying for the meeting and associated travel costs. The panel wanted a clear understanding of the funding source for the meetings.
- By not having a “centralized reservation system” on the DGS Web site, panelists advised that it gave the appearance that it might be preferable to use an outside private vendor with whom an agency is familiar with rather than try to locate an available state facility.

DCA Participation

In advance of this scheduled hearing, CBA staff provided DCA with requested relevant information regarding its outside meetings, including travel and reimbursement costs for FY 2008/09 and estimated costs for FY 2009/10 (current year). Out of all of the boards and bureaus that submitted this information, CBA was one of five boards from which the panel requested additional information for particular trips. CBA staff worked closely with Bill Young, DCA’s Chief Deputy Director, who testified at the hearing on behalf all boards under

the DCA umbrella. Bill Young did an outstanding job in presenting the meeting and conference information that the boards had provided, and the panel not only accepted his testimony without requiring additional testimony from board representatives, but indicated that the DCA was doing a good job. Still, in the end, the panel advised that the DCA should look for ways in which it could do even better.

Legislative Panel Recommendations

The panel thanked all participants and requested some to follow-up on certain items of interest. The panel offered its assistance to provide any tools necessary to assist agencies in performing their job. The panel voiced its concerns regarding many issues but focused mainly on costs, procurement, transparency, and management of the public's and licensee's funds.

Recommendations:

- Expenditures must be closely monitored.
- State facilities should be used for meetings whenever possible.
- Meeting arrangements should reflect the lowest cost to the state.
- Alternative meeting arrangements should be pursued to lower travel costs.
- Records should be kept of those attending and the funding source.
- Databases accessible to all agencies should be available for resource management. These should be able to track state facility availability, furniture availability, and outside vendors who offer the state the best value.
- Contracts should be negotiated in a manner that benefits the state with the lowest costs, and completed contracts should be audited for performance.
- Clarity in the contract wording and substance of what is being purchased to avoid the appearance of impropriety. Costs should be clearly indicated and explanations should be clear and complete. Sources of funding should also be evident.
- State fund expenditures should be monitored and followed-up with some form of auditing to determine performance.

Impact on CBA

In response to the Legislature's concerns, CBA staff have identified a number of performance strategies under consideration to address the panel's concerns and recommendations:

- Decreased staff attendance at CBA and committee meetings.
- Staff monitoring CBA meetings via webcast.
- Travel/time schedule adjustments to reduce or eliminate overnight travel.
- Use of state facilities for meetings instead of hotels.
- Use of CBA office for task force and committee meetings.
- Paperless distribution of meeting materials to interested parties.
- Staff car-pooling to meetings.
- CBA management closely monitoring purchases for goods and services.

CBA staff recorded this hearing in its entirety and can make it available to CBA members upon request. I will also be available at the meeting to answer any additional questions.

Attachment

Memorandum

Board Agenda Item X.F.
March 25-26, 2010

To : CBA Members

Date : March 8, 2010

Telephone : (916) 561-1713

Facsimile : (916) 263-3674

E-mail : drich@cba.ca.gov

From : Dan Rich
Assistant Executive Officer

Subject : Compliance with DCA Travel Guidelines

As a result of the recent direction provided by the Legislature during the Accountability and Administrative Review Hearing, the Department of Consumer Affairs (DCA) is committed to ensuring that only the most economical mode of transportation is reimbursed when employers are required to travel. Additionally, staff have been apprised that every travel claim submitted to DCA is being closely examined before any reimbursement is approved. Consequently, the issue of travel has been scheduled at this meeting to assure that all CBA members are aware of travel guidelines and do not incur travel expenses that are not reimbursable.

Attached is the Department of Consumer Affairs' Travel Guide (Travel Guide; Attachment 1). The purpose of this guide is to provide and define the basic travel reimbursement rules for employees who are required to travel on official state business, methods of travel that are available, and how to use them.

Per Diem Allowances – Please refer to page three and four in the Travel Guide.

Distance and time are two criteria that need to be considered when determining the appropriate amount of reimbursement allowed for meals, lodging and incidentals. Employees on travel status must be at least 50 miles from home/headquarters. The most direct route determines this distance. There are no flat reimbursement rates for meals. All items claimed are to be for the actual amount of the expense, up to the maximum reimbursement amounts. Time requirements are applicable when determining which meals are reimbursable.

The state rate only will be reimbursed for lodging. Please see page three of the travel guide for state rates related to specific counties.

Transportation – Please refer to page nine in the Travel Guide.

When determining the most economical mode of transportation, the following costs should be considered:

- Expenses for transportation (airline, bus, train, mileage for private vehicles, gasoline for rental cars, parking, shuttle, tolls, etc.).

- The most economical parking should be used at an airport (i.e., economy or long-term parking rather than daily or hourly parking).
- Valet parking will not be reimbursed.
- The urgency of the situation.
- The number of persons to be transported.
- Driving time one-way (consider alternate transportation if over 2 hours).
- If flying, the availability of transportation to and from the destination.

CBA staff are still seeking DCA guidance regarding those travel expenses that should be included when comparing alternate means of travel. For assistance in comparing costs to ensure the most economical mode of transportation is used, as noted on page 10 of the Travel Guide, please contact Veronica Daniel at (916) 561-1716. Please be aware that only the least expensive method of transportation will be reimbursed.

Rental Cars – Please refer to page 12 and 13 in the Travel Guide and the attached Department of General Services' Travel Bulletin #09-09 (Attachment 2).

The State currently contracts with Enterprise Rent A Car for vehicle rental while on official State business. In the event that Enterprise is unable to provide service, there are two secondary vendors: Alamo and National. Employees who use a non-contract vendor when a contract vendor is available, or exceed the maximum rates, will be responsible for the difference unless valid written justification is provided. Please refer to the attached Travel Bulletin for maximum rates.

The rental car requirements state that employees must NOT:

- Extend rental agreements for personal business and pay the difference.
- Agree to purchase insurance. Insurance is included in the state contracted rates.
- Agree to purchase the fuel service option or prepaid fuel. Employees are required to fill the vehicle up with gas before returning the vehicle.
- Agree to purchase higher rate, non-economy cars.
- Carry unauthorized, non-state employees, in rental vehicles.

Receipts – Please refer to pages 17 and 18 in the Travel Guide.

Receipts shall be submitted for every item of expense except for the following:

- Per Diem Meals and Incidentals.
- Overtime Meals.
- Up to the published railroad and bus fares of less than \$10.00, when travel is within the State of California.
- Street car, ferry fares, bridge and road tolls, local rapid transit system, taxi shuttle or hotel bus fares, and parking fees of \$10.00 or less for each continuous period of parking or each separate transportation expense.

CBA staff are currently making modifications to CBA communications, new CBA member orientation materials and policy manuals to include information regarding the importance of selecting the most economical mode of travel.

For assistance with travel reservations, please contact Marina Olivarez-Fuentes at (916) 561-1712 or Miatra Smith at (916) 561-1719. Please submit your travel claim information to Barbara Coleman within 30 days after travel.

Attachments

Memorandum

CBA Agenda Item X.G.
March 25-26, 2010

To : CBA Members

Date : March 4, 2010

Telephone : (916) 561-1713

Facsimile : (916) 263-3674

E-mail : drich@cba.ca.gov

From : Dan Rich
Assistant Executive Officer

Subject : Pre-Approval of Conference Attendance

The Department of Consumer Affairs (DCA) introduced late last year the Conference Attendance Request form, which is to be used when board members or staff register for a conference or convention. The form is being used to ensure compliance with Department of Personnel Administration regulations (CCR, Section 599.635) requiring DCA Executive Office approval to attend any conference or convention if the registration fees exceed \$50.00, or when more than two individuals from the same department are attending the same convention or conference.

Staff sought confirmation from the DCA and was instructed that the attached Conference Attendance Request form must be completed, and approved by the DCA Executive Office (or delegated representative), before board members or staff register for a conference if the fee is over \$50.00. Further, reimbursement of registration fees and related travel expenses to attend a conference is contingent on advance approval of a Conference Attendance Request form.

Please note that it is DCA's direction that when determining the individuals who should attend a conference, state agencies are requested to limit attendance to only those who need the information to do their jobs effectively. Consequently, due to this requirement, it is likely that attendance at NASBA conferences will be more limited than it has been in the past.

To coordinate attendance for a conference or convention, please work with CBA's Executive staff, Marina Olivarez-Fuentes at (916) 561-1712 or Miatra Smith at (916) 561-1719 who can assist you in completing the Conference Attendance Request form and getting appropriate approvals.

I will be available at the meeting to answer any questions you may have.

Attachment

Memorandum

CBA Agenda Item X.H.
March 25-26, 2010

To : CBA Members

Date : February 24, 2010

Telephone : (916) 561-1716

Facsimile : (916) 263-3674

E-mail : vdaniel@cba.ca.gov


From : Veronica Daniel
Executive Analyst

Subject : Educational Presentation – Form 700 Statement of Economic Interests

All California Board of Accountancy (CBA) members are required to file a Form 700, Statement of Economic Interests, each year and should have recently received information via mail regarding the Form 700 reporting requirements. The deadline for response is April 1, 2010. Gary Duke, Department of Consumer Affairs (DCA) Legal Counsel, will be available at the CBA meeting to provide an educational overview of the Form 700 and address any questions CBA members may have.

Included for reference is a copy of the Annual Filing Notification (**Attachment 1**), the Form 700 with instructions (**Attachment 2**), the Top Ten Form 700 Questions (**Attachment 3**), and the Top Ten Gift Questions (**Attachment 4**).

Attachments

c: Gary Duke, DCA Legal Counsel



ANNUAL FILING NOTIFICATION
FORM 700, "STATEMENT OF ECONOMIC INTERESTS"
DUE DATE: APRIL 1, 2010

It is that time of the year again! Time to file your annual Form 700, "Statement of Economic Interests" (Form 700) the period covered by this annual statement is January 1, 2009, through December 31, 2009. If your position is listed under the Department of Consumer Affairs, Conflict-of-Interest Regulations you are considered a "designated employee" and are therefore, required to file the annual Form 700. The Department of Consumer Affairs Conflict of Interests regulations will assist you in determining your disclosure categories. Your disclosure category specifies the types of personal economic interests that must be disclosed. The Form 700 is to be completed upon assuming the position, **annually** and upon leaving. You are required to file even if you have no reportable interests.

If you need assistance in determining your disclosure requirements, please contact the FPPC at 1-866-275-3772. If you have any questions regarding this notice please contact David Test at (916) 574-8367.

Please sign, date and send your Form 700 on or before APRIL 1, 2010 to:

Department of Consumer Affairs
Office of Human Resources
Attn: David Test
1625 North Market Blvd., Suite N-321
Sacramento, CA 95834

Website Links:

[Form 700, "Statement of Economic of Interest"](#)

[Department of Consumer Affairs, Conflict of Interests Regulations](#)

[Statement of Economic Interests Reference Pamphlet](#)

[Limitations and Restrictions on Gifts, Honoraria, Travel and Loans](#)

[Your Duty to File](#)

LATE PENALTY: Government Code Section 91013 provides that any person who files a statement after the deadline becomes liable in the amount of \$10.00 per day, up to a maximum of \$100.00 It is not necessary to return the pages on which you have no reportable interests. Please keep a copy of your completed 2009/2010 annual Form 700 for your records.



2009/2010

FORM 700

Statement of Economic Interests

Also available on the FPPC website:
Form 700 Reference Pamphlet

a public document

Fair Political Practices Commission

428 J Street, Suite 620 • Sacramento, CA 95814

Toll-Free Advice Line: 866-ASK-FPPC • (866) 275-3772

Telephone: (916) 322-5660

www.fppc.ca.gov

What's New

- Effective January 1, 2010, an individual hired for a position not yet covered under an agency's conflict-of-interest code must file Form 700 if the individual serves in a position that makes or participates in making governmental decisions. These individuals must file under the broadest disclosure category until the code is amended to include the new position unless the agency has provided in writing a limited disclosure requirement. Such individuals are referred to as "code filers." See Regulation 18734.
- New restrictions on receiving tickets to nonprofit and political fundraisers and other events.

More information is contained in the Reference Pamphlet.

Who must file:

- Elected and appointed officials and candidates listed in Government Code Section 87200.
- Employees and appointed officials filing pursuant to a conflict-of-interest code ("code filers"). **Obtain your disclosure categories, which describe the interests you must report, from your agency;** they are not part of the Form 700.
- Candidates running for local elective offices that are designated in a conflict-of-interest code (for example, county sheriffs, city clerks, school board trustees, and water board members).
- Members of newly created boards and commissions not yet covered under a conflict-of-interest code.

(See Form 700 Reference Pamphlet, page 2, at www.fppc.ca.gov or obtain from your filing officer.)

Where to file:

87200 Filers

State offices	⇒ Your agency
Judicial offices	⇒ The clerk of your court
Retired Judges	⇒ Directly with FPPC
Legislative Staff	⇒ Directly with FPPC
County offices	⇒ Your county filing official
City offices	⇒ Your city clerk
Multi-County offices	⇒ Your agency

Code Filers — State and Local Officials and Employees Designated in a Conflict-of-Interest Code:

File with your agency, board, or commission unless otherwise specified in your agency's conflict-of-interest code. In most cases, the agency, board, or commission will retain the statements.

Members of Boards and Commissions of Newly Created Agencies:

File with your newly created agency or with your agency's code reviewing body.

Candidates: File with your local elections office.

How to file:

The Form 700 is available at www.fppc.ca.gov. Effective January 1, 2010, Form 700 schedules are also available in Excel format. All statements must have an original "wet" signature. Instructions, examples, and a reference pamphlet are available.

When to file:

Annual Statements

⇒ March 1, 2010

- Elected State Officers
- Judges and Court Commissioners
- State Board and Commission Members listed in Government Code Section 87200

⇒ April 1, 2010

- Most other filers

Individuals filing under conflict-of-interest codes in city and county jurisdictions should verify the annual filing date with their local filing officer.

Statements postmarked by the filing deadline are considered filed on time.

Assuming, Leaving, and Initial Statements

Most filers file within 30 days of assuming or leaving office or within 30 days of the effective date of a newly adopted or amended conflict-of-interest code.

Candidate Statements

File no later than the final filing date for the declaration of candidacy or nomination documents.

Amendments

Statements may be amended at any time. You are only required to amend the schedule that needs to be revised. It is not necessary to amend the entire filed form. Obtain amendment schedules at www.fppc.ca.gov.

Statements that are mailed are considered filed on the postmark date. There is no provision for filing deadline extensions. Statements of 30 pages or less may be faxed by the deadline as long as the originally signed paper version is sent by first class mail to the filing official within 24 hours.

INTRODUCTION

The Political Reform Act (Gov. Code Sections 81000-91014) requires most state and local government officials and employees to publicly disclose their personal assets and income. They also must disqualify themselves from participating in decisions which may affect their personal economic interests. The Fair Political Practices Commission (FPPC) is the state agency responsible for issuing the attached Statement of Economic Interests, Form 700, and for interpreting the law's provisions.

Gift Prohibition

Gifts received by most state and local officials, employees, and candidates are subject to a limit. For 2009-2010, the gift limit is \$420 from a single source during a calendar year.

In addition, state officials, state candidates, and certain state employees are subject to a \$10 limit per calendar month on gifts from lobbyists and lobbying firms registered with the Secretary of State. (See Reference Pamphlet, page 9.)

State and local officials and employees should also check with their agency to determine if any other restrictions apply.

Honorarium Ban

Most state and local officials, employees, and candidates are prohibited from accepting an honorarium for any speech given, article published, or attendance at a conference, convention, meeting, or like gathering. (See Reference Pamphlet, page 9.)

Loan Restrictions

Certain state and local officials are subject to restrictions on loans. (See Reference Pamphlet, page 13.)

Disqualification

Public officials are, under certain circumstances, required to disqualify themselves from making, participating in, or attempting to influence governmental decisions that will affect their economic interests. This may include interests they are not required to disclose (for example, a personal residence is often not reportable, but may be disqualifying). Specific disqualification requirements apply to 87200 filers (for example, city councilmembers, members of boards of supervisors and planning commissioners). These officials must orally identify the economic interest that creates a conflict of interest and leave the room before a discussion or vote takes place at a public meeting. For more information, consult Government Code Section 87105 and Regulation 18702.5 at, www.fppc.ca.gov.

Post-Governmental Employment

There are restrictions on representing clients or employers before former agencies. The provisions apply to elected state officials, most state employees, local elected officials, county chief administrative officers, city managers, including the chief administrator of a city, and general managers or chief administrators of local special districts. The FPPC website has fact sheets explaining the provisions.

Late Filing

The filing officer who retains originally signed statements of economic interests may impose on an individual a fine for any statement that is filed late. The fine is \$10 per day up to a maximum of \$100. Late filing penalties can be reduced or waived under certain circumstances.

Persons who fail to timely file their Form 700 may be referred to the FPPC's Enforcement Division (and, in some cases, to the Attorney General or district attorney) for investigation and possible prosecution. In addition to the late filing penalties, a fine of up to \$5,000 per violation may be imposed.

For assistance concerning reporting, prohibitions, and restrictions under the Act:

- Call the FPPC toll-free at (866) ASK-FPPC
- See the booklet entitled "Your Duty to File: A Basic Overview of State Economic Disclosure Law and Reporting Requirements for Public Officials"

Form 700 Public Access

Statements of Economic Interests are public documents. The filing officer must permit any member of the public to inspect and copy any statement.

- Statements must be available as soon as possible during the agency's regular business hours, but in any event not later than the second business day after the statement is received.
- No conditions may be placed on persons seeking access to the forms.
- No information or identification may be required from persons seeking access.

Reproduction fees of no more than 10 cents per page may be charged.

INSTRUCTIONS — COVER PAGE

Enter your name, mailing address, and daytime telephone number in the spaces provided. **Since the Form 700 is a public document**, you may list your business/office address instead of your home address.

Part 1. Office, Agency, or Court

- Enter the name of the office sought or held, or the agency or court. Consultants must enter the public agency name rather than their private firm name. (Examples: State Assembly; Board of Supervisors; Office of the Mayor; Department of Finance; Hope County Superior Court.)
- Indicate the name of your division, board, or district, if applicable. (Examples: Division of Waste Management; Board of Accountancy; District 45.)
- Enter your position title. (Examples: Director; Chief Counsel; City Council Member; Staff Services Analyst.)
- If you hold multiple positions (for example, a city council member who also is a member of a county board or commission), you may be required to file statements with each agency. To simplify your filing obligations, you may complete an expanded statement.

To do this, enter the name of the other agency(ies) with which you are required to file and your position title(s) in the space provided. Attach an additional sheet if necessary. Complete one statement covering the disclosure requirements for all positions. Each copy must contain an original signature. Therefore, before signing a statement, make a copy for each agency. Sign each copy with an original signature and file with each agency.

Remember that if you assume or leave a position after a filing deadline, you must complete a separate statement. For example, a city council member who assumes a position with a county special district after the April 1 annual filing deadline must file a separate assuming office statement. In subsequent years, the city council member may expand his or her annual filing to include both positions.

Part 2. Jurisdiction of Office

- Check the box indicating the jurisdiction of your agency and, if applicable, identify the jurisdiction. Judges, judicial candidates, and court commissioners have statewide jurisdiction. All other filers should review the Reference Pamphlet, page 12, to determine their jurisdiction.
- If your agency is a multi-county office, list each county in which your agency has jurisdiction.

- If your agency is not a state office, court, county office, city office, or multi-county office (for example, school districts and special districts), check the “other” box and enter the county or city in which the agency has jurisdiction.

1. Office, Agency, or Court
Name of Office, Agency, or Court: South Sutter Water District
Division, Board, District, if applicable:
Your Position: Board member
► If filing for multiple positions, list additional agency(ies) position(s): (Attach a separate sheet if necessary.)
Agency:
Position:
2. Jurisdiction of Office (Check at least one box)
<input type="checkbox"/> State
<input type="checkbox"/> County of _____
<input type="checkbox"/> City of _____
<input type="checkbox"/> Multi-County _____
<input checked="" type="checkbox"/> Other Portions of Yuba & Sutter Counties

Example:

This filer is a member of a water district board with jurisdiction in portions of Yuba and Sutter Counties.

Part 3. Type of Statement

Check at least one box. The period covered by a statement is determined by the type of statement you are filing. If you are completing a 2009 Annual Statement, **do not** change the pre-printed dates to reflect 2010. Your annual statement is used for reporting the previous year's economic interests. Economic interests for your annual filing covering January 1, 2009, through December 31, 2009, will be disclosed on your statement filed in 2010. (See Reference Pamphlet, page 3.)

Combining Statements: Certain types of statements may be combined. For example, if you leave office after January 1 but before the deadline for filing your annual statement, you may combine your annual and leaving office statements. File by the earliest deadline. Consult your filing officer or the FPPC.

Part 4. Schedule Summary

- Enter the total number of completed pages including the cover page and either:

Check the “Yes” box for each schedule you use to disclose interests.

- or -

If you have nothing to disclose on any schedule, check the “No reportable interests” box. Please **do not** attach any blank schedules.

Part 5. Verification

Complete the verification by signing the statement and entering the date signed. When you sign your statement, you are stating, under penalty of perjury, that it is true and correct. Only the filer has authority to sign the statement.

An unsigned statement is not considered filed and you may be subject to late filing penalties.

COVER PAGE

A Public Document

Please type or print in ink.

NAME (LAST)	(FIRST)	(MIDDLE)	DAYTIME TELEPHONE NUMBER ()	
MAILING ADDRESS <i>(Business Address Acceptable)</i>	STREET	CITY	STATE	ZIP CODE
			OPTIONAL: E-MAIL ADDRESS	

1. Office, Agency, or Court

Name of Office, Agency, or Court: _____

Division, Board, District, if applicable: _____

Your Position: _____

► If filing for multiple positions, list additional agency(ies)/ position(s): (Attach a separate sheet if necessary.)

