

Analysis of Budget Request

Appropriation: A25 - Accounting Board-Cash Operations

Funding Sources: 303 - Accountancy Board - Cash

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

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Board's Change Level Request of \$24,500 and \$34,500 for FY14 and FY15 provides for the following:

- For FY14 and FY15, the Board requests an increase of \$4,500 for Refunds/Reimbursements due to the implementation of an online exam application process. This online process deposits the exam application fees into the Board's account. If the candidate does not meet the exam requirements, the payment received is refunded. Prior to this online process, fees were not deposited until application review. If the applicant did not meet the requirements, the application and fees were mailed back to the candidate.
- Capital Outlay of \$10,000 is for leasehold improvements and replacement of office furniture and office equipment which is obsolete or irreparable.
- Exam Fees increase of \$10,000 in FY14 and an increase of \$20,000 in FY15 for estimated increases in third party costs associated with the Certified Public Accountant's exam and estimated increase in the number of exam candidates.

The Executive Recommendation provides for the 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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	394,191	432,366	410,861	432,966	440,181	440,181	432,966	440,181	440,181
#Positions		9	9	9	9	9	9	9	9	9
Extra Help	5010001	0	0	5,000	0	0	0	0	0	0
#Extra Help		0	0	1	0	0	0	0	0	0
Personal Services Matching	5010003	127,579	143,778	124,295	146,209	147,936	147,936	146,209	147,936	147,936
Operating Expenses	5020002	185,134	270,662	270,662	270,662	270,662	270,662	270,662	270,662	270,662
Conference & Travel Expenses	5050009	7,870	15,583	15,583	15,583	15,583	15,583	15,583	15,583	15,583
Professional Fees	5060010	17,903	39,041	39,041	39,041	39,041	39,041	39,041	39,041	39,041
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	4,740	10,020	10,020	14,520	14,520	14,520	14,520	14,520	14,520
Capital Outlay	5120011	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Exam Fees	5900046	231,633	260,000	260,000	270,000	270,000	270,000	280,000	280,000	280,000
Total		969,050	1,181,450	1,145,462	1,198,981	1,207,923	1,207,923	1,208,981	1,217,923	1,217,923

Funding Sources										
Fund Balance	4000005	1,448,287	1,493,076		1,302,770	1,302,770	1,302,770	1,083,789	1,074,847	1,074,847
Cash Fund	4000045	1,013,839	991,144		980,000	980,000	980,000	990,000	990,000	990,000
Total Funding		2,462,126	2,484,220		2,282,770	2,282,770	2,282,770	2,073,789	2,064,847	2,064,847
Excess Appropriation/(Funding)		(1,493,076)	(1,302,770)		(1,083,789)	(1,074,847)	(1,074,847)	(864,808)	(846,924)	(846,924)
Grand Total		969,050	1,181,450		1,198,981	1,207,923	1,207,923	1,208,981	1,217,923	1,217,923

The FY13 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due salary and matching rate adjustments during the 2011-2013 Biennium.