



Washington State Board of Accountancy

Policy Number: 2000-1

Title: Continuing Professional Education and Licensing Requirements*

Revised: July 18, 2008

Effective: January 1, 2000

Approved:

A handwritten signature in cursive script, appearing to read "Edwin G. Jolicoeur".

Edwin G. Jolicoeur, CPA, Chair

*This policy rescinds and supersedes any previous Board policy.

Purpose:

To provide clarification and direction on the Board's continuing professional education (CPE) rules and licensing requirements.

I. Guidance Regarding the Appropriate Classification of a CPE Course

Generally the Board does not pre-approve programs as meeting the Board's CPE requirements. However, upon receipt of a CPE course description and outline, the Executive Director may provide informal, oral guidance regarding the appropriate classification of a course. The Executive Director is to:

- A. Be conservative in her/his guidance,
- B. Clearly advise the individual that the:
 - CPA, CPA-Inactive certificateholder, or resident non-licensee firm owner is responsible for justifying classification of CPE courses, and
 - Executive Director's guidance is not binding on the Board.

II. CPE Credit for Voluntary Service on the Board, the Board's Committees and Programs, Peer Review Programs, and Other Governmental Review Programs

Individuals volunteering on the Board, the Board's Qualifications Committee, Quality Assurance Review (QAR) Committee, or as QAR reviewers, may qualify for up to 32 hours of technical CPE credit for actual time spent on committee meetings and work. Individuals volunteering as reviewers for a society of CPAs peer review committee that discusses and approves peer review reports (for example: Volunteer service on one of the WSCPA's two Peer Review Report Acceptance Bodies) may qualify for up to 32 hours of technical CPE credit for actual time spent performing peer reviews of audits, reviews, and/or compilations. CPE credit hours claimed must be supported by a signed statement from the sponsoring organization containing: the volunteer's name, date earned, and number of CPE hours earned. Individuals volunteering in similar Washington state governmental report review programs may petition the Board's Executive Director for recognition of up to 32 hours of technical CPE for actual time spent.

III. Acceptable Evidence Supporting Eligibility for CPE Credit

A. General

The Board will accept original CPE documents or copies of documents submitted by mail fax, e-mail or other electronic means. The Board, in its discretion, may require the submission of the original of any of these documents.

If documents and/or forms are submitted to the Board or Board staff by mail, fax, e-mail or other electronic means, the sender is responsible for ensuring that the Board or Board staff receives the transmittal.

In addition to the evidence noted below, the Board may request additional documentation such as program outlines, or statements from the participant or sponsor to determine the validity of the CPE claimed.

B. Group Programs

1. **Certificate of Completion:** An original, facsimile copy, or photo/electronic copy of certificate of completion for each CPE program claimed is generally considered acceptable evidence provided the certificate states the sponsor name, the participant's name, title of the program, date(s) attended, and number of CPE credit hours earned. An original, facsimile copy, or photo/electronic copy of signed statement from the sponsor

containing all of the preceding elements is also accepted. The Board, in its discretion, may require the submission of the original of any of these documents. For online courses see Section III.C.

2. **Sponsor Summaries:** The Board accepts the Washington State Society of CPA's (WSCPAs) annual CPE summaries as acceptable documentation. To be acceptable documentary evidence the Board must be able to rely on the sponsor's summaries as accurately representing the participant's attendance. The following criteria must be met to provide such assurance:
- a) The summary statement must:
 - Be generated from the actual sign-in and sign-out sheets which recorded the actual CPE credit hours attained by each attendee and display the attendee's signature,
 - Contain the sponsor's name, the participant's name, the title and date of the program(s) attended, and the number of CPE credit hours attained for each program,
 - Identify the contact individual responsible for confirming the accuracy of the summary, and
 - Contain the statement that CPAs, CPA-Inactive certificateholders, and resident non-licensee firm owners are solely responsible for supporting the accuracy of the summary listing should they undergo Board audit.
 - b) The sponsor must provide written confirmation to the Board of meeting the above requirements and agree to submit to a Board audit of the sponsor's system to confirm the accuracy of the representations.
 - c) If the sponsor has not met the criteria in a. and b. above, in order for the summary statement to be acceptable evidence the CPA, CPA-Inactive certificateholders, or resident non-licensee firm owner must present the original summary as evidence, and the original summary must:
 - Be signed by the sponsor attesting to the accuracy of the summary statement and identify how to contact that individual, and
 - State the sponsor's name, the participant's name, the title and date of the program(s) attended, and the number of CPE credit hours attained for each program.