Agency: _____

Position: _____

2. Jurisdiction of Office (Check at least one box)

State

County of _____

City of _____

Multi-County _____

Other _____

3. Type of Statement (Check at least one box)

Assuming Office/Initial Date: ____/____/____

Annual: The period covered is January 1, 2009, through December 31, 2009.

-or-

The period covered is ____/____/____, through December 31, 2009.

Leaving Office Date Left: ____/____/____ (Check one)

The period covered is January 1, 2009, through the date of leaving office.

-or-

The period covered is ____/____/____, through the date of leaving office.

Candidate Election Year: _____

4. Schedule Summary

► Total number of pages including this cover page: _____

► Check applicable schedules or "No reportable interests."

I have disclosed interests on one or more of the attached schedules:

Schedule A-1 Yes – schedule attached
Investments (Less than 10% Ownership)

Schedule A-2 Yes – schedule attached
Investments (10% or Greater Ownership)

Schedule B Yes – schedule attached
Real Property

Schedule C Yes – schedule attached
Income, Loans, & Business Positions (Income Other than Gifts and Travel Payments)

Schedule D Yes – schedule attached
Income – Gifts

Schedule E Yes – schedule attached
Income – Gifts – Travel Payments

-or-

No reportable interests on any schedule

5. Verification

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed _____
(month, day, year)

Signature _____
(File the originally signed statement with your filing official.)

WHICH SCHEDULE DO I USE?

COMMON REPORTABLE INTERESTS

Schedule A-1:	Stocks
Schedule A-2:	Business entities, partnerships, LLCs, corporations, trusts
Schedule B:	Rental property in the jurisdiction
Schedule C:	Non-government salaries of public official and spouse/registered domestic partner
Schedule D:	Gifts from non-family members (such as tickets to sporting or entertainment events)
Schedule E:	Travel payments from third parties (not your employer)

COMMON NON-REPORTABLE INTERESTS

Schedule A-1/A-2:	Diversified mutual funds registered with the SEC under the Investment Company Act of 1940 and certain retirement accounts invested in insurance policies or governmental bonds
Schedule A-1/A/2:	Savings and checking accounts
Schedule B:	A residence used exclusively as a personal residence (such as a home or vacation cabin)
Schedule C:	Government salary (such as a school district)
Schedule D:	Gifts from family members
Schedule E:	Travel paid by your government agency

- Remember:**
- Mark the “No reportable interests” box on Part 4 of the Schedule Summary on the Cover Page if you determine you have nothing to disclose and file the cover page only. **Make sure you carefully read all instructions to ensure proper reporting.**
 - The Form 700 is a public document.
 - Most individuals must consult their agency’s conflict-of-interest code for reportable interests.
 - Most individuals file the Form 700 with their agency.

QUESTIONS AND ANSWERS

- Q. What is the reporting period for disclosing interests on an assuming office statement or a candidate statement?
- A. On an assuming office statement, disclose all reportable investments, interests in real property, and business positions held on the date you assumed office. In addition, you must disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you assumed office.

On a candidate statement, disclose all reportable investments, interests in real property, and business positions held on the date you file your declaration of candidacy. In addition, you must disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you file your declaration of candidacy.

- Q. I hold two other board positions in addition to my position with the county. Must I file three statements of economic interests?
- A. Yes, three are required. However, you may complete one statement listing the county and the two boards on the cover page as the agencies for which you will be filing. Report your economic interests using the broadest jurisdiction and disclosure requirements assigned to you by the three agencies. Make two copies of the entire statement **before signing it**, sign each copy with an original signature, and distribute one original to the county and to each of the two boards. Remember to complete separate statements for positions that you leave or assume during the year.
- Q. I am classified as a department head but recently began acting as city manager. Should I file as the city manager?
- A. Yes. File an assuming office statement as city manager. Persons serving as “acting”, “interim”, or “alternate” must file as if they hold the position.
- Q. I left one state agency to work for another state agency. Must I file a leaving office statement?
- A. Yes. You may also need to file an assuming office statement for the new agency.

Investment Disclosure

- Q. I have an investment interest in shares of stock in a company that does not have an office in my jurisdiction. Must I still disclose my investment interest in this company?
- A. Probably. The definition of “doing business in the jurisdiction” is not limited to whether the business has an office in your jurisdiction. (See Reference Pamphlet, page 12.)
- Q. My spouse and I have a living trust. The trust holds rental property in my jurisdiction, our primary residence, and investments in diversified mutual funds. I have full disclosure. How is this trust disclosed?
- A. Disclose the name of the trust, the rental property and its income on Schedule A-2. Your primary residence and investments in diversified mutual funds registered with the SEC are not reportable.
- Q. I am required to report all investments. I hold many stocks through an account managed by a brokerage firm. Must I disclose these stocks even though I did not decide which stocks to purchase?
- A. Yes, you must disclose on Schedule A-1 or A-2 any stock worth \$2,000 or more in a business entity located in or doing business in your jurisdiction.
- Q. I own stock in IBM and must report this investment on Schedule A-1. I initially purchased this stock in the early 90’s; however, I am constantly buying and selling shares. Must I note these dates in the “Acquired” and “Disposed” fields?
- A. No. You must only report dates in the “Acquired” or “Disposed” fields when, if during the reporting period, you initially purchase a reportable investment worth \$2,000 or more or when you dispose of the entire investment. You are not required to track the partial trading of an investment. Note: If a previously reported investment falls below the \$2,000 reporting threshold, you may note this in the comment section of the schedule.

QUESTIONS AND ANSWERS Continued

Income Disclosure

- Q. I reported a business entity on Schedule A-2. Clients of my business are located in several states. Must I report all clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2, Part 3?
- A. No, only the clients doing business on a regular basis in your jurisdiction must be disclosed.
- Q. I believe I am not required to disclose the names of clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2 because of their right to privacy. Is there an exception for reporting clients' names?
- A. Regulation 18740 provides a procedure in which a client's name may not be disclosed if disclosure of the name would violate a legally recognized privilege under California law. This regulation may be obtained from our website at www.fppc.ca.gov.
- Q. I am the sole owner of my business. Where do I disclose my income - on Schedule A-2 or Schedule C?
- A. Sources of income to a business in which you have an ownership interest of 10% or greater are disclosed on Schedule A-2. (See Reference Pamphlet, page 7, for the definition of "business entity.")
- Q. How do I disclose my spouse's or registered domestic partner's salary?
- A. Report the name of the employer as a source of income on Schedule C.
- Q. I am a doctor. For purposes of reporting \$10,000 sources of income on Schedule A-2, Part 3, are the patients or their insurance carriers considered sources of income?
- A. If your patients exercise sufficient control by selecting you instead of other doctors, then your patients, rather than their insurance carriers, are sources of income to you.

Gift Disclosure

- Q. If I received a gift of two tickets to a concert valued at \$100 each, but gave the tickets to a friend because I could not attend the concert, do I have any reporting obligations?

- A. Yes. Since you accepted the gift and exercised discretion and control of the use of the tickets, you must disclose the gift on Schedule D.
- Q. Co-workers are hosting a retirement party for a public official before the official leaves office. Attendees will pay \$45; \$35 covers the event's costs (food, decorations, etc.) and \$10 goes toward a gift. One co-worker is collecting the funds and making the expenditures. What does the official report on his Form 700?
- A. The official discloses the amount that includes the total value of the gift, plus \$35 (his pro rata share of the event's cost). The source can be identified as "office staff" or "co-workers." The names of individual donors are not required to be reported as long as no individual contributed \$50 or more.
- Q. Mary and Joe Benson, a married couple, want to give a piece of artwork to a close friend who is a county supervisor. Is each spouse considered a separate source for purposes of the gift limit and disclosure?
- A. Yes, each spouse may make a gift valued at \$420 during 2009-2010. Therefore, the Bensons may give the supervisor artwork valued at no more than \$840. The supervisor must identify Joe and Mary Benson as the sources of the gift.
- Q. I am a Form 700 filer with full disclosure. Our agency holds a holiday raffle to raise funds for a local charity. I bought \$10 worth of raffle tickets and won a gift basket valued at \$120. The gift basket was donated by Doug Brewer, a citizen in our city. At the same event, I bought raffle tickets for, and won a quilt valued at \$70. The quilt was donated by a coworker. Are these reportable gifts?
- A. Because the gift basket was donated by an outside source (not an agency employee), you have received a reportable gift valued at \$110 (the value of the basket less the consideration paid). The source of the gift is Doug Brewer and the agency is disclosed as the intermediary. Because the quilt was donated by an employee of your agency, it is not a reportable gift.

INSTRUCTIONS — SCHEDULES A-1 AND A-2 INVESTMENTS

“Investment” means a financial interest in any business entity which is located in, doing business in, planning to do business in, or which has done business during the previous two years in your agency’s jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more at any time during the reporting period. (See Reference Pamphlet, page 12.)

Reportable investments include:

- Stocks, bonds, warrants, and options, including those held in margin or brokerage accounts and managed investment funds (See Reference Pamphlet, page 12.)
- Sole proprietorships
- Your own business or your spouse’s or registered domestic partner’s business (See Reference Pamphlet, page 7, for the definition of “business entity.”)
- Your spouse’s or registered domestic partner’s investments that are legally separate property
- Partnerships (for example, a law firm or family farm)
- Investments in reportable business entities held in a retirement account (See Reference Pamphlet, page 14.)
- If you, your spouse or registered domestic partner, or dependent children had a 10% or greater ownership interest in a business entity or trust (including a living trust), you must disclose investments held by the business entity or trust. (See Reference Pamphlet, page 14, for more information on disclosing trusts.)
- Business trusts

You are not required to disclose:

- Diversified mutual funds registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940
- Bank accounts, savings accounts, and money market accounts
- Insurance policies
- Annuities
- Shares in a credit union
- Government bonds (including municipal bonds)
- Retirement accounts invested in non-reportable interests (for example, insurance policies, diversified mutual funds, or government bonds) (See Reference Pamphlet, page 14.)

REMINDERS

- Do you know your agency’s jurisdiction?
- Did you hold investments at any time during the period covered by this statement?
- Code filers – your disclosure categories may only require disclosure of specific investments.

- Government defined-benefit pension plans
- Interests held in a blind trust (See Reference Pamphlet, page 15.)

Use Schedule A-1 to report ownership of less than 10% (for example, stock). Schedule C (Income) may also be required if the investment is not a stock or corporate bond. (See second example below.)

Use Schedule A-2 to report ownership of 10% or greater (for example, a sole proprietorship).

TO COMPLETE SCHEDULE A-1:

Do not attach brokerage or financial statements.

- Disclose the name of the business entity.
- Provide a general description of the business activity of the entity (for example, pharmaceuticals, computers, automobile manufacturing, or communications).
- Check the box indicating the highest fair market value of your investment during the reporting period. If you are filing a candidate or an assuming office statement, indicate the fair market value on the filing date or the date you took office, respectively.
- Identify the nature of your investment (for example, stocks, warrants, options, or bonds).
- An acquired or disposed of date is only required if you initially acquired or entirely disposed of the investment interest during the reporting period. The date of a stock dividend reinvestment or partial disposal is not required. Generally, these dates will not apply if you are filing a candidate or an assuming office statement.

Examples:

John Smith holds a state agency position. His conflict-of-interest code requires full disclosure of investments. John must disclose his stock holdings of \$2,000 or more in any company that does business in California, as well as those stocks held by his spouse or registered domestic partner and dependent children.

Susan Jones is a city council member. She has a 4% interest, worth \$5,000, in a limited partnership located in the city. Susan must disclose the partnership on Schedule A-1 and income of \$500 or more received from the partnership on Schedule C.

SCHEDULE A-1

Investments

Stocks, Bonds, and Other Interests

(Ownership Interest is Less Than 10%)

Do not attach brokerage or financial statements.

CALIFORNIA FORM **700**

FAIR POLITICAL PRACTICES COMMISSION

Name _____

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income of \$0 - \$500
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
_____/_____/09 ____/_____/09
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income of \$0 - \$500
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
_____/_____/09 ____/_____/09
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income of \$0 - \$500
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
_____/_____/09 ____/_____/09
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income of \$0 - \$500
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
_____/_____/09 ____/_____/09
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income of \$0 - \$500
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
_____/_____/09 ____/_____/09
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF BUSINESS ACTIVITY _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____ (Describe)
 Partnership Income of \$0 - \$500
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
_____/_____/09 ____/_____/09
ACQUIRED DISPOSED

Comments: _____

INSTRUCTIONS – SCHEDULE A-2

INVESTMENTS, INCOME, AND ASSETS OF BUSINESS ENTITIES/TRUSTS

Use Schedule A-2 to report investments in a business entity or trust (including a living trust) in which you, your spouse or registered domestic partner, or your dependent children had a 10% or greater interest, totaling \$2,000 or more, during the reporting period and which is located in, doing business in, planning to do business in, or which has done business during the previous two years in your agency's jurisdiction. (See Reference Pamphlet, page 12.) A trust located outside your agency's jurisdiction is reportable if it holds assets that are located in or doing business in the jurisdiction. You are not required to report a trust that contains no reportable interests. For example, if you have a trust containing only your personal residence, your savings account, and some municipal bonds, you would not report this trust because these interests are not reportable.

Also report on Schedule A-2 investments and real property held by that entity or trust if your pro rata share of the investment or real property interest was \$2,000 or more during the reporting period.

TO COMPLETE SCHEDULE A-2:

Part 1. Disclose the name and address of the business entity or trust. If you are reporting an interest in a business entity, check "Business Entity" and complete the box as follows:

- Provide a general description of the business activity of the entity.
- Check the box indicating the fair market value of your investment.
- If you initially acquired or entirely disposed of this interest during the reporting period, enter the date acquired or disposed.
- Identify the nature of your investment.
- Disclose the job title or business position you held with the entity, if any (for example, if you were a director, officer, partner, trustee, employee, or held any position of management).

Part 2. Check the box indicating **your pro rata** share of the **gross** income received **by** the business entity or trust. This amount includes your pro rata share of the **gross** income **from** the business entity or trust, as well as your community property interest in your spouse's or registered domestic partner's share. Gross income is the total amount of income before deducting expenses, losses, or taxes.

Part 3. Disclose the name of each source of income which is located in, doing business in, planning to do business in, or which has done business during the previous two years in your agency's jurisdiction, as follows:

- Disclose each source of income and outstanding loan **to the business entity or trust** identified in Part 1 if

your pro rata share of the **gross** income (including your community property interest in your spouse's or registered domestic partner's share) to the business entity or trust from that source was \$10,000 or more during the reporting period. (See Reference Pamphlet, page 10, for examples.) Income from governmental sources may be reportable if not considered salary. (See Regulation 18232.) Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.

- Disclose each individual or entity that was a source of commission income of \$10,000 or more during the reporting period through the business entity identified in Part 1. (See Reference Pamphlet, page 7, for an explanation of commission income.)

You may be required to disclose sources of income located outside your jurisdiction. For example, you may have a client who resides outside your jurisdiction who does business on a regular basis with you. Such a client, if a reportable source of \$10,000 or more, must be disclosed.

Leave Part 3 blank if you do not have any reportable \$10,000 sources of income to disclose. Adding phrases such as "various clients" or "not disclosing sources pursuant to attorney-client privilege" may trigger a request for an amendment to your statement. (See Reference Pamphlet, page 13, for details about privileged information.)

Part 4. Report any investments or interests in real property held **by the entity or trust** identified in Part 1 if your pro rata share of the interest held was \$2,000 or more during the reporting period.

- Check the applicable box identifying the interest held as real property or an investment.
- If investment, provide the name and description of the business entity.
- If real property, report the address or other precise location (for example, an assessor's parcel number).
- Check the box indicating the fair market value of your interest in the real property or investment. (Report the fair market value of the portion of your residence claimed as a tax deduction if you are utilizing your residence for business purposes.)
- Identify the nature of your interest.
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property or investment during the reporting period.

SCHEDULE A-2

Investments, Income, and Assets of Business Entities/Trusts

(Ownership Interest is 10% or Greater)

▶ 1. BUSINESS ENTITY OR TRUST

Name _____

Address (Business Address Acceptable) _____

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <table style="width: 100%; text-align: center;"> <tr> <td>____/____/09</td> <td>____/____/09</td> </tr> <tr> <td>ACQUIRED</td> <td>DISPOSED</td> </tr> </table>	____/____/09	____/____/09	ACQUIRED	DISPOSED
____/____/09	____/____/09				
ACQUIRED	DISPOSED				

NATURE OF INVESTMENT
 Sole Proprietorship Partnership _____ Other

YOUR BUSINESS POSITION _____

▶ 1. BUSINESS ENTITY OR TRUST

Name _____

Address (Business Address Acceptable) _____

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <table style="width: 100%; text-align: center;"> <tr> <td>____/____/09</td> <td>____/____/09</td> </tr> <tr> <td>ACQUIRED</td> <td>DISPOSED</td> </tr> </table>	____/____/09	____/____/09	ACQUIRED	DISPOSED
____/____/09	____/____/09				
ACQUIRED	DISPOSED				

NATURE OF INVESTMENT
 Sole Proprietorship Partnership _____ Other

YOUR BUSINESS POSITION _____

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

\$0 - \$499 \$10,001 - \$100,000
 \$500 - \$1,000 OVER \$100,000
 \$1,001 - \$10,000

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

\$0 - \$499 \$10,001 - \$100,000
 \$500 - \$1,000 OVER \$100,000
 \$1,001 - \$10,000

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (attach a separate sheet if necessary)

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (attach a separate sheet if necessary)

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

Name of Business Entity or
 Street Address or Assessor's Parcel Number of Real Property _____

Description of Business Activity or
 City or Other Precise Location of Real Property _____

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <table style="width: 100%; text-align: center;"> <tr> <td>____/____/09</td> <td>____/____/09</td> </tr> <tr> <td>ACQUIRED</td> <td>DISPOSED</td> </tr> </table>	____/____/09	____/____/09	ACQUIRED	DISPOSED
____/____/09	____/____/09				
ACQUIRED	DISPOSED				

NATURE OF INTEREST
 Property Ownership/Deed of Trust Stock Partnership
 Leasehold _____ Yrs. remaining Other _____

Check box if additional schedules reporting investments or real property are attached

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

Name of Business Entity or
 Street Address or Assessor's Parcel Number of Real Property _____

Description of Business Activity or
 City or Other Precise Location of Real Property _____

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <table style="width: 100%; text-align: center;"> <tr> <td>____/____/09</td> <td>____/____/09</td> </tr> <tr> <td>ACQUIRED</td> <td>DISPOSED</td> </tr> </table>	____/____/09	____/____/09	ACQUIRED	DISPOSED
____/____/09	____/____/09				
ACQUIRED	DISPOSED				

NATURE OF INTEREST
 Property Ownership/Deed of Trust Stock Partnership
 Leasehold _____ Yrs. remaining Other _____

Check box if additional schedules reporting investments or real property are attached

Comments: _____

INSTRUCTIONS – SCHEDULE B INTERESTS IN REAL PROPERTY

Report interests in real property located in your agency's jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more any time during the reporting period. (See Reference Pamphlet, page 12.)

Interests in real property include:

- An ownership interest (including a beneficial ownership interest)
- A deed of trust, easement, or option to acquire property
- A leasehold interest (See Reference Pamphlet, page 13.)
- A mining lease
- An interest in real property held in a retirement account (See Reference Pamphlet, page 14.)
- An interest in real property held by a business entity or trust in which you, your spouse or registered domestic partner, or your dependent children had a 10% or greater ownership interest (Report on Schedule A-2.)
- Your spouse's or registered domestic partner's interests in real property that are legally held separately by him or her

You are not required to report:

- A residence, such as a home or vacation cabin, used exclusively as a personal residence (However, a residence for which you claim a business deduction may be reportable. If reportable, report the fair market value of the portion claimed as a tax deduction.)
- Interests in real property held through a blind trust (See Reference Pamphlet, page 15, for exceptions.)

TO COMPLETE SCHEDULE B:

- Report the address or other precise location (for example, an assessor's parcel number) of the real property.
- Check the box indicating the fair market value of your interest in the property (regardless of what you owe on the property).
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property during the reporting period.
- Identify the nature of your interest. If it is a leasehold, disclose the number of years remaining on the lease.

REMINDERS

- Income and loans already reported on Schedule B are not also required to be reported on Schedule C.
- Code filers – do your disclosure categories require disclosure of real property?

- If you received rental income, check the box indicating the gross amount you received.
- If you had a 10% or greater interest in real property and received rental income, list the name of the source(s) if your pro rata share of the gross income from any single tenant was \$10,000 or more during the reporting period. If you received a total of \$10,000 or more from two or more tenants acting in concert (in most cases, this will apply to married couples), disclose the name of each tenant. Otherwise, leave this section blank.
- Loans from a private lender that total \$500 or more and are secured by real property may be reportable. **Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.**

When reporting a loan:

- Provide the name and address of the lender.
- Describe the lender's business activity.
- Disclose the interest rate and term of the loan. For variable interest rate loans, disclose the conditions of the loan (for example, Prime + 2) or the average interest rate paid during the reporting period. The term of a loan is the total number of months or years given for repayment of the loan at the time the loan was established.
- Check the box indicating the highest balance of the loan during the reporting period.
- Identify a guarantor, if applicable.

If you have more than one reportable loan on a single piece of real property, report the additional loan(s) on Schedule C.

Example:

Joe Nelson is a city planning commissioner. Joe received rental income of \$12,000 during the reporting period from a single tenant who rented property Joe owned in the city's jurisdiction. If Joe had received the \$12,000 from two or more tenants, the tenants' names would not be required as long as no single tenant paid \$10,000 or more.

