



Urgent! Change to Safe-Harbor language for Non-licensed

Must read - new language to be used at bottom of this notice.

WAA Protects Non-Licensees' Right to Practice - Again!

The Washington Association of Accountants has once again been successful in protecting the rights of non-licensed accountants to prepare financial statements under safe harbor language.

Back in 1983, legislation was proposed that would have eliminated the right for non-licensed (non-CPA) accountants to prepare financial statements for small businesses. Hard work, a tremendous amount of leadership and cooperation between WAA and IBA (Independent Business Association) stopped the legislation and protected the rights of non-licensed accountants (we retained the right to call ourselves accountants).

Recently, WAA and IBA joined together at the latest Washington State Board of Accountancy meeting to present testimony on newly proposed changes to the safe harbor language that would have been damaging to non-licensed accountants and extremely confusing for small business owners.

Over the past year the Washington State Board of Accountancy was in the process of reviewing its Safe Harbor policy and as part of their review was considering language in use by other states; namely California. California's use of restrictive and confusing language was not seen as beneficial for the small businesses of Washington. The leadership of WAA, President Jerry Gintz directed the Legislative Committee, chaired by Kathy Hettick and Gene Bell to work together with Gary Smith of IBA to contact the Executive Director of the Board of Accountancy, Rick Sweeney, to offer assistance with the review of the safe harbor language and with drafting verbiage that was protective of our right to practice and just as important, helping to assure that the small business owner would be protected and could continue to rely on the expertise of their accountant.

WAA's Gene Bell and IBA's Gary Smith attended the Board meeting, on October 17th and were successful in this endeavor. It is a credit to the Board of Accountancy that a very favorable rewrite of the safe harbor language was accomplished in short order and agreed upon by all in attendance.

WAA is very appreciative of the relationship that it enjoys with the Washington State Board of Accountancy.

WAA and IBA are pleased to be the first to share the revised Safe Harbor samples as approved and we encourage their use by all non-licensed accountants. We also would encourage all non-licensed accountants and CPA's that serve small business' to consider joining the Washington Association of Accountants. Part of your WAA membership includes membership in IBA, as well as access to their great newsletters and updates on Washington State Legislature as it affects small business.

The current safe harbor language as it is now approved is as follows;

Safe harbor report language Sample #1:

The accompanying balance sheet of <Company>, as of <Date> and related statement of income for the year then ended have been prepared by me (us).

These statements have been prepared from information furnished by management (owner), and accordingly, I do not express any assurance on them.

Safe harbor report language Sample #2:

The accompanying balance sheet of <Company>, as of <Date> and related statement of income for the year then ended have been prepared by me (us).

My engagement was limited to presenting in the form of financial statements information that is the representation of management (owner), and accordingly, I do not express any assurance on them.