C. **Self-Study Programs - Interactive and Noninteractive**

Certificate of Completion: The original, facsimile copy, or photo/electronic copy of the certificate of completion for each self-study program claimed is generally considered acceptable evidence provided the certificate states the participant's name, sponsor name, title of the program, date of completion, and number of CPE credit hours earned. The date of completion as documented by the sponsor on the certificate of completion is the date the CPA, CPA-Inactive, or registered non-licensee firm owner must use for reporting purposes. For online CPE courses, a copy of the online certificate of completion is acceptable provided it contains all of the preceding elements. (See WAC 4-25-833[1].)

D. **Accredited University or College Courses**

1. **College courses taken for CPE credit:** The original, facsimile copy, or photo/electronic copy of the official grade report or official transcript is generally considered acceptable evidence provided it contains the following required information: the participant's name, the grade earned for the courses claimed, the university or college name, the title of the course, the course date(s), and the semester or quarter credit hours earned. If the official grade report or the official transcript does not contain all the required information, the CPA, CPA-Inactive, or registered non-licensee firm owner should also retain registration or other documentation evidencing the required information.
2. **College courses not taken for credit:** An original, facsimile copy, or photo/electronic copy of a statement signed by the instructor verifying the individual's attendance is considered acceptable evidence provided the statement contains the following required information: the university or college name, the title of the course, the course date(s), and the semester or quarter credit hours of the course. If the signed statement does not contain all the required information, the individual should also retain registration or other documentation evidencing the required information.

E. **Instruction Credit**

1. **Presentation Time:** Sponsor-generated statement or other document verifying the CPA, CPA-Inactive certificateholder, or registered non-licensee owner as the instructor or discussion leader, the title of the program, the date(s) the program was

conducted, and the length of the presentation is considered acceptable evidence.

2. **Preparation Time:** CPE credit is allowed for actual preparation time up to two times the presentation hours. An original, facsimile copy, or photo/electronic copy of a signed summary containing the dates and hours of preparation time compiled by the CPA, CPA-Inactive certificateholder, or registered non-licensee owner is considered acceptable evidence of preparation time.

IV. CPE Audit Reporting and Negotiated Settlement Guidelines

A. Time Period To Provide Proof of Compliance:

Auditees will initially receive 60 days to submit proof of compliance. If an auditee requires additional time to obtain documentation, the request for an extension must be submitted in writing, and staff may extend the response time period up to a total of 90 days (i.e., provide an additional 30 days to submit proof of compliance).

If an auditee does not respond within the approved time period, the Board will send the auditee a final notice letter, with a 20-day response time, via both certified and first class mail.

B. Additional Time Period to Meet CPE Requirements:

If the audit identifies an auditee has insufficient CPE hours resulting from unintentional:

1. Misclassification of a course,
2. Use of credit for CPE hours obtained during a preceding time period, or
3. An apparent inadvertent miscalculation of hours.

The auditee will be allowed 60 days from the identification of the error to correct the deficiency and provide proof of compliance to the agency.

The CPE taken to bring the auditee into compliance with CPE requirements cannot be applied forward to the current reporting period.

C. Non-Compliance - Inability to Provide Proof of Completion of CPE

If an auditee cannot substantiate CPE hours, the issue will be treated within the parameters of Board Policy #2004-1, Sanctioning and Penalty Guidelines.

D. Auditee does not respond to Audit

If an auditee does not respond to the Board's 20-day final notice letter, the issue will be treated as a violation (assigned a case number and requiring resolution by the Board).

E. Follow-up Audit to Ensure Compliance

Individuals receiving Board approval to carry back CPE credits to a prior reporting period may be included in the following audit cycle for the reporting group. The purpose of the second audit is to confirm that the auditee has not double reported the carry back CPE credits.