STREET ADDRESS OR PRECISE LOCATION 4600 24th Street	
CITY Sacramento, CA 95814	
FAIR MARKET VALUE	IF APPLICABLE, LIST DATE:
<input type="checkbox"/> \$2,000 - \$10,000	<input type="checkbox"/> \$10,001 - \$100,000
<input type="checkbox"/> \$100,001 - \$1,000,000	<input checked="" type="checkbox"/> Over \$1,000,000
ACQUIRED 1/1/09 / 1/1/09 / 1/1/09	
DISPOSED	
NATURE OF INTEREST	
<input checked="" type="checkbox"/> Ownership/Deed of Trust	<input type="checkbox"/> Easement
<input type="checkbox"/> Leasehold	<input type="checkbox"/> Other
IF RENTAL PROPERTY, GROSS INCOME RECEIVED	
<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$500 - \$1,000
<input type="checkbox"/> \$1,001 - \$10,000	<input type="checkbox"/> OVER \$100,000
SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.	
Henry Wells	
NAME OF LENDER*	
Sophia Petroillo	
ADDRESS	
2121 Blue Sky Parkway	
BUSINESS ACTIVITY OF LENDER	
Restaurant Owner	
INTEREST RATE	TERM (Months/Years)
8 % <input type="checkbox"/> None	15 Years
HIGHEST BALANCE DURING REPORTING PERIOD	
<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> \$1,001 - \$10,000
<input checked="" type="checkbox"/> \$10,001 - \$100,000	<input type="checkbox"/> OVER \$100,000
<input type="checkbox"/> Guarantor, if applicable	

SCHEDULE B
Interests in Real Property
 (Including Rental Income)

Name _____

▶ STREET ADDRESS OR PRECISE LOCATION

 CITY _____

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

ACQUIRED _____/_____/09 DISPOSED _____/_____/09

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold _____ _____
 Yrs. remaining Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

▶ STREET ADDRESS OR PRECISE LOCATION

 CITY _____

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

ACQUIRED _____/_____/09 DISPOSED _____/_____/09

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold _____ _____
 Yrs. remaining Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

* You are not required to report loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER* _____
 ADDRESS (Business Address Acceptable) _____
 BUSINESS ACTIVITY, IF ANY, OF LENDER _____
 INTEREST RATE _____% None TERM (Months/Years) _____
 HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

NAME OF LENDER* _____
 ADDRESS (Business Address Acceptable) _____
 BUSINESS ACTIVITY, IF ANY, OF LENDER _____
 INTEREST RATE _____% None TERM (Months/Years) _____
 HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

Comments: _____

INSTRUCTIONS – SCHEDULE C
INCOME, LOANS, & BUSINESS POSITIONS
(Income Other Than Gifts and Travel Payments)

Report the source and amount of gross income of \$500 or more you received during the reporting period. Gross income is the total amount of income before deducting expenses, losses, or taxes and includes loans other than loans from a commercial lending institution. (See Reference Pamphlet, page 10.) Also report your job title with each reportable business entity, even if you received no income during the reporting period. You must also report the source of income to your spouse or registered domestic partner if your community property share was \$500 or more during the reporting period.

A source of income must be reported only if the source is located in, doing business in, planning to do business in, or has done business during the previous two years in your agency's jurisdiction. (See Reference Pamphlet, page 12, for more information about doing business in the jurisdiction.) Reportable sources of income may be further limited by your disclosure category located in your agency's conflict-of-interest code.

Commonly reportable income and loans include:

- Salary/wages, per diem, and reimbursement for expenses including travel payments provided by your employer
- Community property interest (50%) in your spouse's or registered domestic partner's income - **report the employer's name and all other required information**
- Income from investment interests, such as partnerships, reported on Schedule A-1
- Commission income not required to be reported on Schedule A-2 (See Reference Pamphlet, page 7.)
- Gross income from any sale, including the sale of a house or car (Report your pro rata share of the total sale price.)
- Rental income not required to be reported on Schedule B
- Prizes or awards not disclosed as gifts
- Payments received on loans you made to others, including loan repayments from a campaign committee
- An honorarium received prior to becoming a public official (See Reference Pamphlet, page 9, concerning your ability to receive future honoraria.)
- Incentive compensation (See Reference Pamphlet, page 11.)

REMINDERS

- Code filers – your disclosure categories may not require disclosure of all sources of income.
- If you or your spouse or registered domestic partner are self-employed, report the business entity on Schedule A-2.
- Do not disclose on Schedule C income, loans, or business positions already reported on Schedules A-2 or B.

You are not required to report:

- Salary, reimbursement for expenses or per diem, or social security, disability, or other similar benefit payments received by you or your spouse or registered domestic partner from a federal, state, or local government agency

See Reference Pamphlet, page 11, for more exceptions to income reporting.

TO COMPLETE SCHEDULE C:

Part 1. Income Received/Business Position Disclosure

- Disclose the name and address of each source of income or each business entity with which you held a business position.
- Provide a general description of the business activity if the source is a business entity.
- Disclose the job title or business position, if any, that you held with the business entity, even if you did not receive income during the reporting period.
- Check the box indicating the amount of gross income received.
- Identify the consideration for which the income was received.
- For income from commission sales, check the box indicating the gross income received and list the name of each source of commission income of \$10,000 or more. (See Reference Pamphlet, page 7.)
- For income from rental property that is not required to be listed on Schedule B, enter "Rental Income" under "Name of Source," check the box indicating the gross income received, and, if you had a 10% or greater interest in the rental property, list the name of each tenant if your pro rata share of the gross income from that tenant was \$10,000 or more during the reporting period.

Part 2. Loans Received or Outstanding During the Reporting Period

- Provide the name and address of the lender.
- Provide a general description of the business activity if the lender is a business entity.
- Check the box indicating the highest balance of the loan during the reporting period.
- Disclose the interest rate and the term of the loan.
 - For variable interest rate loans, disclose the conditions of the loan (for example, Prime + 2) or the average interest rate paid during the reporting period.
 - The term of the loan is the total number of months or years given for repayment of the loan at the time the loan was entered into.
- Identify the security, if any, for the loan.

INSTRUCTIONS – SCHEDULE D INCOME – GIFTS

A gift is anything of value for which you have not provided equal or greater consideration to the donor. A gift is reportable if its fair market value is \$50 or more. In addition, multiple gifts totaling \$50 or more received during the reporting period from a single source must be reported.

Gifts are reportable regardless of where the donor is located.

It is the acceptance of a gift, not the ultimate use to which it is put, that imposes your reporting obligation. Except as noted below, you must report a gift even if you never used it or if you gave it away to another person.

If the exact amount of a gift is unknown, you must make a good faith estimate of the item's fair market value. Listing the value of a gift as "over \$50" or "value unknown" is not adequate disclosure. In addition, if you received a gift through an intermediary, you must disclose the name, address, and business activity of both the donor and the intermediary.

Commonly reportable gifts include:

- Tickets/passes to sporting or entertainment events
- Tickets/passes to amusement parks
- Parking passes
- Food, beverages, and accommodations, including those provided in direct connection with your attendance at a convention, conference, meeting, social event, meal, or like gathering, where you did not give a speech, participate in a panel or seminar, or provide a similar service
- Rebates/discounts not made in the regular course of business to members of the public without regard to official status
- Wedding gifts (See Reference Pamphlet, page 15)
- An honorarium (You may report an honorarium as income on Schedule C, rather than as a gift on Schedule D, if you provided services of equal or greater value than the payment received. See Reference Pamphlet, page 9, regarding your ability to receive future honoraria.)
- Transportation and lodging (See Schedule E.)
- Forgiveness of a loan received by you

You are not required to disclose:

- Gifts that were not used and which, within 30 days after receipt, were returned to the donor or delivered to a charitable organization without being claimed by you as a charitable contribution for tax purposes

REMINDERS

- Gifts from a single source are subject to a \$420 limit. See Reference Pamphlet, page 9.
- See Reference Pamphlet, page 1, for rules on tickets.
- Code filers – you only need to report gifts from reportable sources.

- Gifts from your spouse or registered domestic partner, child, parent, grandparent, grandchild, brother, sister, aunt, uncle, niece, nephew, or first cousin (Included in this exception are gifts from your spouse's or domestic partner's children, parents, brothers, sisters, and the spouse or registered domestic partner of the individuals listed above. The exception does not apply if the donor was acting as an agent or intermediary for a reportable source who was the true donor.)
- Gifts of hospitality involving food, drink, or occasional lodging provided in an individual's home when the individual or a member of the individual's family was present
- Gifts of similar value exchanged between you and an individual, other than a lobbyist, on holidays, birthdays, or similar occasions
- Gifts of informational material provided to assist you in the performance of your official duties (e.g., books, pamphlets, reports, calendars, periodicals, or educational seminars)
- A bequest or inheritance (However, inherited investments or real property may be reportable on other schedules.)
- Personalized plaques or trophies with an individual value of less than \$250
- Campaign contributions
- A single ticket to a 501(c)(3) or political fundraising event received for your own use from the organization or the committee holding the fundraiser (The gift limit applies to nonprofit tickets.)
- Gifts given to members of your immediate family unless you enjoy direct benefit of the gift, use the gift, or exercise discretion or control over the use or disposition of the gift (See Commission Regulation 18944.)
- A pass or ticket that provided a one-time admission to an event (e.g., theater performance or sporting event) that was not used and was not transferred to another person (Commission Regulation 18946.1 provides a method for determining the value of a ticket or pass that was used or transferred to another person and for determining the value of passes or tickets which provide repeated admission to facilities or services.)
- Food, beverages, and necessary accommodations provided directly in connection with an event at which you gave a speech, participated in a panel or seminar, or provided a similar service

TO COMPLETE SCHEDULE D:

- Disclose the full name (not an acronym), address, and, if a business entity, the business activity of the source.
- Provide the date (month, day, and year) of receipt, and disclose the fair market value and description of the gift.

SCHEDULE D
Income – Gifts

Name _____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

Comments: _____

INSTRUCTIONS – SCHEDULE E TRAVEL PAYMENTS, ADVANCES, AND REIMBURSEMENTS

Travel payments reportable on Schedule E include advances and reimbursements for travel and related expenses, including lodging and meals.

Gifts of travel may be subject to the gift limit. In addition, certain travel payments are reportable gifts, but are not subject to the gift limit. To avoid possible misinterpretation or the perception that you have received a gift in excess of the gift limit, you may wish to provide a specific description of the purpose of your travel. See the FPPC fact sheet entitled "Limitations and Restrictions on Gifts, Honoraria, Travel, and Loans" at www.fppc.ca.gov.

You are not required to disclose:

- Travel payments received from any state, local, or federal government agency for which you provided services equal or greater in value than the payments received
- Travel payments received from your employer in the normal course of your employment that are included in the income reported on Schedule C
- Payments or reimbursements for transportation within California in connection with an event at which you gave a speech, participated in a panel or seminar, or performed a similar service
- Food, beverages, and necessary accommodations received directly in connection with an event held inside or outside California at which you gave a speech, participated in a panel, or provided a similar service (Note that payments for transportation outside of California are reportable.)
- A travel payment that was received from a non-profit entity exempt from taxation under Internal Revenue Code Section 501(c)(3) for which you provided equal or greater consideration

TO COMPLETE SCHEDULE E:

- Disclose the full name (not an acronym) and address of the source of the travel payment.
- Identify the business activity, if any, of the source.
- Check the box to identify the payment as a gift or income, report the amount, and disclose the date(s).

- **Travel payments are gifts** if you did not provide services that were equal to or greater in value than the payments received. You must disclose gifts totaling \$50 or more from a single source during the period covered by the statement. Gifts of travel are reportable without regard to where the donor is located.

When reporting travel payments that are gifts, you must provide a description of the gift and the date(s) received.

- **Travel payments are income** if you provided services that were equal to or greater in value than the payments received. You must disclose income totaling \$500 or more from a single source during the period covered by the statement. You have the burden of proving the payments are income rather than gifts.

When reporting travel payments as income, you must describe the services you provided in exchange for the payment. You are not required to disclose the date(s) for travel payments that are income.

Example:

City council member Rick Chandler is a board member of the League of California Cities. The League reimburses its board members for travel and lodging, as well as meals and other expenses associated with board meetings.

If Rick provides equal or greater consideration for the travel and lodging when he participates in the meeting, the reimbursements are reported as income. Note that the burden is on the official to determine whether he or she has provided equal or greater value for the payment.

▶ NAME OF SOURCE	
League of California Cities	
ADDRESS	
1400 K Street, Suite 400	
CITY AND STATE	
Sacramento, CA	
BUSINESS ACTIVITY, IF ANY, OF SOURCE	
Association of city officials	
DATE(S):	AMT: \$ 588.00
(If applicable)	
TYPE OF PAYMENT: (must check one) <input type="checkbox"/> Gift <input checked="" type="checkbox"/> Income	
DESCRIPTION: Travel reimbursement for board meeting	

SCHEDULE E

Income – Gifts

Travel Payments, Advances, and Reimbursements

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

Name _____

- **Reminder – you must mark the gift or income box.**
- **You are not required to report income from government agencies.**

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

CITY AND STATE _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: _____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

CITY AND STATE _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: _____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

CITY AND STATE _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: _____

▶ NAME OF SOURCE _____

ADDRESS *(Business Address Acceptable)* _____

CITY AND STATE _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If applicable)

TYPE OF PAYMENT: (must check one) Gift Income

DESCRIPTION: _____

Comments: _____

Top Ten Form 700 Questions

Fair Political Practices Commission • 428 J Street, Suite 620 • Sacramento, CA 95814
1-866-ASK-FPPC/1-866-275-3772

1. Q. Where do I file my Form 700?
 - A. Local and state officials file with their agency. Only retired judges serving on assignment and legislative staff file the Form 700 directly with the FPPC. Certain statements are forwarded to the FPPC by the state or local agency.

2. Q. Do I report my salary or my spouse's salary if we work for a government agency?
 - A. No. Salary from a federal, state or local government agency (including salary from a public school district) is not reportable.

3. Q. Is my personal residence reportable?
 - A. It depends. For example many individuals do not have to disclose real property pursuant to their agency's conflict-of-interest code. For those individuals that must disclose real property, any personal residence occupied by you or your family (including a vacation home) is not reportable if used exclusively as a personal residence. However, a residence for which you claim a business deduction is reportable if the portion claimed as a tax deduction is valued at \$2,000 or more. The amount of the tax deduction is not relevant. In addition, any residence for which you receive rental income is reportable if it is located in your jurisdiction.

4. Q. All my investment decisions are made by my account manager and I have no input into where my funds are invested. Am I required to disclose the investments contained in this account?
 - A. Yes, you must disclose on Schedules A-1 or A-2 any investments worth \$2,000 or more in a business entity located or doing business in your jurisdiction. Also check your conflict-of-interest code, if applicable, to determine if the investment is reportable.

5. Q. I have funds invested in a retirement account. Must I report the investments held in the retirement account?

- A. It depends. Investments held in a government defined-benefit pension program plan are not reportable. However, assets held in some retirement accounts such as a defined contribution plan 401(k) must be disclosed if the account holds such items as common stock. You may have to contact your account manager for assistance in determining what assets are held in your account.
6. Q. My spouse and I have a living trust which holds rental property in my jurisdiction, our primary residence, and investments in diversified mutual funds. How do I disclose this trust?
- A. Disclose the name of the trust, the rental property and its income on Schedule A-2. Your primary residence and investments in diversified mutual funds registered with the SEC are not reportable.
7. Q. Do I have to report my spouse's or registered domestic partner's income?
- A. It depends. You must report 50% of your spouse's salary disclosing the employer's name as the source of income on Schedule C. If your spouse or registered domestic partner is self-employed, report the business entity on Schedule A-2. Several exceptions do apply such as if the employer is a government agency. Consult the instructions for guidance.
8. Q. I own a business in which I have received income from clients of \$10,000 or more, but their names are confidential. Must I disclose their names on Schedule A-2, Part 3?
- A. Regulation 18740 (available at www.fppc.ca.gov) provides a procedure in which a client's name may not be disclosed if disclosure of the name would violate a legally recognized privilege under California law. Requests for exemptions must be submitted to the FPPC Executive Director.
9. Q. I hold various positions for which I need to file a Form 700. Am I required to file a statement for each position?
- A. Yes, however you may complete an expanded statement covering the disclosure requirements for all positions. Be sure to file an originally signed statement with each filing officer.
10. Q. If I postmark my Form 700 by the due date, is it considered filed on time?
- A. Yes.

California Fair Political Practices Commission

2009/2010 Top Ten Gift Questions

1. What is the gift limit for 2010?

- **\$ 420:** Gifts from any other single source may not exceed \$420 in a calendar year. For officials and employees who file Statements of Economic Interests (Form 700) under an agency's conflict-of-interest code ("designated employees"), this limit applies only if the official or employee would be required to report income or gifts from that source on the Form 700, as outlined in the "disclosure category" portion of the agency's conflict-of-interest code.
- **\$10: State agency officials**, including legislators, legislative staff and state commission members, may not accept gifts aggregating more than **\$10 in a calendar month** from a single **lobbyist or lobbying firm** if the lobbyist or firm is registered to lobby the official's or employee's agency.

2. In March a vendor that provides goods to an agency had its contract renewed by the city council. Within 12 months, the vendor offered entertainment tickets to the spouse of one of the city council members. Does the city council member report the tickets as gifts?

Yes. effective February 10, 2010, there is a presumption that such gifts provided to the spouse of a local government agency official who is listed in Government Code Section 87200 (e.g. planning commissioners, city council members, board of supervisors) are gifts to the official. An exception to this rule applies when there is an established working, social, or similar relationship between the donor/vendor and the official's family member, independent of the relationship between the donor/vendor and the official.

3. Co-workers exchange gifts of similar value on birthdays. Are these items reportable?

No. Such gift exchanges with individuals, other than lobbyists, are not reportable or subject to gift limits. The gifts exchanged must be similar in value.

4. How does an individual return a gift so that it is not reportable?

Unused gifts that are returned to the donor or reimbursed within 30 days of receipt are not reportable. You may also donate the unused item to a charity or governmental agency within 30 days of receipt or acceptance as long as the donation is not claimed as a tax deduction.

5. An agency received two free tickets to a sporting event from a local vendor. The tickets were used by the Director of Transportation and his child. Each ticket was valued at \$50. How are these reported?

- The tickets are reportable in the amount of \$100 on the Director's Form 700, Statement of Economic Interests, if the vendor is a reportable source. OR
- If the agency has a written ticket policy posted on its website, the policy is followed and both the vendor and the director's name are identified on a Form 802 and posted on the agency's website, the director would not report the tickets on his/her Form 700. An agency's policy must state the public purpose for ticket distribution.

California Fair Political Practices Commission

2009/2010 Top Ten Gift Questions

6. An elected official entered a drawing that was open to the general public and won a prize worth more than \$420. May the prize be accepted?

If the prize is received in connection with a bona fide competition, it may be reportable as income. In order for the event to be a bona fide competition, the drawing should not be related to an official's status as an officeholder, it must include a large pool of contestants and be widely advertised. Individuals should contact the FPPC for specific guidance.

7. Are frequent flyer miles reportable?

No. Free tickets received under an airline's frequent flyer program that are available to all members of the public are not required to be disclosed.

8. An agency received a large box of chocolates as a holiday gift from a local merchant. It was addressed to the agency and not to a particular employee. Is there a reporting requirement?

Generally, the receipt of food and beverages is considered a gift. However, in this instance, the gift would only be reportable by an employee if 1) the vendor was a reportable source on the individual's Form 700 *and* 2) the employee consumed candy valued \$50 or more.

9. During the year, an official received several gifts of meals from the same reportable source. Each meal was approximately \$35. Is the source reportable?

Yes. Gifts from the same source are aggregated, so you must disclose the source when the total value of all meals exceeds \$50 or more.

10. May an elected official, accept travel, lodging and subsistence from a Japanese sister city, while representing the official's home city?

Travel and related lodging and subsistence from the Japanese government that is reasonably related to a legislative or governmental purpose is not subject to the gift limit. However, the payments must be disclosed on a Form 700, Statement of Economic Interests. While in Japan, any personal excursions, which are not paid for by the elected official or paid for by the host government and are not related to a legislative or governmental purpose, must also be disclosed and are subject to the gift limit.

Memorandum

CBA Agenda Item X.J.
March 25-26, 2010

To : CBA Members

Date : March 9, 2010

Telephone : (916) 561-1716

Facsimile : (916) 263-3674

E-mail : vdaniel@cba.ca.gov


From : Veronica Daniel
Executive Analyst

Subject : New Method of Distributing Agenda Materials to Interested Parties

In an effort to reduce waste and improve the cost effectiveness of CBA meetings, the CBA has established a new method of delivering agenda materials to its interested parties. Effective May 2010, CBA interested parties will no longer receive paper materials for CBA meetings unless they specifically request to receive materials in that form. All CBA meeting materials will be available on the CBA Web site, and notification will be provided via E-News as information becomes available.

Transition to this paperless method will save the CBA approximately \$2,250 each meeting, and \$13,500 per year, in the cost of paper, printing, and postage fees. The attached letter was sent to all CBA interested parties to provide notification of this change and instructing them to sign up for E-News in order to receive future CBA meeting information and materials.

If you have any questions or concerns, please contact me at the telephone number or email address listed above.

