



Washington State Board of Accountancy

Policy Number: 2003-3

Title: Interstate Reciprocity

Revised: January 26, 2007

Effective: October 31, 2003

Approved: Sharron J. O'Donnell
Sharron J. O'Donnell, CPA, Chair

Purpose:

To provide guidance to individuals applying for a Washington state CPA license via the provisions of RCW 18.04.180 and WAC 4-25-746. The Board understands the 2001 changes in the Public Accountancy Act were designed to eliminate barriers to CPAs crossing state lines to practice, to recognize experience obtained in government/academia/industry, and to transition to one level of licensure. Additionally, because the requirements for interstate reciprocity are based on prior Board rules and the Board's rules have changed a substantial number of times in the past 20 years, the Board has interpreted RCW 18.04.180 and WAC 4-25-746 in a manner to facilitate application via interstate reciprocity while maintaining the current high standards for entry.

I. Valid License:

The Board may issue a license through interstate reciprocity only if an individual holds a valid CPA license to practice public accounting issued by another state/jurisdiction.

If an applicant holds, or has held, licenses in multiple states/jurisdictions, the Board requires the applicant to hold at least one valid license to practice public accounting in one state/jurisdiction at the time of application and that license does not have to be in the state/jurisdiction that originally issued the applicant's first license.

However, applicants must list on the Washington State license application all state/jurisdictions where they hold, or previously held, a CPA certificate or CPA license to practice public accounting.

II. Reciprocity Provisions in the Applicant's State of Licensure:

The Board may issue a Washington State CPA license through interstate reciprocity only if the applicant's state/jurisdiction of licensure makes similar provisions for granting reciprocity to holders of a valid Washington State certificate or license.

All 55 states and jurisdictional members of National Association of State Boards of Accountancy (NASBA) meet this requirement.

III. Exam Grades:

Applicants must have passed the examination required for issuance of their certificate or license in the other state/jurisdiction with grades that would have been passing grades at that time in Washington State.

The "examination" is the Uniform CPA Examination. Based on Washington's regulatory history, a passing grade is 75 or higher.

Applicants are not required to meet the conditioning requirements that were in effect prior to automation of the examination (i.e., must sit for all unpassed sections of the exam, must pass at least two parts and score 50 or better on the unpassed parts in order to retain the passing grades, etc.).

IV. Education, Experience, and Ethics:

Applicants must meet one of the following four requirements: (A) meet the Board's current requirements for licensure, or (B) meet the Board's requirements applicable at the time of issuance of the licensee's initial license in the original state/jurisdiction of licensure, (C) had five years of experience in the practice of public accountancy within the ten years immediately preceding filing an application in Washington State, or (D) had three years of experience in the practice of public accountancy within the five years immediately preceding filing an application in Washington State. See detail provided below.

A. Meet Washington's Current Requirements

This means that on the date the license application is received by the Board the applicant meets the Board's current education, experience and ethics requirements.

- 1. Education** - The applicant may apply course work taken after first sitting for the examination in order to meet this requirement. See Board *Education Policy #1998-1* for information on the education requirements.

2. **Experience** - The applicant may use either the Experience Affidavit - Public form (which provides for one year of public accounting) or the Board's current Experience Affidavit (which provides for one year of experience meeting the Board's competencies). Applicants may use experience obtained at any time up to eight years prior to the date their initial license was issued in the original state/jurisdiction of licensure.
3. **Ethics** - The applicant may utilize an ethics examination taken in any state/jurisdiction where the applicant was previously licensed, provided the examination is the AICPA ethics examination or a similar examination (for example: the California ethics examination).

B. Meet Washington's Requirements in Effect When Initially Licensed in the Original State/Jurisdiction

This means that on the date the license application is received by the Board the applicant meets the Washington education requirements in effect when the individual first sat for the examination, and meets the Washington experience, and ethics requirements that were in effect on the date that the individual was initially licensed in their original state/jurisdiction of licensure.

