



Alaska Society of CPAs
2600 Cordova Street, Suite 211
Anchorage, AK 99503

March 26, 2020

The Honorable Mike Dunleavy
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Dunleavy:

I want to first thank you for your leadership during this time of unprecedented crisis. As you continue to evaluate the spread of COVID-19 virus and seek to mitigate its impact, you face many difficult decisions. Based on other state's actions, we suspect you may need to issue a shelter-in-place order.

The Alaska Society of Certified Public Accountants represents more than 600 accounting professionals in Alaska. While health care, utilities, grocery stores and public safety are clearly essential services, we request that you consider accounting services as an essential service.

Accounting services are critical to the financial markets, especially when considering legally mandated activities. Further, a precedent has been set in other states; for example, shelter-in-place orders issued by counties in California included accounting services as essential.

According to Attachment A., Item w. of the Mandate, "Professional services, such as legal or accounting services, when necessary to assist in compliance with legally-mandated activities" are considered as one of the "...critical infrastructure industries" that have a "special responsibility in these times to continue operations." In order to comply with a shelter-in-place order, we want confirmation that "assistance in compliance with legally-mandated activities" would include ALL services provided by accounting professionals.

The following issues illustrate why accounting services should be considered essential:

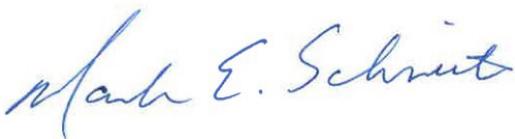
- While many CPA firms have implemented remote work, there are still many who are wary of the security risks of having employees work from home with the sensitive information that are typically a part of their workday. This falls under the Professional and Business Services classification of the NAICS in two categories: #5412 Accounting, Tax Preparation, Bookkeeping, and Payroll Services and #5511 Management of Companies and Enterprises, which covers CPAs and management accountants in businesses and non-profits (CFOs, Controllers, etc.)

- Accountants provide tax preparation services for individuals and businesses. While the federal government extended the deadline to file 2019 taxes and pay tax payments normally paid on April 15th owed for the 2019 tax year and 1st quarter of 2020, a majority of Alaska taxpayers require the help of a tax expert to complete and file an accurate return, especially considering the significant federal tax law changes enacted in the last two years.
- Banks and other lenders require current financial statements and information when reviewing loan requests or a financial restructuring. These requests are likely to increase as a result of the current COVID-19 crisis.
- Accounting professionals handle critical and sensitive information, requiring robust cybersecurity systems. While very large companies operate in paperless systems with secure remote access, there are many small to midsize companies and individuals that continue to use paper documents. Even if all these documents could be digitally transmitted, cybersecurity remains a concern. Accounting firms have office IT systems in place for managing and protecting consumers' data; these systems aren't always as sophisticated (and, in some parts of the state, readily available) in a home-office environment.
- Businesses are facing tough decisions due to the major disruption caused by COVID-19. More than ever, business owners rely on their CPAs to provide analysis and advice that allows them to make vital decisions, meet their contractual obligations, pay their employees and, ultimately, stay in business.
- The services provided by accounting professionals are used across the entire state of Alaska. By classifying them essential, many communities are and will continue to be served.

We are in an environment where the rules are changing day-to-day. We need calm and rational approaches to the problems ahead of us. By including the accounting profession as essential, you are ensuring that a key resource will be available to individuals and businesses to help them make the critical financial decisions they will face.

We appreciate your consideration and are happy to answer questions or provide more information. You can reach me at mark@sandmcpa.com or (907) 562-4242. We hope this crisis passes quickly and that Alaska returns to a stable and healthy environment.

Respectfully,



Mark E. Schreiter, CPA
President, Alaska Society of Certified Public Accountants