Attachment

**CALIFORNIA BOARD OF ACCOUNTANCY
CURRENT PROJECTS LIST**

DIVISION: Administration

DATE: March 10, 2010

**Board Agenda Item X.K
March 25-26, 2010**

PROJECT TITLE/DESCRIPTION	START DATE	ESTIMATED FINISH DATE	UNIT/STAFF ASSIGNED	STATUS/COMMENTS
Coordinate the scheduling of phase 2 of CBA's space expansion	6/7/2007	5/01/2010 12/31/2009	Siepert	Construction in progress
Develop a continuing education database	9/1/2008	7/1/2010 1/1/2010	IT/Hansen	Revising to integrate with redesign of Licensing Databases/Peer Review System
Fingerprinting Regs	2/27/2009	5/30/2010 9/30/2009	Stanley	Awaiting outcome of Senate Bill 389
Document imaging project (IT management)	7/1/2008	2/01/2012 4/30/2011	IT/Andres	DCA project under development
Perform Peer Review education and outreach	7/1/2008	Ongoing 10/31/2009	Hersh	In phase II. Pursuing contractor radio spots.
Blackberry email integration	10/1/2008	TBD 2/2/2009	IT/Hansen	On hold. Affected by Executive Order. State CIO contracting for CA shared e-mail system.
Delegation of Authority from DCA for personnel tasks - T. Siepert	10/29/2008	4/1/2010 TBD	Siepert	Awaiting DCA Office of Human Resources approval
Migrate Initial Licensing Unit's master tracking data	11/4/2008	TBD 5/30/2009	IT/ Taylor	Scope of project has changed in light of DCA BreEZe system
Practice Privilege program enhancements	11/10/2008	TBD 6/30/2009	IT/Hansen	Delayed due to other priorities
Implement new online e-procurement/contract process	1/1/2009	TBD	Siepert	Delayed by DCA
E-mail client standardization and migration project	1/2/2009	TBD 4/30/2009	IT/Hansen	On hold. Affected by Executive Order. State CIO contracting for CA shared e-mail system.
Review and combine office databases	TBD	TBD	IT/Taylor	
CBT system redesign	TBD	TBD	IT/Taylor	
Peer Review Database	2/1/2010	6/30/2010	IT/Hansen	
Spring 2010 UPDATE	2/1/2010	5/30/2010	Hersh/ Dobson	

**CALIFORNIA BOARD OF ACCOUNTANCY
CURRENT PROJECTS LIST**

DIVISION: Enforcement

DATE: March 10, 2010

**Board Agenda Item X.K
March 25-26, 2010**

PROJECT TITLE/DESCRIPTION	START DATE	ESTIMATED FINISH DATE	UNIT/STAFF ASSIGNED	STATUS/COMMENTS
Scanned enforcement documents - confirm accuracy/completeness	11/1/2008	4/30/2010 1/30/2010	Santaga	Completed scanning for years 2003-2009, still working on 1993-2002
Update process manuals and guidelines	12/1/2008	4/30/2010 11/30/2009	Santaga	On schedule
Review and update Disciplinary Guidelines	1/1/2009	5/30/2010 2/28/2010	Santaga	Pending final approval of CBA members because of continued discussion on "prohibition to taking on new clients."

**CALIFORNIA BOARD OF ACCOUNTANCY
CURRENT PROJECTS LIST**

DIVISION: Executive

DATE: March 10, 2010

Board Agenda Item X.K
March 25-26, 2010

PROJECT TITLE/DESCRIPTION	START DATE	ESTIMATED FINISH DATE	UNIT/STAFF ASSIGNED	STATUS/COMMENTS
Develop a report of CBA's performance measures for CBA consideration	11/5/2008	9/23/2010 9/25/2009	Bowers	
Abandoned Records Project	5/1/2008	TBD	Rich	Provide update to CBA members at March 2010 meeting
Identify solution for resolving enforcement program staffing needs	10/24/2008	TBD	Bowers	Contractor began analysis, but was instructed to stop as Agency would not approve exemption request for continuation
Study/revise managerial classification allocations	TBD	TBD	Bowers/Rich	Discussions continuing with DCA
List of governing body pronouncements (Exposure Drafts) so CBA members can personally comment/weigh in on issues	TBD	TBD	Bowers/Rich	Provide at first of each month as part of monthly Executive Officer's Report to Board.
Paperless materials for CBA meetings.	2/3/2010	7/1/2010	Veronica	
Sunset Review Report	3/10/2010	10/1/2010	Vincent	
Knowledge Management Program	12/17/2009	1/11/2011	Vincent	
Annual Report	2/1/2010	7/31/2010	Vincent	

**CALIFORNIA BOARD OF ACCOUNTANCY
CURRENT PROJECTS LIST**

DIVISION: Licensing

DATE: March 10, 2010

**Board Agenda Item X.K
March 25-26, 2010**

PROJECT TITLE/DESCRIPTION	START DATE	ESTIMATED FINISH DATE	UNIT/STAFF ASSIGNED	STATUS/COMMENTS
*Develop subpoena processing manual, policy & procedures, and conduct a training class for staff.	5/15/2008	3/31/2010 4/31/2010		Waiting on manual to be reviewed by Enforcement Staff. Once Enforcement review is complete it will be surnamed through Executive Staff and Legal Counsel. All other related items are in surname review.
Update and create informational materials for Firms, including a handbook, updating Web site and partnership/corporation applications, and including Peer Review information where necessary.	12/21/2009	7/31/2010 3/31/2010		Project outline being finalized by staff and will be completed by mid-March. Due to the complexity of the information being gathered and the staff needed to assist with the project, estimated completion for entire project is July 31, 2010.
Identify options for implementing online address-change form.	8/13/2008	12/1/2009 10/1/2009		Completed. Legal Counsel doing final review.
Create standardized presentation materials for use at speaking engagements.	6/1/2009	2/28/2010 12/1/2009		In surname review process.
Revise necessary materials and establish outreach plan to candidates regarding CBT e.	4/1/2010	3/31/2010		Completed. Including article in Spring UPDATE, posting information on examination candidates on-line account. Providing links to AICPA/NASBA for specific details about examination content changes.

* Projects assigned by CBA Board

Memorandum

CBA AGENDA ITEM XI.A.1.
MARCH 25-26, 2010

To : CBA Members

Date : March 11, 2010

Telephone : (916) 561-1711

Facsimile : (916) 263-3673

E-mail : pbowers@cba.ca.gov

From : Patti Bowers
Executive Officer

Subject : Reconsideration of Posting Accusations on the CBA's Web site

The California Board of Accountancy(CBA) first began discussing posting pending accusation documents on the CBA Web site at the January 2009 CBA meeting. This issue is again on the CBA agenda for consideration at the request of the CBA.

Background Summary

The CBA has not historically posted pending accusation documents on the CBA Web site. Instead, the CBA maintains a listing of pending accusations on our Web site showing the licensee name and certificate number. Copies of accusations are provided to consumers upon request. Once an accusation is resolved, the accusation and disciplinary decision are made available through a link in the License Look Up.

In November 2008, Department of Consumer Affairs (DCA) Director Carrie Lopez directed all DCA health-related boards and bureaus to publish all pending accusation documents on their Web sites (**Attachment 1**). The intent of this directive was to allow greater transparency and consistency in the interest of consumer protection.

At the January 16, 2009 CBA meeting, CBA members discussed whether or not the CBA should also post accusation documents on the CBA Web site. Former Enforcement Chief Greg Newington presented three options related to the posting of accusations: continuation of the current practice of posting notification of pending accusations and providing copies of accusations upon request; posting accusation documents through a link to the License Look Up feature; or posting all accusations (pending and resolved) and actual CBA disciplinary actions through a link to License Look Up feature (**Attachment 2**).

Because of concerns about withdrawn accusations that are removed from the CBA Web site, yet would still be available due to Internet search engines that have the ability to archive or "cache" information, CBA members decided to continue with

Reconsideration of Posting Accusations on the CBA's Web site

March 11, 2010

Page 2

the CBA's current policy of not posting pending accusation to the Web site. In addition, CBA members requested that the entire accusation and decision be posted once the decision has been finalized (**Attachment 3**).

Internet "caching" was again discussed at the May 14-15, 2009 CBA meeting. David Hansen, CBA Systems Administrator, advised the CBA on the three available methods for preventing a web crawler from accessing and caching CBA Web site information (**Attachment 4**). The CBA requested that CBA staff conduct a "Web Crawler Test" to better understand Internet "caching" of documents. The test results were presented at the January 20-21, 2010 CBA meeting (**Attachments 5 and 6**). CBA President Ramirez was concerned that the second largest search engine, Yahoo!, was omitted from the trial, and that only two search engines were tested. After debate, in lieu of further testing, the CBA requested that staff provide stated policies from each of the top ten key search engines.

Additional Web Crawler Research

Following the January 20-21, 2010 CBA meeting, staff conducted additional research into the web crawler "robots exclusion standard" compliance and content removal policies of the ten most popular U.S. Internet search engines. Utilizing the Nielsen Company's publicly available Nielsen MegaView Search Ranking "Top 10 U.S. Search Providers, Home & Work" list, (**Attachment 7**) staff determined that only four of the top ten U.S. Internet search engines (#1 - Google, #2 - Yahoo, #3 - Microsoft Bing, #5 - Ask.com) are relevant to the CBA's discussion regarding the posting of pending accusations on CBA's website. The other six of the top ten U.S. Internet search engines utilize Google's or Ask.com's search engines (#4 - AOL, #6 - My Web Search, #7 - Comcast) or are primarily focused on e-commerce and Internet shopping (#8 - NexTag, #9 - BizRate) or provide only business and residential address and phone information (#10 - Yellow.com). The Internet Archive (AKA The Wayback Machine) website was also included in this research).

Google, Yahoo, Ask.com, and The Internet Archive provide information on their web sites regarding their compliance with the "robots exclusion standard", Microsoft Bing does not. But, Microsoft Bing does provide a "support request form" that can be used to submit a request to Microsoft to remove web content from the Bing search engine. Google and Yahoo provide automated tools that allow the expedited removal of web content from their search engines in addition to their compliance with the "robots exclusion standard". Ask.com supports only the "robots exclusion standard" as a means of removing web content from their search engine. The Internet Archive's archive policy states that they respond to content removal request on a "case by case" basis. The following are attached for your reference.

- Attachment 8 – Google Web Crawler Information
- Attachment 9 – Ask.com Web Crawler Information
- Attachment 10 – Yahoo Web Crawler Information
- Attachment 11 – The Oakland Archive/The Internet Archive's Archive Policy
- Attachment 12 – Internet Archive Exclusion Policy

Reconsideration of Posting Accusations on the CBA's Web site
March 11, 2010
Page 3

None of the Internet search engines that staff researched have specific policies posted on their web sites related to the retention of the web content that their web crawlers collect.

Survey of Other DCA Boards, Bureaus, and Committee

For your reference, CBA staff have compiled a summary of what other DCA boards, bureaus, and committees post on their Web sites in regard to pending accusations (**Attachment 13**).

PB:dh:mls

Attachments



STATE AND CONSUMER SERVICES AGENCY · ARNOLD SCHWARZENEGGER, GOVERNOR

EXECUTIVE OFFICE

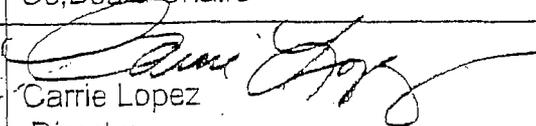
625 N. Market Blvd., Suite S308, Sacramento, CA 95834

P (916) 574-8200 F (916) 574-8613 | www.dca.ca.gov



08 NOV 12 AM 10:30

MEMORANDUM
OF CONFIDENTIALITY

DATE	November 4, 2008
TO	Executive Officers and Bureau Chief Cc: Board Chairs
FROM	 Carrie Lopez Director
SUBJECT	Enforcement and Public Disclosures

Over the last several weeks, my office has been in contact with you concerning a number of enforcement and public disclosure issues impacting DCA's health-related regulatory entities.

This memo memorializes those communications and sets forth my expectations as Director of the Department of Consumer Affairs.

Fingerprinting of Existing Licensees

As Director, I have determined that fingerprinting is an important background and monitoring tool that allows the Department and its regulatory entities to be made aware of criminal activity committed by any of its licensees. There is clear public benefit to the implementation of such a program.

I am hereby directing that all health boards under the Department implement a plan for securing fingerprints from all its licensees irrespective of when they were first licensed. All plans shall ensure that fingerprints will be obtained in a time equal to, or shorter than, the renewal period for each licensing category.

As you know, by obtaining licensee fingerprints, our programs have the ability to obtain subsequent arrest information from the Department of Justice and are better positioned to take enforcement actions against those who pose a significant risk to the public.

It is the Department's position that this change can be accomplished through the regulatory process. The Board of Registered Nursing recently adopted emergency regulations to implement such a program. The regulations are subject to Office of Administrative Law approval, and we expect them to be approved in November.

We will keep you apprised of the status of these regulations as they may serve as a guide for your regulatory entity.

The Department will also be seeking statutory affirmation of this authority in an effort to remove any ambiguity that may exist and will support administrative or budgetary requests necessary to accommodate your collection of fingerprints from your licensee population.

Licensing Renewal Forms

In order to provide an additional level of assurance, each health-related board/bureau shall include on its renewal form a requirement that each applicant disclose any criminal convictions or disciplinary action taken by another government agency within or outside the state.

While fingerprints should allow each program to receive information from DOJ concerning any arrests or convictions, a non responsible or untruthful answer can provide an additional basis to take appropriate disciplinary action.

This change is ministerial and regulations are not necessary to implement any needed form modifications.

The Department's Office of Information Services will facilitate the form modifications necessary and the change is expected in approximately one week's time.

Publication of Accusations on Board's Websites

While many entities currently post accusations on their website, many only include summaries or require consumers to contact them directly to obtain copies. As Director, I have determined that greater transparency and consistency are in the interest of consumer protection.

Effective immediately, I am directing all health related entities to publish all pending accusations on their websites in their entirety. Furthermore, from this point forward, any new accusation shall also be placed in its entirety on the board or bureau's website. To the extent that board requires equipment or assistance in making these documents available to the public, the Office of Information Services is available to provide assistance.

Interim Suspension Orders

The Department also wishes to emphasize the availability and desirability of pursuing interim suspension orders when the public's health and safety will be compromised by the continued practice of a licensee.

The Office of Legal Affairs will be distributing a copy of this policy to each of you within the next seven days and will provide examples of offenses that should be considered threatening to the health and safety of the public.

The Office stands ready to assist each of you in facilitating and/or coordinating any request for a suspension order with the Attorney General's Office.

Review of Pending Investigations/Accusations

I am hereby directing that each board review each of its active investigations and/or pending accusations to determine if more aggressive action is needed to ensure the

public's protection. Such action could involve prioritizing investigations with the Division of Investigations; securing timely administrative hearing dates with the Office of Administrative Hearings; or immediate action by the Attorney General's Office to secure an interim licensing suspension. Both the Executive Office and the Office of Legal Affairs stands ready to assist if needed.

Thank you in advance for your support.

Memorandum

Attachment 2

To : Patti Bowers, Executive Officer
Board Members

Date : December 31, 2008

Telephone : (916) 561- 1731

Facsimile : (916) 263- 3673

E-mail : gnewington@cba.ca.gov

From : 
Gregory E. Newington, Chief
Enforcement Division

Subject : Consideration of the Posting of Accusations on CBA's Website

Background Summary

On November 4, 2008, Department of Consumer Affairs Director Carrie Lopez released a policy memorandum related to "Enforcement and Public Disclosures". See **Attachment 1**. Within the memorandum, Director Lopez included the following directive:

Publication of Accusations on Board Websites

While many entities currently post accusations on their website, many only include summaries or require consumers to contact them directly to obtain copies. As Director, I have determined that greater transparency and consistency are in the interest of consumer protection.

Effective immediately, I am directing all health-related entities to publish all pending accusations on their websites in their entirety. Furthermore, from this point forward, any new accusation shall also be placed in its entirety on the board or bureau's website. To the extent that any board requires equipment or assistance in making these documents available to the public, the Office of Information Services is available to provide assistance.

The California Board of Accountancy (CBA) has not historically posted pending accusations on our website. We identify the existence of pending accusations within the license look-up feature and we provide copies of accusations and other disciplinary documents upon request. High profile accusations, such as those that involve large firms or matters of public notoriety, are presented on CBA's Website, but generally not until a matter has been brought to conclusion.

Analysis: Benefits and Detriments of Posting Accusations on CBA's Website

On average, CBA has about 20-25 accusations issued and pending. Posting of these accusations on the CBA's Website would provide increased transparency to consumers by providing ready access to detailed allegations at the point when those accusations are initially filed, a date that precedes final resolution of most cases by three months to 24 months.

Increased transparency may be beneficial to persons familiar with legal pleadings but it could also be confusing to those who are not. These documents contain a recital of alleged causes for discipline (unproven) and close with a generic prayer for relief that requests a decision "Revoking or suspending or otherwise imposing discipline upon the license." Consumers unfamiliar with these documents may incorrectly assume that the charges reflected in accusations are already proven and that revocation or suspension of the respondent's license is inevitable. Appropriate disclosures would help consumers to accurately evaluate these materials.

Recommended Action

Staff offers the following three options for the CBA's consideration:

- 1) Continue with our current practice of providing summaries of pending allegations within the license look-up feature and furnishing actual Accusation documents when they are requested. Such requests are infrequent. This option allows consumers who are most likely to understand and benefit from reviewing detailed documents to request and obtain them. This option also decreases the likelihood of confusion to other consumers not familiar with legal pleadings.
- 2) Post pending accusations through a link to the license look-up feature. Include appropriate disclosures that note the respondent's right to due process prior to CBA taking action on the alleged violations. This option would provide consumers more immediate and easy access to pending accusations but it would still require that consumers make a request to receive resolved accusations and documents reflective of past CBA disciplinary actions.
- 3) Post all accusations (pending and resolved) and actual CBA disciplinary actions through a link to the license look-up feature. Include appropriate disclosures that note the respondent's right to due process and the impact of discipline that was imposed. This option would provide the greatest level of transparency to consumers by allowing immediate easy access to all pending and completed disciplinary matters. This option would bring CBA's disclosure practices in this area into close parallel to those of both the Securities and Exchange (SEC) Commission and the Public Company Accounting Oversight Board (PCAOB).

Staff recommends that Board members consider the adoption of option 3, due to the significant transparency of this alternative as well as the conformity to disclosure practices of the SEC and the PCAOB.

Attachment 1 – Carrie Lopez Memorandum "Enforcement and Public Disclosures"

D. Consideration of the Posting of Accusations on the Board's Website.

Mr. Newington reported the Board had not historically posted pending accusations on the Board's website. He offered three options related to the posting of accusations on the website: continuation of the current practice of providing notification of pending allegations within the license look-up feature and furnishing actual accusation documents when they are requested; posting pending accusations through a link to the license look-up feature; or posting all accusations (pending and resolved) and actual Board disciplinary actions through a link to the license look-up feature (see Attachment 8).

Board staff recommended the Board adopt option three, due to the significant transparency of this alternative, as well as the conformity to disclosure practices of the Securities and Exchange Commission and the PCAOB.

Mr. Waldman stated that he has an issue with posting pending accusations on the website, citing concerns with accusations that are withdrawn.

Mr. Duke stated there are issues with posting pending accusations on the Board's website, with web crawlers being amongst them. Ms. Kirkbride then stated that information may be placed in a way that it would be inaccessible to web crawlers, and she supported the idea of posting accusations in its entirety on the website to provide for full disclosure. Mr. Hansen stated that the Board's Information Technology staff would be able to perform this function.

Ms. Anderson stated her desire to post the entire accusation and decision on the Board's website once they are finalized to provide enhanced consumer protection.

It was moved by Mr. Oldman, seconded by Mr. Bermúdez, and carried by those present to maintain the Board's current policy, with the addition that the entire accusation and decision will be posted onto the Board's website once the decision has been finalized. Ms. Kirkbride, Ms. Taylor and Mr. Elkins opposed. Ms. Hariton was temporarily absent.

E. Update on the Document Imaging System for Board Files.

Mr. Andres reported that the back file conversion will cost approximately \$183,000, and will take at least six months. He further reported that establishing a new system would take another 3-4 months, and a timeline had been set for finalization by October 2010. Mr. Andres further stated that DCA has identified a new document imaging process, which is currently in development. He stated that tailoring into this same process

D. Discussion of the Board's Options to Protect Web Information.

Mr. Hansen stated there are three available methods to prevent a web-crawler from accessing and caching Board Web site information, which include using robot exclusion standards, scanning documents in PDF format to contain image files, and by employing controlled access using user password authentication.

Board staff recommended the controlled access scheme using "captcha verification" as the best choice to balance the ease of public access while providing the Board with effective means to prevent the automated caching of these documents on the Internet.

Mr. Ramirez inquired into the time and costs related to implementing either of the three options. Mr. Hansen reported there would be no cost or time constraints on implementing robot exclusion standards or scanning documents in PDF, and also reported that it would take approximately one to two months, dependent upon passage of the state budget, to employ controlled access using "captcha verification", which could cost approximately \$2,000.

Ms. Kirkbride pointed out that these documents may still be posted on the Internet by outside parties, and recommended conducting a test to understand the limits of technology.

Mr. Swartz inquired into the security of using the controlled access scheme using "captcha verification". Mr. Hansen reported that information would be 95 percent secure. He further stated that a nonprofit organization operates the Internet archive, which contains snapshots of the Board's Web site. Mr. Hansen stated that although information is kept indefinitely, there are procedures in place which allow for the information to be pulled.

Ms. Brough stated that posting pending accusations may pose due process concerns, and felt that the "captcha verification" option would be the most secure. Mr. Elkins pointed out that accusations are public records. Ms. Chi stated her belief that "captcha verification" would be the best method by offering consumer protection and transparency at the same time.

Mr. Ramirez stated his concern regarding withdrawn accusations being included on the Internet. Mr. Newington reported there were nine pending accusations withdrawn throughout the previous 10 year period, four of which were withdrawn due to the respondent's death prior to conclusion of the accusation, four were withdrawn by the Board's Executive Officer, and one went before an Administrative Law Judge (ALJ) where the ALJ ruled against the Board and the Board accepted the decision.