V. Pre-Approval of Ethics Courses Meeting the Requirements of WAC 4-25-830

The Board is committed to ensuring all Washington state CPAs, CPAs-Inactive, and registered non-licensee firm owners maintain a clear understanding of the Public Accountancy Act and the Board's rules and policies, the profession's Code of Conduct (Code), and the differences between Washington State law and the Code.

The Board expects that as a result of attending a Board approved CPE ethics course, participants will have an understanding of the laws and regulations in Washington State governing accountancy, where to access those laws and regulations, and an understanding of the scope and nature of those laws and requirements. The Board anticipates this requirement will strengthen compliance.

To qualify as meeting the ethics CPE requirements of WAC 4-25-830 the course must be approved by the Board, it must cover all of the following topics, and the ethics CPE must substantially address only these topics:

1. RCW 18.04 and WAC 4-25. The CPE must include general level information on the Public Accountancy Act, the board's rules, policies, and the rule making process.
2. WAC 4-25-521 How can I contact the board?
3. WAC 4-25-550 Do I need to notify the board if I change my address?
4. WAC 4-25-551 Must I respond to inquiries from the board?
5. WAC 4-25-600 Series – Ethics and Prohibited Practices. The CPE must include detailed information on each rule and all related board policies.
6. WAC 4-25-800 Series – Continuing Competency: The CPE must include detailed information on each rule and all related board policies.
7. WAC 4-25-910 What are the bases for the board to impose discipline?
8. AICPA Code of Conduct: The CPE must include general level information on the AICPA Code of Conduct.
9. Variances or key differences between Washington State law (RCW 18.04 and WAC 4-25) and the AICPA Code of Conduct.
10. Other topics or information as defined by Board policy.

For CPE courses designed to meet the requirements of WAC 4-25-830 the Executive Director will, upon **written** request from the sponsor, review course materials and determine if the program or course meets the minimum requirements of WAC 4-25-830. To be considered for Board approval, course sponsors must submit the following:

- Course outlines including the anticipated time that will be devoted to each topic.
- All course materials including presenter handouts and guides, course objectives, participant handouts and overheads or slideshows.
- Anticipated answers to all questions presented as part of the course materials.
- For self-study courses (both interactive and noninteractive), the process undertaken by the course provider to identify the CPE credit hours assigned to the course and "field test" documents supporting the hours assigned.

For live presentations, course sponsors must agree to allow Board representatives to attend the course at no charge to audit the course and materials. For on-line self-study courses, course sponsors must agree to provide Board representatives free access to audit the course and materials.

If the Executive Director determines a course does not meet the Board's requirements, notice as to the deficiencies will be provided in writing and the sponsor will have the opportunity to re-submit the course. The sponsor is responsible for researching, preparing and submitting corrections.

If the Executive Director deems the course as meeting the requirements of WAC 4-25-830, a written notice of approval will be sent to the sponsor and the approved ethics CPE course will be posted to the agency's web site along with the date the approval became effective. Upon receipt of the written notice of approval from the Executive Director, the program sponsor may display the following statement on literature advertising the pre-approved program:

Approved by the Washington State Board of Accountancy as meeting the minimum requirements of WAC 4-25-830(3) which requires four CPE credit hours in the subject area of approved ethics and regulation with specific application to the practice of public accounting in Washington State.

To qualify to use this language, sponsors are required to monitor changes in RCW 18.04, Board rules, Board policies and the AICPA Code of Conduct and update course materials on a timely basis.

When there are substantial changes in Board rules, the Executive Director will notify sponsors that the changes are of a level requiring re-approval of the ethics course and sponsors will be provided a 3 month time period to revise and re-submit the ethics CPE course for approval. The sponsor is responsible for researching, preparing and submitting corrections.

The Board's approval of an ethics course will be withdrawn if a sponsor does not meet the re-submission requirements or if the sponsor's course re-submission does not meet the Board's requirements. In these cases, the date that the approval is withdrawn will be noted on the Board's website. Sponsors may at any time apply for re-approval.