1. **Education** - The applicant may apply course work taken after first sitting for the examination in order to meet this requirement. See Board *Education Policy #1998-1* for information on the education requirements.
2. **Experience** - The applicant may use either the Experience Affidavit - Public form (which provides for one year of public accounting) or the Board's current Experience Affidavit (which provides for one year of experience meeting the Board's competencies). Applicants may use experience obtained at any time up to eight years prior to the date their initial license was issued in the original state/jurisdiction of licensure.
3. **Ethics** - The applicant may utilize an ethics examination taken in any state/jurisdiction where the applicant was previously licensed, provided the examination is the AICPA ethics examination or a similar examination (for example: the California ethics examination).

C. Five Years of Experience in the Practice of Public Accountancy Within the Ten Years Immediately Preceding Filing an Application

This means that on the date the license application is received by the Board the applicant had a minimum of five years experience in public practice within the ten years immediately preceding the date the application is received by the Board. Services considered to be within public practice include: tax, tax advisory, audit, review, compilation, other attest, accounting, management advisory, information technology consulting, human resource consulting, and similar services. The five years do not have to be continuous.

1. **Part-time experience** - If the applicant's experience includes part-time work, the applicant must compress the part-time work hours to the approximate full-time work hours. For example, an applicant who was employed in public practice for 20 hours a week for two years has one year of public practice experience.
2. **Documentation** - The applicant must submit the following documentation to verify this experience:
 - (1) Copies of IRS Form 1040, Schedule C (or equivalent from corporate or partnership returns), or
 - (2) Letter(s) from employer(s) stating you were employed as a CPA in a CPA firm for specific period of time, or
 - (3) A combination of items (1) and (2) above.
3. **Education** - Applicants using the 5-in-10 rule are not required to meet the Board's education requirements.
4. **Ethics** - The applicant may utilize an ethics examination taken in any state/jurisdiction where the applicant was previously licensed, provided the examination is the AICPA ethics examination or a similar examination (for example: the California ethics examination).

D. Three Years of Experience in the Practice of Public Accountancy Within the Five Years Immediately Preceding Filing an Application

This means that on the date the license application is received by the Board the applicant had a minimum of three years experience in public practice within the five years immediately preceding the date the application is received by the Board. Services considered to be within public practice include: tax, tax advisory, audit, review, compilation, other attest, accounting, management advisory, information technology consulting, human resource consulting, and similar services. The three years do not have to be continuous.

1. **Part-time experience** - If the applicant's experience includes part-time work, the applicant must compress the part-time work hours to the approximate full-time work hours. For example, an applicant who was employed in public practice for 20 hours a week for two years has one year of public practice experience.
2. **Documentation** - The applicant must submit the following documentation to verify this experience:
 - (1) Copies of IRS Form 1040, Schedule C (or equivalent from corporate or partnership returns), or
 - (2) Letter(s) from employer(s) stating you were employed as a CPA in a CPA firm for specific period of time, or

(3) A combination of items (1) and (2) above.

3. **Education** - Applicants using the 3-in-5 rule are not required to meet the Board's education requirements.
4. **Ethics** - The applicant may utilize an ethics examination taken in any state/jurisdiction where the applicant was previously licensed, provided the examination is the AICPA ethics examination or a similar examination (for example: the California ethics examination).

V. Substantially Equivalent to National Standards

Individuals deemed by the National Association of State Boards of Accountancy (NASBA) as being substantially equivalent to the education, examination, and experience requirements of the Uniform Accountancy Act are deemed to have met the requirements of Section III. And IV.

An individual holding a valid license from a substantially equivalent state is deemed to have met this requirement. See Board Policy 2002-1 *Substantially Equivalent Jurisdictions* for a listing of substantially equivalent states.

However, if the individual did not complete an ethics exam as part of applying for their home jurisdiction license, the individual must complete the AICPA's self-study course "Professional Ethics for CPAs" with a grade of 90% or better.