Mr. Olson stated his belief that any attempts to hide public documents from the public is a bad idea. Mr. Petersen stressed that it is not the Board's intent to hide documents from the public, but to ensure the due process rights of those individuals who have had accusations against them withdrawn.

E. Board Discussion of Commenting on Exposure Drafts.

Mr. Rich introduced Vincent Johnston, the new Associate Governmental Program Analyst assigned to the Executive Unit.

He further provided a memorandum regarding options for Board comment on exposure drafts (see Attachment 4).

Mr. Swartz stated his belief that the Board should not review exposure drafts and should focus solely on regulatory issues.

Ms. Chi stated her belief that the Board should take the opportunity to comment on exposure drafts in order for the Board to weigh in on issues. She suggested the formation of a task force, or recruiting Board members with knowledge of a specific area to participate.

Ms. Anderson stated her belief that the Board should not comment on all exposure drafts, with the exception of those dealing with enforcement and licensing issues.

Mr. Driftmier stated his belief that the Board should not comment on exposure drafts. He stated that licensees have an opportunity to respond on an individual level, and that the Board should be concerned with regulatory issues. He further pointed out that a majority of Board members are involved with the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA), and are provided the opportunity to weigh in on issues.

Mr. Ramirez requested a listing of governing body pronouncements so individual Board members may personally weigh in on issues.

F. Update on the California Automated Travel Expense Reimbursement System (CalATERS).

Ms. Siepert reported the DCA is now using CalATERS, which is an electronic system of filing for reimbursement of travel costs operated by the State Controller's Office to enhance the process for reimbursement (see Attachment 5). She further stated that Barbara Coleman will continue to receive the travel expense claim worksheets from Board members, which she will then electronically send to Mr. Petersen for approval, and checks will be mailed directly to members. Ms. Siepert

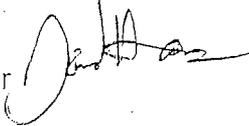
Memorandum

Board Agenda Item VIII.D.
January 20 – 21, 2010

To : CBA Members Date : December 31, 2009

Telephone : (916) 561-1797

Facsimile : (916) 263-3674

From : David Hansen, Systems Administrator
Administration Division 

Subject : Report on Web Crawler Testing

Background Summary

In January and May of 2009 the CBA deliberated the issue of posting pending accusations to the CBA Web site. There was considerable discussion regarding promoting transparency and enhancing consumer protections, balanced against the need to provide licensees with due process. Much of the concern regarding posting pending accusations centered on the possibility that a pending accusation might be withdrawn, yet a licensee's reputation could be negatively affected due to Internet search engines' ability to archive or "cache" the accusation that was previously posted but subsequently removed from the CBA Web site.

At the May 2009 CBA meeting, staff presented three methods that the CBA could utilize to prevent the major Internet search engines from "caching" pending accusations. One of the simplest methods was to merely place the sensitive information in a location on the CBA Web site that search engines were instructed to not access via the "robots exclusions standard". Based on direction provided at this meeting, staff embarked on a "Web Crawler Test" to better understand this method and the behavior of the major Internet search engines when searching and "caching" documents similar in format to the pending accusation documents that would be posted to the CBA website. Also tested was the process to request the removal of documents from the major Internet search engines' "cache".

Test Results

The nearly six month long testing process that staff employed (see Attachment 1) determined that once the test documents were removed from their referencing web pages on the CBA Web site, the two major Internet search engines (Google and Microsoft's Bing) no longer retained or "cached" the test documents and these documents were not longer found in subsequent web searches.

When references to the test documents were restored to the CBA Web site, the test documents once again appeared in the search results of Google, but were only occasionally returned in the search results returned by Bing. This was not a concern

as access to the test documents was not restricted. The inconsistent behavior of Bing may just indicate a "quirk" in Bing's web crawler or "caching" system. M

The results of this testing process seem to challenge the idea of the assumed "permanence" of documents on the Internet, at least as far as the Internet's two major search engines are concerned. While Yahoo search and the "Internet Archive" were not included in the full "Web Crawler Test", as of the date of this memorandum, the test documents were not returned in Yahoo's search results and the "Internet Archive" had not archived the CBA Web site since June of 2008.

At the conclusion of this test, CBA staff submitted "content removal requests" to both Google and Bing. The test documents were removed from Google's web search results within 48 hours of the request and from Bing with 72 hours of the request.

Conclusion

Staff now feel confident that the concerns a pending accusation will continue to be returned by the major Internet search engines after being withdrawn by the CBA are largely unfounded. Therefore, staff believe that should the CBA decide to post pending accusations to the CBA Web site, that the use of the "robot exclusions standard" and the content removal request tools provided by the major Internet search engines will be sufficient to meet the needs of the CBA in its goal to enhance consumer protections, increase transparency and provide licensees with the necessary due process protections.

I will be available at the January CBA meeting to answer any questions members might have, and to receive any direction the CBA might provide regarding additional transparency desired.

Attachments

regulation.

It was moved by Ms. Taylor, seconded by Mr. Driftmier and unanimously carried by those present to direct staff to move forward with completion of regulations.

- B. Regulation Hearing Regarding Sections 38, 47, 48.4 Specific to Peer Review.

See Agenda Item V.B.

1. Consideration of Adoption of Proposed Regulation Sections 38, 47, 48.4, and 48.6 Specific to Peer Review.

It was moved by Ms. Anderson, seconded by Ms. Taylor and unanimously carried by those present to adopt the proposed regulation, including staff recommendations.

VIII. Report of the Executive Officer.

- A. Update on Current Projects List.

Ms. Bowers presented a handout detailing the projects currently assigned to CBA staff (**See Attachment __**).

- B. Prior Names Posted to Web Site License Look-up.

Ms. Pearce provided an overview of the memorandum for this item (**See Attachment __**).

Ms. Kirkbride inquired if is it common for licensees with enforcement action to have multiple names which they have conducted business. Ms. Pearce stated she would research and provide an update regarding this matter.

- C. Update on the 2010-2012 CBA Strategic Plan.

Mr. Rich presented the memorandum for this item (**See Attachment __**).

- D. Report on Web Crawler Testing.

Mr. Hansen presented the memorandum for this item (**See Attachment __**).

Ms. Taylor inquired if the topic of posting accusation on the CBA Web site could be placed on the agenda for the next CBA meeting. Mr. Ramirez stated this item will be considered for an upcoming agenda.

Mr. Ramirez inquired how many search engines are available for research. Mr. Hansen stated there are over twenty search engines, the top search engine is Google, Yahoo is second and Microsoft Bing is third. Mr. Hansen stated that Yahoo was not considered for this research due to inconsistencies with its platform. Mr. Ramirez expressed concern that only four search engines were included in this research and requested that the research be expanded to the top ten search engines to include the internet archive.

The CBA members discussed this matter and requested staff to provide stated policies from each of the key search engines in lieu of conducting more research. It was also determined that the topic of posting accusations to the CBA Web site will be revisited at the March 2010 CPC meeting.

E. Educational Presentation – Initial Licensing and Role of the Qualifications Committee.

Ms. McCutchen provided an educational presentation relating to initial licensing and Mr. Hinojosa presented the role of the Qualifications Committee (**See Attachment ___**).

Ms. Kirkbride inquired as to how long on average it takes for an applicant to complete the full process of licensure. Ms. McCutchen stated the CBA expectation is for a 30-day internal processing time. Ms. Bowers concurred, stating to go beyond a 30 day processing timeframe would be unacceptable. Ms. Bowers further stated that the processing timeframes are closely monitored and if the 30 days are exceeded, staff are advised to take action and adjustments are made accordingly.

Mr. Hinojosa stated the QC will discuss the experience requirement with respect to general accounting experience and the definition of supervision at its upcoming meeting on January 27, 2010.

Ms. Anderson inquired as to what happens when a supervisor comes before a rule 69 review and it's determined that the applicant did not have the required experience. Mr. Hinojosa stated the signor and/or supervisor will receive communication requesting them to come up to standard and they would be required to reappear before the committee. Mr. Hinojosa stated escalated matters would potentially be referred to the CBA Enforcement Unit.

Mr. Bermudez inquired regarding accepting credit card payments via the CBA Web site. Ms. Bowers stated the DCA is currently piloting a project to implement this service. Ms. Bowers stated as an interim there is opportunity for us at the board level to honor credit card payments; however, IT staff resources had to be reprioritized due to the focus on efforts surrounding peer review. Ms. Bowers further stated the project

Top 10 U.S. Search Providers, Home & Work
 January 2010

Rank	Provider	Searches (000)	Share of Searches
	All Search	10,272,099	100.0%
1	Google Search	6,805,424	66.3%
2	Yahoo! Search	1,488,476	14.5%
3	MSN/Windows Live/Bing Search	1,116,546	10.9%
4	AOL Search ¹	251,762	2.5%
5	Ask.com Search	194,161	1.9%
6	My Web Search Search ²	112,356	1.1%
7	Comcast Search ³	59,608	0.6%
8	Yellow Pages Search ⁴	35,101	0.3%
9	NexTag Search ⁵	34,736	0.3%
10	BizRate Search ⁵	20,123	0.2%

Source: Nielsen MegaView Search

1. AOL Search uses Google's search engine.
2. My Web Search uses the Ask.com search engine.
3. Comcast search allows users to choose between Google's search engine or Ask.com's search engine.
4. Yellow Pages Search only provides business and residential address and phone number information.
5. NexTag Search and BizRate Search only provide shopping and ecommerce search information.

Remove a page or site from Google's search results

If you want to remove content from Google's search results, that content should first be removed from the web or blocked from search engines. We run into a lot of people who think that Google runs the web and controls all the sites on it, but that's really not the case. The sites in Google's search results are controlled by those sites' webmasters.

To remove content (including a snippet, title, page content, or an entire URL or site) from search results, the site owner—whether it's you or somebody else—has a few options. The site owner can remove the concerning information from the page, take the page down from the web entirely, or indicate that Google shouldn't crawl or index the page. There are varying requirements depending on the type of content you want to remove, and these are described below.

After these changes are made and Google has crawled the site again, the content should naturally drop out of the Google index.

However, if you need to urgently remove your site's content from search results, or if you need to remove Google's cached copy of a page that has already changed on the website or stop Google from showing results for a page that has been taken down completely, you can use Google's removal tool to expedite the process. To use the tool, you'll need to follow certain requirements, detailed below.

- **If you own the site**, you'll need to make the changes to your website yourself and then request removal of the problematic page from Google's search results using the URL removal tool in Webmaster Tools.
- **If you don't own the site**, your first step is to contact [the site's webmaster](#) and request that the content is removed. (Note that depending on the type of removal—see below—some other changes may also be necessary). Once the changes have been made, you can request removal of the content from appearing as a cache copy or snippet in Google's search results by using the public URL removal tool. (It bears repeating: The site owner—whether it's you or somebody else—must have first made the required changes to the site, or this process will not work to remove the content from search results.)

You may also find the following articles useful:

- [Removing information from Blogger, Maps, YouTube, and other Google products](#)
- [Personal information in search results](#)

Why do you want to remove content from search results?

[The page has changed and I want the outdated information removed](#)

[I want to completely remove a page from search results](#)

[I want to remove the contents of an entire directory from search results](#)

[A site is publishing my confidential personal information](#)

updated 2/27/2010

Was this information helpful?

Yes No

Tell us how we're doing: Please [answer a few questions](#) about your experience to help us improve our Help Center.

[Webmaster Tools](#) - [Contacting Us](#) - [Help with other Google products](#) - Change Language: English

©2010 Google - [Google Home](#) - [Privacy Policy](#) - [Terms of Service](#)



Search the Web

About

Overview

Site Features

About Ask.com Technology

Help Central

> [MyStuff](#)

> [Webmasters](#)

Site Policies

Advertising

Company Information

Contact Us

Web Search

The Ask.com search technology uses semantic and extraction capabilities to recognize the best answer from within a sea of relevant pages. Instead of 10 blue links, Ask delivers the best answer to user's questions right at the top of the page. By using an established technique pioneered at Ask, our search technology uses click-through behavior to determine a site's relevance and extract the answer. Unlike presenting text snippets of the destination site, this technology presents the actual answer to a user's question without requiring an additional click through. Underpinning these advancements are Ask.com's innovative DADS, DAFS, and AnswerFarm technologies, which break new ground in the areas of semantic search, web extraction and ranking. These technologies index questions and answers from numerous and diversified sources across the web. It then applied its semantic search technology advancements in clustering, rephrasing, and answer relevance to filter out insignificant and less meaningful answer formats. In order to extract and rank exciting answers, as opposed to merely ranking web pages, Ask.com continues to develop a unique algorithms and technologies that are based on new signals for evaluating relevancy specifically tuned to questions.

The Ask Website Crawler FAQ

Ask's Website crawler is our Web-indexing robot (or crawler/spider). The crawler collects documents from the Web to build the ever-expanding index for our advanced search functionality at Ask and other Web sites that license the proprietary Ask search technology.

Ask search technology is unique from any other search technology because it analyzes the Web as it actually exists -- in subject-specific communities. This process begins by creating a comprehensive and high-quality index. Web crawling is an essential tool for this approach, and it ensures that we have the most up-to-date search results.

On this page you'll find answers to the most commonly asked questions about how the Ask Website crawler works. For these and other Webmaster FAQs, visit our [Searchable FAQ Database](#).

Frequently Asked Questions

1. [What is a website crawler?](#)
2. [Why does Ask use a website crawler?](#)
3. [How does the Ask crawler work?](#)
4. [How frequently will the Ask Crawler index pages from my site?](#)
5. [Can I prevent Teoma/Ask search engine from showing a cached copy of my page?](#)
6. [Does Ask observe the Robot Exclusion Standard?](#)
7. [Can I prevent the Ask crawler from indexing all or part of my site/URL?](#)
8. [Where do I put my robots.txt file?](#)
9. [How can I tell if the Ask crawler has visited my site/URL?](#)
10. [How can I prevent the Ask crawler from indexing my page or following links from a particular page?](#)
11. [Why is the Ask crawler downloading the same page on my site multiple times?](#)
12. [Why is the Ask crawler trying to download incorrect links from my server? Or](#)

from a server that doesn't exist?

13. How did the Ask Website crawler find my URL?
14. What types of links does the Ask crawler follow?
15. Can I control the rate at which the Ask crawler visits my site?
16. Why has the Ask crawler not visited my URL?
17. Does Ask crawler support HTTP compression?
18. How do I register my site/URL with Ask so that it will be indexed?
19. Why aren't the pages the Ask crawler indexed showing up in the search results?
20. Can I control the crawler request rate from Ask spider to my site?
21. How do I authenticate the Ask Crawler?
22. Does Ask.com support sitemaps?
23. How can I add Ask.com search to my site?
24. How can I get additional information?

Q: What is a website crawler?

A: A website crawler is a software program designed to follow hyperlinks throughout a Web site, retrieving and indexing pages to document the site for searching purposes. The crawlers are innocuous and cause no harm to an owner's site or servers.

Q: Why does Ask use website crawlers?

A: Ask utilizes website crawlers to collect raw data and gather information that is used in building our ever-expanding search index. Crawling ensures that the information in our results is as up-to-date and relevant as it can possibly be. Our crawlers are well designed and professionally operated, providing an invaluable service that is in accordance with search industry standards.

Q: How does the Ask crawler work?

- The crawler goes to a Web address (URL) and downloads the HTML page.
- The crawler follows hyperlinks from the page, which are URLs on the same site or on different sites.
- The crawler adds new URLs to its list of URLs to be crawled. It continually repeats this function, discovering new URLs, following links, and downloading them.
- The crawler excludes some URLs if it has downloaded a sufficient number from the Web site or if it appears that the URL might be a duplicate of another URL already downloaded.
- The files of crawled URLs are then built into a search catalog. These URL's are displayed as part of search results on the site powered by Ask's search technology when a relevant match is made.

Q: How frequently will the Ask Crawler download pages from my site?

A: The crawler will download only one page at a time from your site (specifically, from your IP address). After it receives a page, it will pause a certain amount of time before downloading the next page. This delay time may range from 0.1 second to hours. The quicker your site responds to the crawler when it asks for pages, the shorter the delay.

Q. Can I prevent Teoma/Ask search engine from showing a cached copy of my page?

A: Yes. We obey the "noarchive" meta tag. If you place the following command in your HTML page, we will not provide an archived copy of the document to the user.

```
< META NAME = "ROBOTS" CONTENT = "NOARCHIVE" >
```

If you would like to specify this restriction just for Teoma/Ask, you may use "TEOMA" in place of "ROBOTS".

Q: Does Ask observe the Robot Exclusion Standard?

A: Yes, we obey the 1994 Robots Exclusion Standard (RES), which is part of the Robot Exclusion Protocol. The Robots Exclusion Protocol is a method that allows Web site

administrators to indicate to robots which parts of their site should not be visited by the robot. For more information on the RES, and the Robot Exclusion Protocol, please visit <http://www.robotstxt.org/wc/exclusion.html>.

Q: Can I prevent the Ask crawler from indexing all or part of my site/URL?

A: Yes. The Ask crawler will respect and obey commands that direct it not to index all or part of a given URL. To specify that the Ask crawler visit only pages whose paths begin with /public, include the following lines:

```
# Allow only specific directories
User-agent: Teoma
Disallow: /
Allow: /public
```

Q: Where do I put my robots.txt file?

A: Your file must be at the top level of your Web site, for example, if www.mysite.com is the name of your Web site, then the robots.txt file must be at <http://www.mysite.com/robots.txt>.

Q: How can I tell if the Ask crawler has visited my site/URL?

A: To determine whether the Ask crawler has visited your site, check your server logs. Specifically, you should be looking for the following user-agent string:

```
User-Agent: Mozilla/2.0 (compatible; Ask Jeeves/Teoma)
```

Q: How can I prevent the Ask crawler from indexing my page or following links from a particular page?

A: If you place the following command in the section of your HTML page, the Ask crawler will not index the document and, thus, it will not be placed in our search results:

```
< META NAME = "ROBOTS" CONTENT = "NOINDEX" >
```

The following commands tell the Ask crawler to index the document, but not follow hyperlinks from it:

```
< META NAME = "ROBOTS" CONTENT = "NOFOLLOW" >
```

You may set all directives OFF by using the following:

```
< META NAME = "ROBOTS" CONTENT = "NONE" >
```

See <http://www.robotstxt.org/wc/exclusion.html#meta> for more information.

Q: Why is the Ask crawler downloading the same page on my site multiple times?

A: Generally, the Ask crawler should only download one copy of each file from your site during a given crawl. There are two exceptions:

- A URL may contain commands that "redirect" the crawler to a different URL. This may be done with the HTML command:

```
< META HTTP-EQUIV="REFRESH" CONTENT="0; URL=http://www.your
page address here.html" >
```

or with the HTTP status codes 301 or 302. In this case the crawler downloads the second page in place of the first one. If many URLs redirect to the same page, then this second page may be downloaded many times before the crawler realizes that all these pages are duplicates.

- An HTML page may be a "frameset." Such a page is formed from several component pages, called "frames." If many frameset pages contain the same frame page as components, then the component page may be downloaded many times before the crawler realizes that all these components are the same.

Q: Why is the Ask crawler trying to download incorrect links from my server? Or from a server that doesn't exist?

A: It is a property of the Web that many links will be broken or outdated at any given time. Whenever any Web page contains a broken or outdated link to your site, or to a site that never

Q: Does Ask.com support sitemaps?

A: Yes, Ask.com supports the open-format Sitemaps protocol. Once you have prepared the sitemap, add the sitemap auto-discovery directive to robots.txt as follows:

SITEMAP: <http://www.the URL of your sitemap here.xml>

The sitemap location should be the full sitemap URL. Alternatively, you can also submit your sitemap through the ping URL:

<http://submissions.ask.com/ping?sitemap=http%3A/www.the URL of your sitemap here.xml>

Please note that sitemap submissions do not guarantee the indexing of URLs. To learn more about the protocol, please visit the Sitemaps web site at <http://www.sitemaps.org>.

Q: How can I add Ask.com search to my site?

A: We've made this easy, you can generate the necessary code [here](#).

Q: How can I get additional information?

A: Please visit our full [Searchable FAQ Database](#).

Please note that we cannot honor your emails regarding updates to your site/URL or requests to be indexed.

[Privacy Policy](#)
[Terms of Service](#)

© 2010 Ask.com

New User? Sign Up Sign In Help

Upgrade to Firefox 3.6

Yahoo! Mail



Search

Web Search

Go Back to Yahoo! Search

How to Have Your Website or Webpages Removed From the Yahoo! Search Index

Last Updated: February 24, 2010

As our index contains billions of webpages we cannot manually make changes to the index. Instead, we rely on our automated web crawler systems to update the search index. If you want the status of pages that have been crawled and indexed to change, you must make changes to the site content or control documents that communicate to our crawler how these pages should be handled by the search engine. When changes are made to a webpage, those changes are properly reflected in our database the next time the page is crawled and indexed.

More about How Yahoo! Search indexes webpages.

There are several ways to prevent our crawler from indexing your site or portions of your site:

- Create a *robots.txt* file on your website to prevent our crawler from indexing your site.
- Add a *noindex* metatag to your page.
- Add a *X-Robots-Tag: noindex* directive to your HTTP header.
- Remove the original document from your website.
- Host the document on an access restricted section of your website.

Yahoo! Site Explorer can also be used to delete URLs or complete paths. See: How to Delete URLs from the Yahoo! index.

More about: Yahoo! Slurp, Yahoo's Web-indexing Robot and Indexing FAQs.

The Yahoo! Slurp crawler observes access restrictions per *robots.txt* rules and the Robots Exclusion Standard. Since the contents of *robots.txt* is subject to change, we occasionally re-fetch the file. We do not crawl or index content from disallowed pages.

