

Julie I Brown, Secretary

Ron DeSantis, Governor

Board of Accountancy
Budget Task Force
Minutes

Thursday, April 29, 2021

Meeting was called to order at 10:35 a.m. by Chair, Brian Sparkman. The roll was called by Roger Scarborough, Executive Director.

Budget Task Force Committee Members

Brian Sparkman, Chair	Present
Shireen Sackreiter	Present
Jason Lafser	Present
Michelle Maingot	Present

Others Present:

Roger Scarborough, Executive Director; CPA Division, DBPR
Angela Francis, Sr. Management Supervisor; CPA Division, DBPR
Eric Thiele & Jennifer Ciardo, Finance and Accounting; DBPR;
Rachelle Munson, Office of the Attorney General
Jennifer Green, Liberty Partners

Mr. Sparkman introduced himself as the new Chair of the Budget Task Force Committee and new Board Member with the Board of Accountancy. Mr. Sparkman requested assistance from the former Chair, Michelle Maingot, if needed during the course of the meeting.

Mr. Sparkman requested a review/ background of the financial reports for the sake of the new Task Force members from Eric Thiele.

Mr. Thiele explained that he would be covering expenses from three (3) different accounts. Operating Account, Unlicensed Activity Account, and the Minority Scholarship Account.

1. Discussed 2nd Quarter Financial Reports pages 2-8

Eric Thiel explained the details of the financial report and the details of each category for each account.

- a. Operating Account (Revenues, Expenses & Transfers)
- b. Unlicensed Activity Account (Revenues, Expenses & Transfers)
- c. Education Minority Assistance Program Operating Account (Revenues, Expenses, & Transfers)

In reviewing the 3 year comparison statements, Director Scarborough pointed out that due to firm licensure renewals, the six month YTD odd year statements reflect an increase in revenues in the Operating Account. Director Scarborough pointed out that due to fiscal year- end statements ending in June, that even year fiscal yearend statements have higher revenues.

Mr. Thiele indicated the ULA has a straight forward \$5 renewal fee charge on all licenses. Mr. Thiele also explained to the Task Force the ULA Account is dictated by statute and susceptible to a fee holiday. He further explained that if the account reaches a certain threshold dollar amount two (2) times greater than the last two (2) years expenditures, it automatically triggers a fee holiday. He indicated that the Board knows in advance because this automatically occurs by statute and is a mathematical calculation.

Mr. Thiele explained the transfer of excess cash to general revenue on the financial report as a sweep payment from the Operating Account to the General Revenue Fund.

It was discussed if we needed to spend more cash or how the Board should manage the budget and revenue to balance the budget overall. Director Scarborough shared that his strategy was to minimize expenses within reason and allow for a fee holiday for the profession. He shared that the Division was in the process of purchasing computers and software for the entire staff this year. Computers and software are outdated and in some cases the software is no longer supported by the vendor making it especially susceptible to malware. These purchases would be expensed this year, not depreciated. He indicated the Division had experienced significant savings from the lack of travel during the pandemic and he was using that opportunity to fund the computer refresh-with the plan the Division would still come in well under the allotted budget.

Mr. Thiel explained the Minority Scholarship Account reflects money collected by the Department from a \$10 fee paid by licensees at renewal to the Professional Regulation Trust Fund. Director Scarborough explained how many applications we received and amount of scholarships were disbursed during the 2020 fiscal year, pointing out there were fewer applicants this year. Director Scarborough noted the Department is authorized to spend up to \$200, 000 per year for the program from this program account. After some discussion in which Director Scarborough shared details on the numbers of scholarship recipients this year, Finance and Accounting agreed to double check to make sure disbursement amounts were correct for the period.

Raising the scholarship amount due to increased cost of education was discussed. Director Scarborough shared that staff had asked committee members to help gather information on the cost of 5th year accounting education programs so that it could be reviewed and presented to the Board with any suggested changes from the committee.

2. Discussed Five Year Projections 2nd Quarter page 9-11

Mr. Thiel indicated the projections are prior year projections from the previous fiscal year, and they do not incorporate anything from the current year. Mr. Thiel indicated as for the Operating account, the Board will need to consider a license fee waiver on June 30, 2023. He indicated his team will draft projections and present them to the Budget Task Force Committee at the appropriate time in consideration for the fee holiday.

Chairman Sparkman inquired if the submitted projections presented are required to be published to a website for legislative review and fiscal impact. Thiele indicated that projections are required and are posted on the Department's website along with the Unlicensed Activity files. Mr. Thiele indicated that most of the time, the five year (5) projections are used for the considering new legislation and determining the fiscal impact.

Rachelle Munson asked if any if any other agencies monitor the Department's financial records. Thiel indicated that the Department of Financial Services audits DBPRs financial records on an annual basis. He indicated the Inspector General also audits our records and has access to the Department's annual report.

3. Discussed other business

Mr. Lafser asked if there would be any anticipated IT costs from for the CPE Task Force. Director Scarborough indicated potentially, yes. He pointed out that any expenses incurred with the IT department based on their assistance with implementing changes to the CPE reporting process would be charged to the CPA Division. He indicated IT had provided some preliminary estimates that he had shared with the Task Force.

Director Scarborough made the request for signature on older minutes by the former Chair of the Budget Task Force Committee, Michelle Maingot. Ms. Maingot indicated that she had received the minutes by email and would be sending them back to the liaison this week.

4. Adjourned

Meeting adjourned by Chair, Brian Sparkman at 11:15 a.m.

Committee Chair/ Date