

March 23, 2020



The Honorable Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee,

I want to first thank you for your leadership during this time of unprecedented crisis. As you continue to evaluate the spread of the 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 Washington Society of Certified Public Accountants represents more than 7,000 CPAs in Washington who are navigating a changing landscape of rules and regulations because of COVID-19. While health care, utilities, grocery stores and public safety are clearly essential services, we request that you consider accounting services as an essential service should you need to issue a similar order. 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 Delaware, Georgia, Maryland, Connecticut and New York include accounting services as essential.

If a statewide shelter-in-place is not ordered, we urge the Governor's office to provide uniform language and guidelines for cities and counties to implement and avoid conflicting rules that could cause a considerable degree of confusion.

The following illustrates why accounting services should be considered essential:

- While the profession has implemented remote work, there are critical functions that are required to be done in the office, including payroll and banking in secure systems, processing mail with checks, invoices, and other financial correspondence. 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. A majority of Washington taxpayers require the help of a tax expert to complete and file an accurate return, especially

considering the significant federal 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 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 difficult decisions due to the major disruption caused by COVID-19. More than ever, business owners will 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 state of Washington. By deeming them essential, many communities will continue to be served.

We are in an environment where the rules are changing day-to-day and need calm, 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 kscott@wscpa.org or (425) 586-1108. We hope this crisis passes quickly and that Washington returns to a stable and healthy environment.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Scott". The signature is written in a cursive, flowing style.

Kimberly Scott, CAE
President & CEO
Washington Society of Certified Public Accountants