After you have made these changes to the site content or *robots.txt* to stop your pages from being crawled, you might still see the pages listed in our databases for some time. The changes take effect in our search index when the information is updated during our next refresh cycle. When a site adds disallow rules, previously indexed content remains in the search database through a normal database refresh cycle. When we update the page content in the index, a disallowed page changes status to having no content and normally disappears from the web search index. However, though the content of a URL is not available, the URL itself might be included in the web search index on the basis of information about that URL published on other webpages.

The links and text of pages from other websites are part of the public World Wide Web content that is crawled and indexed for web search. When content from other pages provides enough information about a URL, that URL might appear in web search results even though none of the content of that URL is included.

To remove or disallow content from being accessible through the cache, you can use the *noarchive* meta-tag or X-Robots-Tag.

For more information please see our FAQ: How to Keep Your Page From Being Cached in Yahoo! Search Results.

Content can be removed from the web by having the webmaster remove the page from the website so that attempts to read the URL return a 404 error. This also removes the page from the Yahoo! Web Search cache. Pages that no longer exist are removed from web search results and from the cache after our Yahoo! Slurp web crawler refreshes content and notices the 404 status.

What if the pages in question aren't yours?

If the page is not your content, please contact the site owner and ask them to follow the above instructions. Yahoo! does not have the means to validate each removal request.

Also see: How to Have an Offensive Site or URL Removed From Your Database.

The Oakland Archive Policy

Recommendations for Managing Removal Requests And Preserving Archival Integrity
School of Information Management and Systems, U.C. Berkeley
December 13 - 14, 2002

Introduction

Online archives and digital libraries collect and preserve publicly available Internet documents for the future use of historians, researchers, scholars, and the general public. These archives and digital libraries strive to operate as trusted repositories for these materials, and work to make their collections as comprehensive as possible.

At times, however, authors and publishers may request that their documents not be included in publicly available archives or web collections. To comply with such requests, archivists may restrict access to or remove that portion of their collections with or without notice as outlined below.

Because issues of integrity and removal are complex, and archivists generally wish to respond in a transparent manner, these policy recommendations have been developed with help and advice of representatives of the Electronic Frontier Foundation, Chilling Effects, The Council on Library and Information Resources, the Berkeley Boalt School of Law, and various other commercial and non-commercial organizations through a meeting held by the Archive Policy Special Interest Group (SIG), an ad hoc, informal group of persons interested the practice of digital archiving.

In addition, these guidelines have been informed by the American Library Association's Library Bill of Rights <http://www.ala.org/work/freedom/lbr.html>, the Society of American Archivists Code of Ethics http://www.archivists.org/governance/handbook/app_ethics.asp, the International Federation of Library Association's Internet Manifesto http://www.unesco.org/webworld/news/2002/ifla_manifesto.rtf, as well as applicable law.

Recommended Policy for Managing Removal Requests

Historically, removal requests fall into one of the following five categories. Archivists who wish to adopt this policy will respond according to the following guidelines:

Type of removal request	Response
Request by a webmaster of a private (non-governmental) web site, typically for reasons of privacy, defamation, or embarrassment.	<ol style="list-style-type: none"> 1. Archivists should provide a 'self-service' approach site owners can use to remove their materials based on the use of the robots.txt standard. 2. Requesters may be asked to substantiate their claim of ownership by changing or adding a robots.txt file on their site. 3. This allows archivists to ensure that material will no longer be gathered or made available. 4. These requests will not be made public; however, archivists should retain copies of all removal requests.
Third party removal requests based on the Digital Millennium Copyright Act of 1998 (DMCA).	<ol style="list-style-type: none"> 1. Archivists should attempt to verify the validity of the claim by checking whether the original pages have been taken down, and if appropriate, requesting the ruling(s) regarding the original site. 2. If the claim appears valid, archivists should comply. 3. Archivists will strive to make DMCA requests public via Chilling Effects, and notify searchers when requested pages have been removed.

	<p>4. Archivists will notify the webmaster of the affected site, generally via email.</p>
<p>Third party removal requests based on non-DMCA intellectual property claims (including trademark, trade secret).</p>	<ol style="list-style-type: none">1. Archivists will attempt to verify the validity of the claim by checking whether the original pages have been taken down, and if appropriate, requesting the ruling(s) regarding the original site.2. If the original pages have been removed and the archivist has determined that removal from public servers is appropriate, then the archivists will remove the pages from their public servers.3. Archivists will strive to make these requests public via Chilling Effects, and notify searchers when requested pages have been removed.4. Archivists will notify the webmaster of the affected site, generally via email
<p>Third party removal requests based on objection to controversial content (e.g. political, religious, and other beliefs).</p>	<p>As noted in the Library Bill of Rights, 'Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.'</p> <p>Therefore, archivists should not generally act on these requests.</p>
<p>Third party removal requests based on objection to disclosure of personal data provided in confidence.</p>	<p>Occasionally, data disclosed in confidence by one party to another may eventually be made public by a third party. For example, medical information provided in confidence is occasionally made public when insurance companies or medical practices shut down.</p> <p>These requests are generally treated as requests by authors or publishers of original data.</p>
<p>Requests by governments.</p>	<p>Archivists will exercise best-efforts compliance with applicable court orders</p> <p>Beyond that, as noted in the Library Bill of Rights, 'Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.'</p>
<p>Other requests and grievances, including underlying rights issues, error correction and version control, and re-insertions of web sites based on change of ownership.</p>	<p>These are handled on a case by case basis by the archive and its advisors.</p>

Addendum: An Example Implementation of Robots.txt-based Removal Policy at the Internet Archive

To remove a site from the Wayback Machine, place a robots.txt file at the top level of your site (e.g. www.yourdomain.com/robots.txt) and then submit your site below.

The robots.txt file will do two things:

1. It will remove all documents from your domain from the Wayback Machine.
2. It will tell the Internet Archive's crawler not to crawl your site in the future.

To exclude the Internet Archive's crawler (and remove documents from the Wayback Machine) while allowing all other robots to crawl your site, your robots.txt file should say:

```
User-agent: ia_archiver  
Disallow: /
```

Robots.txt is the most widely used method for controlling the behavior of automated robots on your site (all major robots, including those of Google, Alta Vista, etc. respect these exclusions). It can be used to block access to the whole domain, or any file or directory within. There are a large number of resources for webmasters and site owners describing this method and how to use it. Here are a few:

- o http://www.global-positioning.com/robots_text_file/index.html
- o http://www.webtoolcentral.com/webmaster/tools/robots_txt_file_generator
- o <http://pageresource.com/zinc/robotstxt.htm>

Once you have put a robots.txt file up, submit your site (www.yourdomain.com) on the form on http://pages.alexacom/help/webmasters/index.html#crawl_site.

The robots.txt file must be placed at the root of your domain (www.yourdomain.com/robots.txt). If you cannot put a robots.txt file up, submit a request to wayback2@archive.org.

For further information, please contact [jeff - at - archive - dot - org](mailto:jeff-at-archive-dot-org).



Web Moving Images Texts Audio Software Patron Info About IA Projects

Universal access to all knowledge

Home Donate | Forums | FAQs | Contributions | Terms, Privacy, & Copyright | Contact | Jobs | Bios

Search:

All Media Types



Advanced Search

Anonymous User (login or join us)

Upload

News [more]

[Sherwood middle school students participate in nationwide program to archive Web sites](#)

[URL shorteners working with Internet Archive for long-term preservation](#)

[Planets and galaxies, with a score by Debussy \(LA Times\)](#)

[CERN Library Publishes Its Book Catalog as Open Data](#)

[Space on your phone \(msnbc\)](#)

[2009's best nerdy-wordy websites \(Boston.com\)](#)

[Cornell University Library Partners with the Internet Archive](#)

[Shortcovers Adds 1.8 Million Titles Through Internet Archive's BookServer Project](#)

[Now Available: MOBI Versions for Most of The Internet Archives 1.8 Million Books](#)

[New project in scramble to save vanishing internet links \(Times Online\)](#)

Removing Documents From the Wayback Machine

The Internet Archive is not interested in offering access to Web sites or other Internet documents whose authors do not want their materials in the collection. To remove your site from the Wayback Machine, place a robots.txt file at the top level of your site (e.g. www.yourdomain.com/robots.txt) and then submit your site below.

The robots.txt file will do two things:

1. It will remove all documents from your domain from the Wayback Machine.
2. It will tell us not to crawl your site in the future.

To exclude the Internet Archive's crawler (and remove documents from the Wayback Machine) while allowing all other robots to crawl your site, your robots.txt file should say:

```
User-agent: ia_archiver
Disallow: /
```

Robots.txt is the most widely used method for controlling the behavior of automated robots on your site (all major robots, including those of Google, Alta Vista, etc. respect these exclusions). It can be used to block access to the whole domain, or any file or directory within. There are a large number of resources for webmasters and site owners describing this method and how to use it. Here are some:

- <http://www.robotstxt.org/>
- <http://pageresource.com/zine/robotstxt.htm>

Once you have put a robots.txt file up, submit your site (www.yourdomain.com) on the form on <http://www.alex.com/help/webmasters#crawl> site.

The robots.txt file must be placed at the root of your domain (www.yourdomain.com/robots.txt). If you cannot put a robots.txt file up, read our [exclusion policy](#). If you think it applies to you, send a request to us at info@archive.org.

PENDING ACCUSATION INFORMATION POSTED ON DCA WEB SITES

	Board/Bureau/Committee	"Accusation Pending" Notification Only	"Accusation Pending" Notification and Accusation document
1	Accountancy, Board of	X	
2	Acupuncture Board		X
3	Architects Board, California		
4	Athletic Commission		
5	Automotive Repair, Bureau of	In process	
6	Barbering and Cosmetology, Board of		
7	Behavioral Sciences, Board of	X	
8	Cemetery and Funeral Bureau	In process	
9	Contractors State License Board		
10	Court Reporters Board	X	
11	Dental Hygiene Committee		
12	Dental Board of California		
13	Electronic and Appliance Repair, Bureau of	X	
14	Engineers and Land Surveyors, Board for Professional		
15	Geologists and Geophysicists, Board for		
16	Guide Dogs for the Blind, Board of		
17	Hearing Aid Dispensers Bureau		X
18	Home Furnishings and Thermal Insulation, Bureau of	X	
19	Landscape Architects Technical Committee		
20	Medical Board of California		X
21	Naturopathic Medicine, Bureau of		
22	Occupational Therapy, California Board of	X	
23	Optometry, Board of		
24	Osteopathic Medical Board of California	X	
25	Pharmacy, Board of		X
26	Physical Therapy Board of California		X
27	Physician Assistant Committee		X
28	Podiatric Medicine, Board of		X
29	Private Postsecondary and Vocational Education, Bureau for		
30	Professional Fiduciaries Bureau		
32	Psychology, Board of		
33	Registered Nursing, Board of		X
34	Respiratory Care Board		X
35	Security and Investigative Services, Bureau of		
36	Speech-Language Pathology and Audiology Board		X
37	Structural Pest Control Board		
38	Telephone Medical Advice Services Bureau		
39	Veterinary Medical Board and Registered Veterinary Technician Examining Committee		
40	Vocational Nursing and Psychiatric Technicians, Board of		X
Totals		9*	11

*includes "in process"

Memorandum

CPC Agenda Item II
March 25, 2010

CBA Agenda Item XI.A.2.
March 25-26, 2010

To : CPC Members
CBA Members

Date : March 10, 2010

Telephone : (916) 561-1772

Facsimile : (916) 263-3672

E-mail : dfranzella@cba.ca.gov

From : Dominic Franzella, Manager
Renewal/Continuing Competency and Client Services Units

Subject : Consideration of Clean-up Language for Article 12 - Continuing Education

In 2009 staff drafted amendments to Article 12 of the California Board of Accountancy (CBA) Regulations which were subsequently adopted by the CBA and approved by the Office of Administrative Law (OAL). The amendments took effect January 1, 2010. It has been discovered that three adjustments need to be made in relation to the recent adoptions. The specific changes are described below.

Amend Section 87.9

Section 87.9 outlines the required content for a Board-approved Regulatory Review course. At the time this section was drafted, the peer review regulations were still under development. With the enactment of peer review and OAL's subsequent approval of Article 6 for inclusion in the CBA Regulations staff find it appropriate to include Article 6 in the required course content for a Regulatory Review course.

Amend Section 88.2

Section 88.2 specifies program measurements for acceptable continuing education courses. Subsection (c) pertains to courses offered in a self-study format and due to an oversight, now contains two subsections numbered (3). This amendment will simply correct the numbering error.

Amend Section 90

Section 90 pertains to continuing education (CE) exceptions and exemptions. This section was not included in the recent amendments to Article 12; however, the section contained a cross reference to the accounting and auditing, government auditing, and fraud CE requirements outlined in Section 87. Due to the renumbering of these three requirements in Section 87, the cross reference incorrectly corresponds to the ethics education, accounting and auditing, and government auditing CE requirements.

This cross reference error is of particular significance because it created an inadvertent extension to the new four-hour ethics education requirement. Additionally, it removed the authority for the CBA to provide an extension of time to complete the eight hours of fraud CE for licensees who became subject to the

Consideration of Clean-up Language for Article 12 - Continuing Education
Page 2 of 2

requirement in the last six months of the license renewal period. This amendment is the primary reason for the proposed regulatory changes.

Staff is presently preparing the necessary documents to begin the regulatory process with OAL and will be submitting them to OAL on March 16, 2010. This will allow the CBA to hold a hearing regarding the proposed changes at the May CBA meeting. At this time, staff request the CBA members review the attached language and adopt a motion directing staff to proceed with the rulemaking process. Should the CBA members adopt a motion directing staff to proceed with these rulemaking activities, CBA members will then have the opportunity to adopt the proposed language at the conclusion of the public hearing.

Attachment

Memorandum

CPC Agenda Item III.
March 25, 2010

CBA Agenda Item XI.A.3.
March 25-26, 2010

To : CPC Members
CBA Members

Date : March 10, 2010

Telephone : (916) 561-4310
Facsimile : (916) 263-3672
E-mail : dfranzella@cba.ca.gov

From : Dominic Franzella, Manager
Renewal/Continuing Competency & Client Services Units

Subject : Consideration of Renewing in an Inactive Status as it Relates to Peer Review

In the latter part of February, California Board of Accountancy (CBA) staff received a telephone call from a California licensee requesting guidance regarding whether he was subject to the new peer review requirement. His situation is outlined below.

- The licensee operates as a sole practitioner and is considering whether to accept some accounting and auditing engagements for the coming year. All work would be completed prior to his license expiration date of September 30, 2011. At his September 30, 2011 expiration date, he intends on renewing his license in an inactive status because he will be retiring. He is not required to report peer review-related information until July 1, 2012.

After reviewing the applicable laws and consulting legal counsel, staff informed the licensee he would have to report the acceptance of a peer review report from a recognized peer review program and report applicable peer review information to the CBA no later than July 1, 2012. Staff, and legal counsel, came to this conclusion based on Section 5076(a) of the Business and Professions Code, which states, in part, “[i]n order to renew its registration, a firm, ... shall have a peer review report of its accounting and auditing practices accepted by a board-recognized peer review program no less frequently than once every three years.”

This section does not explicitly state that the registration must be renewed in an active status. The recently enacted regulations do not provide any further clarification on this matter. For accountancy partnerships and corporations this is a non-issue since these groups cannot renew a license in an inactive status; it is, however, an issue for sole proprietors. As sole proprietors use their individual license for purposes of operating as a business, they do have the option to renew a license in an inactive status.

Staff is seeking guidance from CBA members on whether they believe it is appropriate that a licensee operating as a sole practitioner who performs accounting and auditing engagements should be absolved from the peer review

Inactive Status as it Relates to Peer Review

Page 2 of 2

requirement, if the licensee selects to renew his/her license in an inactive status prior to having to report peer review-related information to the CBA.

As members begin deliberations, they may wish to consider the following if you decide no further clarification is needed:

1. Sole practitioners comprise a large portion of the CBA's firm population.
2. This could be seen as overly burdensome for individuals, operating as a sole practitioner business, that wish to retire from the profession.
3. Given that the CBA's primary purpose for peer review is educational, is there a benefit from having a sole practitioner undergo the peer review, if indeed he/she intends to retire.

Should members consider further clarification is needed, they may wish to consider the following:

1. In addressing the situation, the CBA will need to take appropriate measures to minimize the ability for licensees to circumvent the peer review process.
2. If a licensee converts his/her license status from an inactive to active status, would it be appropriate to have him/her complete a peer review as part of the conversion process (provided accounting and auditing work was performed in an active license status during the three-year period preceding license conversion)?

Should members elect to further clarify this situation, staff will begin evaluating how best to draft regulatory language to effectuate the change. The language will then be provided to members for review at the May 2010 CBA meeting.

Memorandum

LC Agenda Item I.
March 25, 2010

CBA Agenda Item XI.B.1.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 24, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From : Matthew Stanley, Legislation/Regulation Analyst

Subject : Update on Bills on Which the Board has Taken a Position

The California Board of Accountancy (CBA) has taken positions on the following legislation.

<u>Bill Number</u>	<u>Designation</u>	<u>CBA Position</u>	<u>Status</u>
AB 797	Accountants: discipline: Internet posting	Support	Senate Inactive File
SB 389	Fingerprinting	Support	Assembly Public Safety Committee, two-year bill
SB 638	Sunset Review	Watch	Senate Rules Committee, two-year bill
SB 691	Substantial Equivalency	Neutral	Assembly Floor

AB 797 would require the CBA to post the text of its discipline decisions on the Internet for at least 10 years.

AB 389 would require licensees who have not previously submitted fingerprints to successfully complete a state and federal level criminal offender record information search. It requires a licensee, as a condition of license renewal, to notify the board on the license renewal form if he or she has been convicted of a felony or misdemeanor since his or her last renewal.

SB 638 was the bill that would have changed the sunset review process. However, the deadline for the Legislature to act on legislation that remained in the house of origin was January 31, 2010. SB 638 did not meet that deadline and is now dead; it will not appear on future updates.

SB 691 was the original bill that eliminated Pathway 1 as an option for licensure. With the passage of last year's SB 819, the contents of this bill will surely change at some point. Staff will continue to track it for those changes.

Memorandum

LC Agenda Item II.
March 25, 2010

CBA Agenda Item XI.B.2.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov


From : Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 1659- Joint Sunset Review Committee

Bill Number: AB 1659 (**Attachment 1**)
Authors: Huber
Current Status: Introduced

Provisions:

The Business and Professions Code authorizes the creation of a Joint Committee on Boards, Commissions, and Consumer Protection to conduct periodic reviews of the boards and commissions operating under the Department of Consumer Affairs. These provisions sunset on January 1, 2012.

AB 1659 would create the Joint Sunset Review Committee to identify and eliminate waste, duplication, and inefficiency in government agencies (which is defined to include boards), and conduct a comprehensive analysis of every agency to determine if that agency is still necessary and cost effective. It would require each agency scheduled for repeal to submit a report to the committee containing certain information and to provide public testimony.

The report must contain at least the purpose and necessity of the agency; a description of the agency budget, priorities, and job descriptions of employees of the agency; all programs and projects under the direction of the agency; measures of the successes or failures of the agency and justifications for the metrics used to evaluate successes and failures; and any recommendations of the agency for changes or reorganization in order to better fulfill its purpose.

The committee is to consist of nine members, three appointed by the Senate President pro Tempore, three appointed by the Speaker of the Assembly, and three by the Governor. Each may appoint only two members from the same political party.

AB 1659 contains Legislative intent language that states that the Legislature will enact future legislation to establish the repeal dates of all state agencies. Constitutional agencies and any agency related to higher education are exempted.

Assembly Bill 1659- Joint Sunset Review Committee
Page 2 of 2

Comments:

The author's office has informed staff that AB 1659 is an author's bill, which means that the author is the sponsor.

It should be noted that the Senate Business, Professions and Economic Development Committee has made recent attempts to revise the existing sunset review process. AB 1659 far exceeds the scope of the existing process by including all state agencies rather than just the boards under the Department of Consumer Affairs. Additionally, the Joint Sunset Review Committee may make a recommendation of extension of the sunset date, consolidation of the agency, or reorganization of the agency. If the committee does not make a recommendation, the agency is repealed and ceases to exist. In contrast, the current process allows for only an extension or allowing a board to sunset and become a bureau.

This bill, when compared to the detail in law regarding the current process, appears to be skeletal in nature, and it may go through significant changes before it reaches a workable form.

Recommendation:

While staff have no recommendation for a position on AB 1659, staff do recommend that the CBA keep in mind that this bill may be viewed as a "good government" bill increasing legislative oversight of state government. On the other hand, while not likely, it may be possible for a small agency to be overlooked or the legislature to run out of time and inadvertently cause an agency to be eliminated.

Attachment

Memorandum

LC Agenda Item III.
March 25, 2010

CBA Agenda Item XI.B.3.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 2130- Sunset Review

Bill Number: AB 2130 (**Attachment 1**)
Authors: Huber
Current Status: Introduced

Provisions:

AB 2130 is a companion bill to AB 1659 which establishes the Joint Sunset Review Committee. AB 2130 replaces the Joint Committee on Boards, Commissions, and Consumer Protection (Joint Committee), which oversees the sunset process for the Department of Consumer Affairs related boards and commissions, with the Joint Sunset Review Committee that would be established by AB 1659. AB 2130 maintains the provision that a board which sunsets becomes a bureau and provides that AB 2130 does not go into effect unless AB 1659 also becomes law.

Comments:

The author's office has informed staff that AB 2130 is an author's bill, which means that the author is the sponsor.

If AB 1659 were to pass, and AB 2130 were to fail, the CBA would be subject to two different sunset reviews, one by the Joint Committee under existing law, and one by the Joint Sunset Review Committee. If the CBA were to fail the Joint Sunset Review Committee's review, it appears as if the CBA would be abolished under AB 1659. It is very unlikely, however, that AB 1659 would pass without support for AB 2130 as well; so staff believe that this scenario would most likely not occur.

