

Analysis of Budget Request

Appropriation: A25 - Accounting Board-Cash Operations

Funding Sources: 303 - Accountancy Board - Cash

The State Board of Public Accountancy authorized by Arkansas Code Annotated §17-12-201 is responsible for oversight of the practice of public accounting and individuals performing duties as a certified public accountant. The Board is responsible for administering an examination, certifying educational and continuing educational requirements, and issuing certificates and licenses to those individuals meeting established standards for the practice of public accounting. The operations of the Board are funded from examination and license fees charged by the agency.

Base Level unclassified positions were changed to classified and the current classified position reflects the recommendations of the Pay Plan Study. Salaries were adjusted accordingly. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipend payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

Change Level Requests total \$128,076 for FY10 and \$137,271 for FY11. The increase in Regular Salaries and Personal Services Matching is for board member stipends pursuant to Act 67 of 2007, which allows the Board to pay stipends while performing any proper board business. The increase in the Operating Expenses line item of \$39,693 for FY10 and \$43,442 for FY11 is to cover increases in office rent; due to an increase in office space, board member travel; for attendance at meetings specifically designed to educate and focus on the changing accounting environment, cash fund service charge, office supplies, other services and expenses, and to replace outdated computer equipment. The Board requests an increase in Conference & Travel Expenses of \$431 for FY10 and \$877 for FY11 for the anticipated cost increases for mileage, airfare, and conference/seminar fees to stay current with the changing accounting environment. The request for Capital Outlay of \$27,500 for FY10 is for leasehold improvements; due to the increase in office space, office equipment and furniture for replacement of obsolete, non-repairable equipment or provide additional equipment as needed, and to replace an outdated network server. The request of \$17,500 for FY11 is for leasehold improvements and office equipment and furniture.

The Board also requests a reallocation of \$22,657 from Data Processing to Operating Expenses to properly classify support and maintenance of their website and licensure database(network services expense).

The Board requests an increase in Exam Fees of \$60,000 for FY10 and \$75,000 for FY11 to cover the estimated increased costs of third-party fees of administering the CPA Exam and an increased number of applicants.

Executive Recommendation provides for Agency Request. Expenditure of appropriation is contingent upon available funding.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

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Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	347,599	414,108	411,948	417,215	417,215	417,215	426,171	426,171	426,171
#Positions		8	9	9	9	9	9	9	9	9
Extra Help	5010001	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	107,076	123,166	121,076	131,978	131,978	131,978	133,831	133,831	133,831
Operating Expenses	5020002	179,762	204,563	204,563	266,913	266,913	266,913	270,662	270,662	270,662
Conference & Travel Expenses	5050009	14,583	14,706	14,706	15,137	15,137	15,137	15,583	15,583	15,583
Professional Fees	5060010	22,099	39,041	39,041	39,041	39,041	39,041	39,041	39,041	39,041
Data Processing	5090012	19,291	22,657	22,657	0	0	0	0	0	0
Refunds/Reimbursements	5110014	5,713	10,020	10,020	10,020	10,020	10,020	10,020	10,020	10,020
Capital Outlay	5120011	8,217	10,000	10,000	27,500	27,500	27,500	17,500	17,500	17,500
Exam Fees	5900046	197,462	220,000	175,000	235,000	235,000	235,000	250,000	250,000	250,000
Total		901,802	1,063,261	1,014,011	1,147,804	1,147,804	1,147,804	1,167,808	1,167,808	1,167,808

Funding Sources										
Fund Balance	4000005	1,031,065	1,211,066		1,103,901	1,103,901	1,103,901	898,555	898,555	898,555
Cash Fund	4000045	1,081,803	956,096		942,458	942,458	942,458	964,174	964,174	964,174
Total Funding		2,112,868	2,167,162		2,046,359	2,046,359	2,046,359	1,862,729	1,862,729	1,862,729
Excess Appropriation/(Funding)		(1,211,066)	(1,103,901)		(898,555)	(898,555)	(898,555)	(694,921)	(694,921)	(694,921)
Grand Total		901,802	1,063,261		1,147,804	1,147,804	1,147,804	1,167,808	1,167,808	1,167,808

The FY09 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium. FY08 Actual and FY09 Budget exceeds Authorized Appropriation in Exam Fees due to a transfer from the Cash Fund Holding Account.