Recommendation:

Regardless of the position the CBA might take on AB 1659, staff recommend a Support position on AB 2130 in order to ensure that if both bills become law, protections for the consumers of accountancy services remain in place should the CBA ever fail a sunset review.

Additionally, staff recommend that one letter be sent to this author communicating the CBA position on both AB 1659 and AB 2130.

Attachment

Memorandum

LC Agenda Item IV.
March 25, 2010

CBA Agenda Item XI.B.4.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 24, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 1899- State Agencies: information on web site

Bill Number: AB 1899 (**Attachment 1**)

Authors: Eng

Current Status: Introduced

Provisions:

AB 1899 would require a state agency to post any audits regarding its operations which are finalized after January 1, 2011 and contracts over \$5,000 awarded on or after January 1, 2008 to the state's Reporting Transparency in Government Internet Web site within 15 days of finalization.

Comments:

AB 1899 is sponsored by the SEIU Local 1000.

This measure has some similarity to last year's SB 719 which would have required the CBA to post expenditures over \$1,000 on its Web site. AB 1899 increases the dollar amount to \$5,000 contracts, adds audits regarding an agency's operations, and sets a different Web site for the publication of the information

As with that measure, the amount of information that this would include could be seen as a barrier to gathering anything useful. The consumer would be simply overwhelmed by the amount of information. In addition, the staff time required to compile the information and provide it to the appropriate agencies for posting would be significant.

It should also be noted that all of this information is already available to the public via a Public Records Act request, yet the CBA has received no requests for this information, leading to the question of the necessity of the bill.

Recommendation:

Due to the increase in transparency weighed against the above considerations, the CBA took a Neutral position on last year's SB 719. Staff Recommend a similar position be taken on AB 1899.

Attachment

Memorandum

LC Agenda Item V.
March 25, 2010

CBA Agenda Item XI.B.5.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 24, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 1993- State Government reports: declarations

Bill Number: AB 1993 (**Attachment 1**)

Authors: Strickland

Current Status: Introduced

Provisions:

AB 1993 would require that any written report submitted by any state agency to the Legislature, or to any state legislative or executive body, include a signed statement by the head of the agency declaring that the factual contents of the written report are true, accurate, and complete to the best of his or her knowledge. This bill also establishes a civil penalty not to exceed \$20,000 for knowingly violating these provisions.

Comments:

The author's office has informed staff that AB 1993 is an author's bill, which means that the author is the sponsor.

This measure is fairly straightforward; all reports must have this signed statement, and this would make the person signing the statement personally liable for the content of these reports. When contacted, the author's office was not sure who the "head of the agency" would be in the case of boards, but it would be either the president of the board or the executive officer.

Recommendation:

Staff have no recommendation on AB 1993.

Attachment

Memorandum

LC Agenda Item VI.
March 25, 2010

CBA Agenda Item XI.B.6.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 2091- Public records: information security

Bill Number: AB 2091 (**Attachment 1**)

Authors: Conway

Current Status: Introduced

Provisions:

AB 2091 exempts records relating to information security and the investigatory or security files compiled by a public agency for information security purposes from release under the Public Records Act. This includes, but is not limited to, information security plans, risk assessments, evaluation reports, incident reports, and disaster recovery plans.

Comments:

AB 2091 is sponsored by the State Chief Information Officer.

This bill allows the state to keep documents relating to information security out of the hands of those who could misuse it.

Recommendation:

Staff recommend a Support position on AB 2091.

Attachment

Memorandum

LC Agenda Item VII.
March 25, 2010

CBA Agenda Item XI.B.7.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 2466- Regulations: legislative validation

Bill Number: AB 2466 (**Attachment 1**)
Authors: Smyth
Current Status: Introduced

Provisions:

AB 2466 would require the Office of Administrative Law (OAL) to submit a copy of every regulation submitted to the Secretary of State to the Legislature as well. It would also change the effective date of a regulation from 30 days after filing with the Secretary of State to 90 days. AB 2466 would require the Legislature to hold hearings in the appropriate policy committee regarding each regulation and to offer a recommendation on whether the regulation should be repealed by statute.

Comments:

The author's office has informed staff that AB 2466 is an author's bill, which means that the author is the sponsor.

This bill is about constitutional checks and balances at its core. Under the constitution, the Legislature makes laws, the executive enforces the laws, and the judiciary interprets the laws. The Legislature has delegated certain rulemaking (lawmaking) authority to many agencies in the executive branch, including the CBA. This bill is designed as a check on that authority to ensure that the Legislature maintains control over the lawmaking process. While from a constitutional standpoint, this makes perfect sense, the other part of AB 2466 shows the problem with another layer of checks and balances.

The change in the effective dates for a regulation essentially adds two more months to a process that under good circumstances can take an average of 18 months currently. And, while it might not be significant to the CBA, reviewing every regulation that is approved every year will add significantly to the workload of the Legislature as the assessment of a regulation can be equivalent to that of a bill. OAL approved over 500 regulations in 2009.

Assembly Bill 2466- Regulations: legislative validation
Page 2 of 2

In the end, if legislative constituents are unhappy with a regulation, they can go to their legislator and request that a bill be introduced to remedy the situation.

Recommendation:

Staff recommend an Oppose unless Amended position on AB 2466 with a request that the 90 days be restored to the original 30 days.

Attachment

Memorandum

LC Agenda Item VIII.
March 25, 2010

CBA Agenda Item XI.B.8.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 25, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 2494- Personal services contracts

Bill Number: AB 2494 (**Attachment 1**)

Authors: Blumenfield

Current Status: Introduced

Provisions:

AB 2494 would require a state agency to immediately discontinue a personal services contract disapproved by the State Personnel Board (SPB) unless ordered otherwise by SPB. It would also prohibit the agency from circumventing or disregarding SPB's action by entering another contract for the same or similar services or to continue the services that were the subject of the contract that was disapproved.

Comments:

AB 2494 is sponsored by the SEIU.

SPB is notified of all personal services contracts and are given the first opportunity (before the Department of General Services) to review them if they so choose. If they believe a personal services contract is in violation of law (i.e. fulfilling work that could or should be done by a state employee), they may disapprove the contract.

In addition, if a union wishes to challenge a personal services contract before the SPB, they may do so.

Since it seems natural that upon disapproval, a state agency would discontinue the contract, staff inquired of the author's staff as to the purpose of the bill. Staff were informed that many state agencies are simply ignoring SPB and continuing on with the contract or, as an alternative, discontinuing the contract and immediately replacing it with a similar one. The author's office did not choose to give any statistics or specific examples of this occurring.

The CBA has utilized and plans to continue utilizing personal services contracts in order to enhance its Enforcement Division. Under the spirit of current law, and under the letter of the law should AB 2494 be signed, if one of these contracts were

Assembly Bill 2494- Personal services contracts
Page 2 of 2

to be challenged by a union and disapproved by SPB, the CBA would have to immediately cease the use of outside consultants to enhance the Enforcement Division.

Recommendation:

As this bill simply codifies the spirit of existing law, staff do not have a recommendation for a position on AB 2494.

Attachment

Memorandum

LC Agenda Item IX.
March 25, 2010

CBA Agenda Item XI.B.9.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 2537- Adjudications: presiding officers

Bill Number: AB 2537 (**Attachment 1**)

Authors: Silva

Current Status: Introduced

Provisions:

AB 2537 requires that any agency that conducts adjudicative proceedings create a regulation that allows for peremptory challenge of an administrative law judge (ALJ) presiding over the proceedings.

Comments:

AB 2537 is sponsored by the Conference of Delegates of California Bar Associations.

Current law allows agencies which conduct adjudicative proceedings to create a regulation that allows for peremptory challenge of the presiding officer. AB 2537 simply makes this a requirement when the presiding officer is an ALJ.

Recommendation:

Staff have no recommendation for a position on AB 2537.

Attachment

Memorandum

LC Agenda Item X.
March 25, 2010

CBA Agenda Item XI.B.10.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 2603- Regulations: reductions

Bill Number: AB 2603 (**Attachment 1**)
Authors: Gaines
Current Status: Introduced

Provisions:

AB 2603 requires that a state agency determine how many regulations it imposes by July 1, 2011. Additionally, AB 2603 requires a state agency to reduce that number of regulations by 33% by December 31, 2012. Finally, it requires that any new regulation proposed by an agency until December 31, 2021 also eliminate another regulation.

Comments:

The author's office has informed staff that AB 2603 is an author's bill, which means that the author is the sponsor.

This bill does not clearly state what a "regulation" is for the purposes of counting them. It could be each individual directive, each numbered section, or each rulemaking as a whole. For simplicity sake, the assumption is that it refers to each numbered section of the California Code of Regulations. In this case, the California Board of Accountancy (CBA) has 118 regulations as of today. Under AB 2603, the CBA would have to eliminate 40 of them within the next 34 months. It would take a rulemaking action to do so, and as a rulemaking of this magnitude would take longer than average to accomplish, the CBA would need to start deliberations on which regulations to eliminate next January. It is not clear if this reduction means either repeal or consolidation into other sections.

In addition, every time the CBA wishes to pursue a new rulemaking, for each new regulation section in that rulemaking, it would need to eliminate another section.

Recommendation:

Staff recommend an Oppose position on AB 2603.

Attachment

Memorandum

LC Agenda Item XI.
March 25, 2010

CBA Agenda Item XI.B.11.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Assembly Bill 2738- Regulations: statement of reasons

Bill Number: AB 2738 (**Attachment 1**)
Authors: Niello
Current Status: Introduced

Provisions:

Current law requires that when preparing the Initial Statement of Reasons (ISR) for the rulemaking process, agencies identify alternatives to the proposal that were also considered. Additionally, current law also requires that when agencies develop regulations which mandate the use of specific technologies or equipment or prescribe specific actions or procedures, they consider using performance standards as an alternative. AB 2738 would delete the previous requirement and instead require that the agency acknowledge in the ISR that performance standards are the preferred alternative to mandating specific methods of compliance. It would additionally require the agency to justify, in the ISR, departing from that preference. Under AB 2738, the elements of a regulation that require the use of specific technologies, equipment, actions, or procedures, or other potentially proprietary compliance scheme, methodology, or process must be identified and described in the ISR.

Comments:

AB 2738 is sponsored by the Pacific Merchant Shipping Association.

Performance standards are preferred when writing regulations in an attempt to give those who must comply with the regulation as much latitude as possible. Additionally, this helps prevent regulations from unfairly benefiting one business over another. For instance, in the California Board of Accountancy's (CBA) recent peer review regulations, the CBA identified the AICPA's peer review program as a Board-approved program; however, it also allowed for other providers to be recognized as well. That is a performance standard. If the CBA had left the AICPA program as the only recognized program, that would have been a regulation that prescribed a "specific action or procedure" and could have been considered a "potentially proprietary compliance process."

Assembly Bill 2738- Regulations: statement of reasons
Page 2 of 2

This bill would impose three new requirements when preparing the ISR for a regulation that does not use performance standards. The first is an acknowledgement that performance standards are the preferred alternative. The second is a justification for departing from that standard. And finally, an identification of which elements of the rulemaking impose non-performance standards.

The only regulations that staff has identified where this would have applied to the CBA are the sections relating to the examination. The CBA requires that candidates take the Uniform CPA Exam prepared by the AICPA. This would be a non-performance standard.

This measure may be viewed as a good government bill, and would be good for those who are being regulated as they have more options under performance standards.

Recommendation:

Staff recommend a Support position on AB 2738.

Attachment

Memorandum

LC Agenda Item XII.
March 25, 2010

CBA Agenda Item XI.B.12.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 24, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From : 
Matthew Stanley, Legislation/Regulation Analyst

Subject : Senate Bill 942 and SBx8 48- State Auditor: analysis of regulations

Bill Number: SB 942 (**Attachment 1**) and SBx8 48
Authors: Dutton
Current Status: Introduced

Provisions:

SB 942 and SBx8 48 are identical bills by the same author. While one was introduced in the regular session, the other was introduced in the 8th extraordinary session. This memo will only refer to SB 942, but it does apply to both bills.

SB 942 would require the State Auditor to perform a cost-benefit analysis of regulations that impose a cost on private persons or business, publish a catalog of these regulations in the California Regulatory Notice Register, and consider public comment on them. It also would require the State Auditor, if he or she determines that any of the regulations yield more costs to private persons or business than benefits, to notify the adopting agency in writing of the reasons for the determination and to publish this determination and the reasons for it in the California Regulatory Notice Register.

SB 942 would then require the adopting agency to respond in writing to the State Auditor regarding whether the agency will amend or repeal the regulation or decline to do so. It would then require the State Auditor to review and consider all information submitted by the agency and, if the State Auditor still determines that the cost of a regulation exceeds its benefits, he or she would be required to prepare a statement specifying the reasons for the determination and to recommend to the Legislature that it enact legislation that would amend or repeal the regulation at the current legislative session.

Finally, SB 942 would require that all regulations adopted after January 1, 2011, be repealed 10 years after their effective date unless the State Auditor determines that the benefits of the regulation exceed its costs.

Senate Bill 942 and SBx8 48- State Auditor: analysis of regulations
Page 2 of 2

Comments:

The author's office has informed staff that SB 942 is an author's bill, which means that the author is the sponsor.

This bill relies on the same checks and balances as are in AB 2466, but it takes them a couple of steps further. In SB 942, the Legislature would delegate its check on rulemaking to the State Auditor and limit this check to a cost-benefit analysis. This would relieve the legislative workload issues that are seen in AB 2466; although it would transfer them to the State Auditor.

However, the main problem with SB 942 is the cost-benefit analysis itself. What is the mechanism by which the State Auditor would put a dollar amount on a benefit such as the benefit to consumers of peer review? This is a question that would have to be answered in order for any state agency to have a comfort level when proceeding with a rulemaking.

The ten year repeal date on all regulations is probably sufficient time for a program implemented through regulation to show enough benefit to justify its cost. However, the repeal date is for all regulations, not just those that have a cost to private persons or businesses. But why should regulations that do not have this cost be subject to the ten year repeal date?

Recommendation:

Staff have no recommendation for a position on SB 942 and SBx8 48.

Attachment

Memorandum

LC Agenda Item XIII.
March 25, 2010

CBA Agenda Item XI.B.13.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : March 8, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Senate Bill 1111- Consumer Health Care Enforcement Reform Act

Bill Number: SB 1111
Authors: Negrete-McLeod
Current Status: Introduced

Provisions:

The provisions of SB 1111 can be found in **Attachment 1** which was compiled by the Department of Consumer Affairs (DCA). This document walks you through all 37 provisions of this bill while providing DCA's reasons for making the changes. It also includes the text of SB 1111 separated out into its components. If you would like to see the actual bill, please go to http://leginfo.ca.gov/pub/09-10/bill/sen/sb_1101-1150/sb_1111_bill_20100217_introduced.pdf.

Comments:

SB 1111 is sponsored by DCA.

DCA has requested that all of its boards, including the California Board of Accountancy (CBA), submit a letter of Support for SB 1111. That, combined with the fact that many of its provisions will also be included in the professional services and vocational trades boards' enforcement legislation, is why staff are bringing this bill before the CBA for consideration.

As the CBA was informed at its January meeting, DCA is crafting legislation for the professional services and vocational trades boards that will be a "sister bill" to SB 1111. Patti Bowers led a group of Executive Officers from these boards in assisting DCA with the crafting of this bill. At this time, DCA is negotiating the specific language with legislative staff.

DCA expects to amend this language into a spot bill once it is ready. This bill could be amended as soon as the week of the CBA meeting. If it is done before the meeting, staff will hand carry the language to the meeting for distribution. However, a proper analysis will not be possible until after the CBA meeting. Therefore, due to legislative timelines and in order for the CBA to have its opinion heard in a timely manner on this important bill, it will be necessary to hold a special CBA meeting for

Senate Bill 1111- Consumer Health Care Enforcement Reform Act
Page 2 of 4

this item. This meeting will be scheduled once the bill is in print, and it will most likely be scheduled within two weeks after the CBA's March meeting.

In SB 1111, sections 5-9, 11, 14-16, 19, 22-26, 28-31, and 35-37 are very specific to the healing arts boards, and will not be reviewed individually. Staff are available to answer any questions you may have with these provisions.

There are, however, some sections which are expected to be included in the professional services and vocational trades boards' enforcement legislation and made applicable to them where needed.

Item 1 would require discipline information to be posted to the Web site. The CBA already does this.

Item 2 would authorize the Director to audit and review the enforcement programs of boards. The reasoning behind this is to allow the Director to make recommendations for changes that may be needed.

Item 3 would allow boards to receive actual costs of investigations, enforcement and probation monitoring. Current law only allows boards to receive reasonable costs of investigation and enforcement.

Item 4 would allow boards to contract with collection agencies to improve the boards' fine collection efforts. As regularly noted in the Report of the Enforcement Chief under the item "Report on Citations and Fines," the CBA does have outstanding fines that it is attempting to collect.

Item 10 would allow the executive officers of the boards, in specified circumstances, to adopt a proposed default decision for revocation of a license and stipulated settlements for surrender of a license. This will help to expedite the conclusion of these matters.

Item 12 would authorize the Director to issue a temporary suspension order if the executive officer of the board provides evidence that the licensee poses an imminent risk of serious harm to the health, safety or welfare of the public. It would provide for an appeal process. It provides that the order is only valid for 120 days or until the board issues an interim suspension order.

Item 13 would provide that a license is automatically suspended if the licensee is incarcerated after the conviction of a felony. The board would then review the suspension to determine if the felony was substantially related to the functions and duties of the licensee. The board could then set aside the suspension if it was not related. This suspension is in effect even during an appeal process. At the end of

Senate Bill 1111- Consumer Health Care Enforcement Reform Act
Page 3 of 4

the appeal process, when the judgment is final, or if requested by the licensee, the board may hold a hearing to impose discipline as usual.

Item 17 would require a state agency to provide all records regarding an investigation in its possession to a board that requests them. Also requires a state agency to notify the appropriate board if it is conducting an investigation against a licensee. Currently the Franchise Tax Board (FTB) is not allowed to provide certain records by law. It is unknown how that law would reconcile with this proposal. However, other agencies are usually very responsive to requests. We are not notified when other agencies are investigating CBA licensees.

Item 18 requires all local and state law enforcement agencies, state and local governments, state agencies and licensed health care facilities, and employers of any licensee to provide requested records prior to receiving payment from the board. Due to the extended time it takes for approval of payments, this would speed up the time it takes to receive records.

Item 20 would require the boards to report annually, by October 1, to the department and Legislature various enforcement statistics and information.

Item 21 would require the Attorney General's office to meet certain timeframes regarding accusations, default decisions, and setting of hearing dates. The timeframes in the bill are just a starting point for DCA to negotiate with the Attorney General's office and are expected to change.

Item 27 would establish that failing to furnish information to the board in a timely manner or to cooperate in an investigation constitutes unprofessional conduct. The CBA already has provisions in its regulations and law which accomplish this; therefore, this section would not affect the CBA.

Item 32 would require the Department of Justice to provide reports of subsequent arrests or convictions within 30 days. The CBA receives these reports regularly. The majority of them average well under this timeframe; however, there are some that take more than three months.

Item 33 would allow the DCA to annually adjust the maximum fees for each board consistent with the Consumer Price Index.

Item 34 would establish that unlicensed practice is a crime punishable by a fine not to exceed \$100,000 and one year imprisonment in a county jail. CBA has a maximum penalty of \$5,000 for unlicensed practice.

Senate Bill 1111- Consumer Health Care Enforcement Reform Act
Page 4 of 4

Recommendation:

The DCA has requested a letter of Support for SB 1111.

Attachment

Memorandum

LC Agenda Item XV.
March 25, 2010

CBA Agenda Item XI.B.15.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov


From : Matthew Stanley, Legislation/Regulation Analyst

Subject : Senate Bill 1171- Sunset Review

Bill Number: SB 1171 (**Attachment 1**)
Authors: Negrete-McLeod
Current Status: Introduced

Provisions:

Abolishes the Joint Committee on Boards, Commissions, and Consumer Protection and authorizes the policy committees to carry out its duties. Terminates the terms of office of each board member or bureau chief on unspecified dates and authorizes successor board members and bureau chiefs to be appointed. Authorizes the policy committees to review the boards and bureaus scheduled to have their membership so terminated, and to investigate their operations and to hold public hearings.

Comments:

The author's office has informed staff that SB 1171 is an author's bill, which means that the author is the sponsor.

The California Board of Accountancy (CBA) submitted its Sunset Review report on September 1, 2009 as its sunset date is July 1, 2011. Staff have been informed that the current plan is to extend the CBA's sunset date by one year and hold hearings next winter.

Under SB 1171, a board that does not successfully complete its review would no longer sunset and become a bureau. Instead, the terms of the board members would terminate and the appointing authorities would appoint a whole new board. As of the current version of SB 1171, those dates have not yet been written into the bill, so staff does not yet know when this would first affect the CBA.

Another significant change is the abolishment of the Joint Committee on Boards, Commissions, and Consumer Protection. The appropriate policy committees in each house will now fulfill the oversight function. Additionally, whereas the Joint Committee was required to hold hearings, the language of SB 1171 is permissive. Therefore, the policy committees could choose to hold a joint hearing, separate

Senate Bill 1171- Sunset Review
Page 2 of 2

hearings, only hold a hearing in one house, or hold no hearing at all. Finally, the “sunset review report” that each board must prepare is to be presented to both policy committees.

The “sunset review report” requirements have also been changed significantly. Previously a sunset review report had to contain a board’s mission, goals, objectives and jurisdiction and some general data regarding the board’s operations, licensing, enforcement and legislative efforts. The report required under SB 1171 deletes the mission, goals, objectives and jurisdiction and instead focuses on data. In broad terms, the report will need to be focused on what a board has done in the past, with an emphasis on enforcement time frames, rather than what the board wishes to accomplish in the future. The data required on which the report is focused is outlined in detail on page 9 and 10 of the bill.

Finally, SB 1171 outlines the factors on which a board is evaluated by the policy committees. These factors are not changed from current law in SB 1171, and can be found on page 12 of the bill.

Recommendation:

SB 1171 is nearly identical to last year’s SB 638. The CBA had a Watch position on SB 638, and staff recommend that this position be adopted for SB 1171 as well.

Attachment

Memorandum

LC Agenda Item XVI.
March 25, 2010

CBA Agenda Item XI.B.16.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 23, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov


From : Matthew Stanley, Legislation/Regulation Analyst

Subject : Senate Bill 1351- Office of Administrative Law: regulation review

Bill Number: SB 1351 (**Attachment 1**)
Authors: Wright
Current Status: Introduced

Provisions:

SB 1351 would revise the definition of "clarity," as used as a standard for approval of regulations by the Office of Administrative Law (OAL), to additionally mean that regulations include all implementation schedules and forms necessary for compliance with the regulation.

Comments:

The author's office has informed staff that SB 1351 is an author's bill, which means that the author is the sponsor.

The OAL reviews every rulemaking action taken by regulatory agencies. They have 30 days to perform the review and must evaluate the proposal based on statutory standards. Those standards are authority, reference, consistency, clarity, non-duplication, and necessity. SB 1351 adds to the existing definition of "clarity" in order to ensure that all rulemaking files include the necessary implementation schedules (rather than vague dates), and the forms necessary for compliance.

The CBA's practice privilege, continuing education, and peer review regulations from the past several years have all contained the necessary forms and would have been in compliance with SB 1351.

Recommendation:

As this bill would seem to make interpreting regulations easier for consumers and licensees, staff recommend a Support position on SB 1351.

Attachment

Memorandum

LC Agenda Item XVII.
March 25, 2010

CBA Agenda Item XI.B.17.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : March 15, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From :  Matthew Stanley, Legislation/Regulation Analyst

Subject : Senate Business, Professions and Economic Development Omnibus Legislation

Bill Number: SB 1490 (**Attachment 1**) and SB 1491 (**Attachment 2**)
Authors: Business, Professions, and Economic Development
Committee
Current Status: Introduced

Provisions:

These bills make several non-controversial, minor, nonsubstantive or technical changes to various miscellaneous provisions pertaining to the professional services and vocational trades regulatory boards of the Department of Consumer Affairs.

Comments:

SB 1490 and SB 1491 are sponsored by the Senate Committee on Business, Professions & Economic Development (B&P).

SB 1490 is an urgency bill which means that when it is signed by the Governor, it will take effect immediately. The California Board of Accountancy (CBA) has an interest in this bill as it is the bill that will remove the remaining sunset date from the Practice Privilege Program that was overlooked by last year's SB 819. It also makes the necessary technical amendment to the law that allows this change without undoing the elimination of Pathway 1.

SB 1491 is the non-urgency professional services and vocational trades omnibus bill. Most of the provision of SB 1491 do not affect the CBA; however, there are ten sections in SB 1491 that do, Sections 1-9 and Section 22.

Sections 1, 2, 8, and 9 all rename the administrative committee to be the enforcement advisory committee (EAC).

Section 3 enacts the change that the CBA requested in 2009 to allow non-licensee CBA members and other non-licensees to be members of other committees that the CBA may wish to establish.

Senate Business, Professions and Economic Development Omnibus Legislation
Page 2 of 2

Section 4 amends the peer review provisions as requested by the CBA in 2009 to clarify that it must be a licensee who issues the peer review report.

Section 5 deletes references to sections of the Accountancy Act that comprised Pathway 0. On January 1, 2010, these sections sunset and Pathway 0 was eliminated.

Section 6 eliminates a stray comma that was inadvertently placed between the words “practice” and “privilege.”

Section 7 deletes a section of the code that required a report to the Legislature on September 1, 2003. This provision was obsolete.

Section 22 amends the Bagley-Keene Open Meetings Act provisions that allow the EAC and the Qualifications Committee (QC) to meet in closed session in certain instances. The amendment simply updates the names to the current EAC and QC.

Recommendation:

Staff recommend a Support position be taken on those sections affecting the CBA in SB 1490 and SB 1491.

Attachments

Memorandum

LC Agenda Item XVIII.
March 25, 2010

CBA Agenda Item XI.B.18.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 24, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov


From : Matthew Stanley, Legislation/Regulation Analyst

Subject : ABx8 8- Franchise Tax Board: administration

Bill Number: ABx8 8 (**Attachment 1**)
Authors: Committee on Budget
Current Status: Concurrence in Senate Amendments

Provisions:

ABx8 8 would require licensing entities issuing professional or occupational licenses to provide to the Franchise Tax Board (FTB) the name and social security number or federal taxpayer identification number of each individual licensee of that entity. It would further require the FTB, to send a notice of suspension to the licensee if they fail to pay taxes for which a notice of state tax lien has been recorded. It further provides that the license of a licensee who fails to satisfy the unpaid taxes by a certain date shall be automatically suspended, and would require the FTB to mail a notice of suspension to the licensing entity and to the licensee, and would provide that the suspension be canceled upon compliance with the tax obligation.

This bill makes additional changes to Sales and Use Tax Law, to the Personal Income Tax Law, and the Financial Institution Record Match System that are not related to the provisions which are of interest to the CBA. Any communication regarding this proposed law would specify that the CBA position is only in relation to the specified provisions.

Comments:

The author's office has informed staff that ABx8 8 is an author's bill, which means that the author is the sponsor.

This bill was a budget spot bill when it left the Assembly. It was amended on the Senate Floor into its current form and passed the Senate on a partisan, 23-15 vote. It is now awaiting a vote on the Assembly Floor. This bill has not been heard before any committees where public participation is allowed.

ABx8 8- Franchise Tax Board: administration
Page 2 of 2

Recommendation:

The CBA saw similar legislation in AB 1925 of 2008. The CBA position at that time was Oppose Unless Amended over concerns that another state agency would be disciplining the CBA's licensees. The suggested amendment was to have the FTB notify the board of the offending licensee of the problem, and allow the board to pursue its own discipline.

Attachment

Memorandum

LC Agenda Item XIX.
March 25, 2010

CBA Agenda Item XI.B.19.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 24, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov


From : Matthew Stanley, Legislation/Regulation Analyst

Subject : SBx8 29- Public Employees- Furlough Exemptions

Bill Number: SBx8 29 (**Attachment 1**)
Authors: Steinberg
Current Status: Introduced

Provisions:

SBx8 29 would exempt from furloughs employees in positions funded at least 95% by sources other than the General Fund.

Comments:

The author's office has informed staff that SBx8 29 is an author's bill, which means that the author is the sponsor.

The California Board of Accountancy is 100% funded by sources other than the General Fund.

Governor Schwarzenegger has declined in the past to implement the goals of this bill through executive order.

As of February 24, 2010, this bill has passed the Senate on a bipartisan, although not unanimous, vote (30-6, with all 6 Noes being Republican) and is awaiting a vote on the Assembly Floor.

Recommendation:

As staff are directly impacted by this legislation, staff have made no recommendation for a position on SBx8 29.

Attachment

Memorandum

LC Agenda Item XX.
March 25, 2010

CBA Agenda Item XI.B.20.
March 25-26, 2010

To : CBA Members
Legislative Committee Members

Date : February 24, 2010

Telephone : (916) 561-1792

Facsimile : (916) 263-3678

E-mail : mstanley@cba.ca.gov

From : Matthew Stanley, Legislation/Regulation Analyst

Subject : Overview of Spot Bills Introduced in 2010

Although the following bills are only spot bills at this time, the California Board of Accountancy (CBA) should be aware that they have been introduced and that staff is tracking them for any amendments which may justify further scrutiny by the CBA. These spot bills were identified as they currently impact sections of law in which the CBA may have an interest.

<u>Bill Number</u>	<u>Designation</u>
AB 1734	Regulations: effective date
AB 1958	State Government
AB 2288	Boards: review
AB 2652	Regulations: legislative review
AB 2667	Department of Consumer Affairs
AB 2707	Regulatory boards

Spot bills are bills that make minor, inconsequential changes to current law, or simply state legislative intent. These bills are used as placeholders for future content that may be amended into them later in the session.

It is not necessary for the CBA to take action on these items at this time.

Memorandum

CBA Agenda Item XIV.A.2.
March 25-26, 2010

To : CBA Members

Date : March 9, 2010

Telephone : (916) 561-1716

Facsimile : (916) 263-3674

E-mail : vdaniel@cba.ca.gov

From : 
Veronica Daniel
Executive Analyst

Subject : AICPA Examination Panel Nominations

The AICPA Examinations Team is seeking CPA nominees to serve on Uniform CPA Examination panels that will assist the AICPA in arriving at a "passing score" decision for the new Uniform CPA Examination being launched on January 1, 2011.

Attached is a letter from Douglas E. Warren, Chair, Board of Examiners and Craig N. Mills, Vice President, Examinations, providing information about the standard-setting process for setting a new passing score on the Uniform CPA Examination. Also attached is the AICPA Examination Panel nomination announcement letter, which outlines the desirable qualifications of nominees. The deadline to submit nominations is March 31, 2010.

If CBA members would like to submit a nomination, staff may be directed to prepare a memo indicating such and delegate the final language approval to the CBA President prior to the nomination being forwarded to AICPA.

If you have any specific questions about the nomination process, you may contact Martha Renaud at AICPA at (609) 671-2919 or via email at mrenaud@aicpa.org.

Attachments

February 5, 2010

To Accountancy Board Chairs/Presidents, Executive Directors, and Other Interested Parties:

Significant changes in Uniform CPA Examination content, structure, and format will be implemented when CBT-e is launched on January 1, 2011. As a result, a new CPA Examination passing score will need to be determined. Planning for “standard-setting” – as the process of establishing a new passing score is sometimes called – is now under way, and we are writing to advise you about the standard-setting components and schedule. In addition, we seek your help in identifying CPAs who may be qualified to play a key role in the standard-setting process.

Purpose of Standard-Setting

For any licensure examination, a formal process to set the passing score is needed in order to establish the level of performance candidates must meet to demonstrate that they have the knowledge and skills necessary for licensure. When there are major examination changes – as there will soon be on the CPA Examination – the passing score needs to be reconsidered to ensure that legally defensible pass/fail decisions are made in protection of the public interest.

Roles and Responsibilities

The AICPA Board of Examiners (BOE) has the authority to set the passing score on the CPA Examination. The Psychometric Oversight Committee (POC) of the BOE is responsible for recommending methods and procedures for setting the passing standard, overseeing the analysis of data generated by content experts, and reviewing the results for psychometric validity before they are presented to the BOE. The current plan for setting passing scores is similar to the one used in 2003-2004, when standard-setting last took place in conjunction with the implementation of CBT (Computer-Based Testing). It calls for panels of content experts to review candidate performance on the examination and make judgments about it.

Standard-Setting Panels of CPAs

Four panels of CPAs – one for each examination section – will be convened this summer as the first step in the standard-setting process. At each panel meeting, training will be provided to the panelists on how to rate candidate performance profiles, which will consist of examination questions and candidate responses to them. Initial ratings by question type – Multiple-Choice Questions (MCQs), Simulations, and Written Communication tasks – will then be developed by the panelists. The panelists will review and discuss the initial results before assigning final ratings of candidate performance profiles.

Standard-Setting Timeline

The POC is scheduled to present the data developed by standard-setting panels for initial review by the BOE in October or November 2010. Final review by the BOE and the determination of the new passing score will take place in the spring of 2011, after scores from the first 2011 testing window become available.

Request for Standard-Setting Panel Nominations

We are currently seeking nominations of CPA volunteers who would be willing to serve on standard-setting panels and able to participate in an August 2010 two-day meeting in Chicago, IL at the expense of the AICPA. Please help us identify prospective panelists by nominating CPAs who:

- have been licensed for between three and five years
- have supervised entry-level CPAs during the past year, and
- have NO affiliation with CPA Examination review courses.

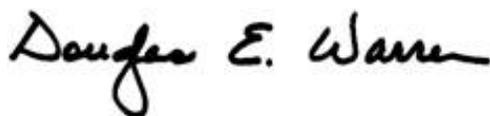
The nomination process is streamlined, and multiple nominations – as well as self-nominations – are welcome. Nomination forms are available at <http://vovici.com/wsb.dll/s/4e5ag3f124>. Completed forms may be submitted online – or by FAX to 609-671-2922 – or the names of nominees and contact information may be submitted by e-mail to passingscorepanel@aicpa.org. We ask that nominations be provided by March 31, 2010.

The information collected about nominees will remain secure and will be used solely for the purpose of identifying prospective standard-setting panelists. Panelists will be selected with the goal of ensuring broad representation of all segments of the profession and demographic categories.

We are providing an announcement in the hope that you will be able to publish it in your newsletter, or post it on your website, or distribute it as an e-mail attachment to anyone able to submit nominations. The work of the panels will be extremely important to the continued success of the CPA Examination and its role in the CPA licensure process. Thank you in advance for helping to identify CPAs who have both the required qualifications and the willingness to contribute their time and expertise to standard-setting.

We would be happy to provide additional information about any aspect of standard-setting and to respond to questions.

Sincerely,



Douglas E. Warren, CPA
Chair, Board of Examiners



Craig N. Mills, Ed.D.
Vice President - Examinations

THE AICPA EXAMINATIONS TEAM IS SEEKING CPA NOMINEES TO SERVE ON CPA EXAMINATION PANELS

When the new Uniform CPA Examination is launched on January 1, 2011, changes in content, format, and structure will be introduced. These changes will require the current passing score to be re-examined. The process to do so will include convening four panels of CPAs – one for each examination section – to prepare the groundwork for the passing score decision by the AICPA Board of Examiners. A new passing score determination is necessary in conjunction with the new examination to ensure that legally defensible CPA Examination pass/fail decisions continue to be made in protection of the public interest.

Panel Nominees

The AICPA is seeking nominations for passing score panel membership. Nominees should be CPAs who:

- have been licensed for between 3 and 5 years
- have supervised entry-level CPAs during the past year
- have NO affiliation with CPA Examination review courses, and
- are willing to participate in an August 2010 two-day meeting in Chicago, IL at the expense of the AICPA.

The selection of panelists from among qualified nominees will be made to ensure broad representation from all segments of the profession and demographic categories. Panelists will be given training at the August meetings on their responsibilities as panel participants.

Submitting Nominations

Nominations may be submitted online at <http://vovici.com/wsb.dll/s/4e5ag3f124> or the forms completed and returned by FAX to 609-671-2922. Or, the names and contact information of nominees may be sent by e-mail to passingscorepanel@aicpa.org. The information collected about nominees will be used only for the purpose of selecting panel participants.

The deadline for submitting nominations is MARCH 31, 2010.

**PLEASE SUBMIT AS MANY NOMINATIONS AS YOU CAN AND URGE YOUR
COLLEAGUES TO DO THE SAME. THANK YOU!**

Memorandum

Board Agenda Item XIV.B.2
March 25-26, 2010

To : CBA Members

Date : February 23, 2010

Telephone : (916) 561-4344

Facsimile : (916) 263-3674

E-mail : vjohnston@cba.ca.gov

From : Vincent Johnston, Analyst
Executive Division

Subject : Responses to NASBA's Regional Director's Focus Questions

Attached for your information are responses to NASBA's Regional Directors' Focus Questions, which were issued January 22, 2010. These responses have been prepared for Laurie Tish, Pacific Regional Director and are due to Ms. Tish by April 9, 2010.

Donald Burkett, NASBA's Middle Atlantic Director has previously informed staff that the quarterly Focus Questions are used to assist NASBA's regional directors to stay apprised of each state's policies and procedures, and to see where improvements or adjustments might be made. The eight regional directors come together and review the states' answers and then present their findings to NASBA.

The draft response to the Focus Questions was prepared by CBA staff from the Executive unit, with input from the Licensing and Enforcement Divisions. This draft response was completed with input received from members, and is being presented to the CBA for approval before submission to NASBA.

Attachments

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

MEMORANDUM

January 22, 2010

To: State Board Chairs and Executive Directors
From: Donald H. Burkett - Chair, Committee on Relations with Member Boards
Re: Focus Questions

As Chair of the Committee on Relations with Member Boards, I would like to thank you for your assistance with our recent quarterly Focus Questions and to thank those who attended the Annual Meeting for sharing their thoughts with us there. Some of the following Focus Questions are based on issues raised at the Regional Breakfast Meetings held during the Annual Meeting. Your responses have helped guide NASBA's Board of Directors and committees in the past, and we hope to continue to use these questions similarly in the future.

Please do not hesitate to call your Regional Director to discuss the following questions or any other issues you feel NASBA should consider. We wish you a wonderful holiday season.

Sincerely,

Donald H. Burkett

Central Director – **Telford A. Lodden** Fax: (515) 223-8778 Phone: (515) 223-7300
tal@brookslodden.com

Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

Great Lakes Director – **Claireen Herting** Fax: (813) 637-4420 Phone: (312) 298-3675
claireen.l.herting@us.pwc.com

Illinois, Indiana, Michigan, Ohio, Pennsylvania, Wisconsin

Middle Atlantic Director – **Donald H. Burkett** Fax: (803) 461-8768 Phone: (803) 794-3712
donnyb@burkettcpas.com

DC, Delaware, Maryland, North Carolina, South Carolina, Virginia, West Virginia

Mountain Director – **Harry O. Parsons** Fax: (775) 328-1099 Phone: (775) 328-1040
hparsons@pangborncpa.com

Colorado, Idaho, Montana, Nevada, Utah, Wyoming

Northeast Director – **Michael Weinschel** Fax: (203) 367-1040 Phone: (203) 367-2022
mweinschel@weinwyncpa.com

Conn., Maine, Mass., New Hampshire, New Jersey, New York, Rhode Island, Vermont

Pacific Director – **Laurie J. Tish** Fax: (206)622-9975 Phone: (206)302-6466
laurie.tish@mossadams.com

Alaska, Arizona, California, CNMI, Guam, Hawaii, Oregon, Washington

Southeast Director – **Kenneth R. Odom** Fax: (334) 222-9125 Phone: (334) 222-4101
kodom@ro-cpa.com

Alabama, Florida, Georgia, Kentucky, Mississippi, Puerto Rico, Tennessee, Virgin Islands

Southwest Director – **David D. Duree** Fax: (432) 333-3229 Phone: (432) 333-3221
dduree@elmsco.com

Arkansas, Louisiana, New Mexico, Oklahoma, Texas

REGIONAL DIRECTORS' FOCUS QUESTIONS

The input received from our focus questions is reviewed by all members of NASBA's Board of Directors, committee chairs and executive staff and used to guide their actions. We encourage you to place the following questions early on the agenda of your next board meeting to allow for sufficient time for discussion. Please send your Board's responses to your Regional Director by April 9, 2010. Use additional sheets for your responses if needed.

JURISDICTION California

DATE February 23, 2010

NAME OF PERSON SUBMITTING FORM

Vincent Johnston

1. Is your Board doing anything to verify a firm's assertion that it is not performing attest services? Is so, please explain.

The California Board of Accountancy does not currently inquire with firms as to whether or not they perform attest services. However, with the implementation of California's new Peer Review program, all firms must now notify the CBA if they perform auditing and accountancy services.

2. What are your Board's top three concerns for 2010? How can NASBA help with any (or all) of them?

1. Successful implementation of the CBA Peer Review program. NASBA can assist by informing CPAs of California's new peer review requirements for firms providing accounting and auditing services.
2. California is in the process of updating our Continuing Education requirements. NASBA can assist by helping get the word out regarding California's changes to the continuing education requirements, including the ethics course requirements, new regulatory review requirement and completing the minimum amount of CE yearly.
3. The CBA is currently seeking passage of new Enforcement Initiative legislation for all "non healing arts" boards.

3. What is the most effective way for your Board to communicate its issues to NASBA?

Active participation of NASBA committees, the Regional Director's Focus Questions, participation in NASBA's annual meeting, and NASBA Quick Polls are all ways the CBA communicates with NASBA.

4. To help us enhance NASBA's New Board Member Orientation Program, please tell us what information proved most helpful to you as a new Accountancy Board member?

Unfortunately NASBA's New Board Member Orientation is only held at the annual meeting, which is often outside of California. Due to the current budget constraints, all travel outside the State of California is currently limited. As such, most new CBA members have not had the chance to attend the Orientation Program. Hopefully when California's budget situation improves, CBA members will have the ability to attend.

5. What is happening in your jurisdiction that is important for other State Boards and NASBA to know?

On January 1, 2010, California had two new laws and two sets of regulations go into effect. The first law created a mandatory peer review program in California and one of the sets of major regulations will implement this law.

The second law is SB 819 which made California's 120 semester unit pathway (Pathway 1) to licensure inoperative as of January 1, 2014, leaving only the 150 semester unit pathway as of that date. In order to ensure that the extra 30 semester units over the current Pathway 1 requirement of 120 semester units is relevant to the profession, SB 819 mandates that those units consist of 10 units of ethics education and 20 units of accounting education (10-20 requirement). SB 819 also establishes two new committees to develop regulations to govern this 10-20 requirement.

The second major regulatory change is to the CBA's CE requirements. Licensees will now be required to take an ethics class every two years and a regulatory review class every six years. In addition, licensees must complete 20 hours of CE every year.

6. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

- Input only from Board Chair
- Input only from Executive Director
- Input only from Board Chair and Executive Director
- Input from all Board Members and Executive Director
- Input from some Board Members and Executive Director
- Input from all Board Members
- Input from some Board Members

Other (please explain):