



## Oregon Board of Accountancy – Proposed Rules with Explanations

**Oral Comment at Rulemaking Hearing September 17, 2015 at 2:00 p.m. (Board Office)**

**Written Comment Period Ends September 24, 2015 at 5:00 p.m. (Received at Board office)**

**Written Comments by e-mail should be sent to: [Kimberly.Fast@oregon.gov](mailto:Kimberly.Fast@oregon.gov)  
 Comments by Mail: Board of Accountancy, 3219 Pringle Rd SE #110, Salem OR 97302  
 Comments by Fax: 503-378-3575**

Proposed Rules – Division 005 / Definitions DEFINITIONS AND SAFE HARBOR LANGUAGE	Explanation
<p><b>801-005-0010</b> <b>Definitions</b></p> <p>As used in OAR Chapter 801, the following terms or abbreviations have the following meanings, unless otherwise defined therein:</p> <p>(1) Active means a license issued by the Oregon Board of Accountancy to an individual who has met the requirements to hold a CPA or PA license, maintains the license and is in good standing.</p> <p>(2) AICPA means American Institute of Certified Public Accountants.</p> <p>(3) Applicant means a person applying for a license to practice public accountancy.</p> <p>(4) Attestation Services means the following <del>financial professional statement</del> services <u>required must to</u> be performed under the following standards <del>means</del>:</p> <p>(a) Any audit or other engagement <del>to be performed</del> <u>for which performance standards are included in the in accordance with the</u> Statements on Auditing Standards (SAS), International Standards on Auditing (ISA), or other internationally recognized auditing standards.</p> <p>(b) Any review of a financial statement <u>for which performance standards are included in the to be performed in accordance with the</u> Statement on Standards for Accounting and Review Services (SSARS);</p> <p>(c) Any <del>engagement examination of prospective financial information for which performance standards are included in the to be performed in accordance with the statements on</del> Standards for Attest Engagements (SSAE);</p> <p>(d) Any <u>examination, review or agreed upon procedures engagement other than an examination described in paragraph (c) of this subsection for which performance standards are included in the Statements on Standards for Attestation Engagements (SSAE); and</u></p>	<p><b>Note: SB 272, Enrolled, 2015 Regular Session of the Legislature authorized the Board of Accountancy to engage in rulemaking prior to the effective date of the legislative changes to enable the Board to exercise all duties, functions and powers on or after the operative date of the legislation. SB 272 is operative on January 1, 2016. Many of the rule changes proposed reflect these legislative changes to the Board’s enabling statutes, ORS 673.010 <i>et seq.</i></b></p> <p>Changes to the definition of attestation services are designed to reflect the legislative changes in SB 272.</p>

~~(ed)~~ Any engagement to be performed for which performance standards are included in the ~~in accordance with the Auditing Standards~~ of the Public Company Accounting Oversight Board in the United States (PCAOB)

~~(fe)~~ The statements on standards specified in subsections (a) through ~~(ed)~~ of this definition are those developed by the AICPA.

(5) Business organization means any form of business organization authorized by law, including but not limited to a proprietorship, partnership, corporation, limited liability company, limited liability partnership or professional corporation.

(6) CPA or Certified Public Accountant means a person who has a certificate of certified public accountant issued under ORS 673.040.

(7) CPA Exam means the Uniform Certified Public Accountant Examination.

(8) CPE means continuing professional education.

(9) Candidate means a person applying for the CPA Exam.

(10) Censure means an official written expression of reprimand, by Board action, to a licensee for specified conduct.

(11) Certificate means a certificate of certified public accountant issued under ORS 673.040.

(12) Client means a person or entity who agrees with a licensee, or employer of a licensee to receive any professional service from the licensee or employer of licensee.

(13) Commission means- a fee calculated as a percentage of the total value of the sale of a product or service that is paid or received in the form of money or other valuable consideration.

~~(14) Compilation Services means a professional service required to be performed in accordance with the Statement on Standards for Accounting and Review Services (SSARS) that in which the person performing the services presents a financial statement that: is presenting, in the form of financial statements, information that is the representation of management (owners) without undertaking to express any assurance on the statements.~~

(a) Is based on the representation of the owner or management of the company for which the statement is presented; and

(b) Does not include assurances by the person that the representations in the financial statement conform to generally accepted accounting principles.

(15) Contingent fee means a fee established for the performance of any professional service and directly or indirectly paid to a licensee pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. A fee is not contingent if the fee:

(a) Is fixed by courts or other public authorities; or

(b) In tax matters, is determined based on the results of judicial proceedings or the findings of governmental agencies.

The definition of client is expanded to clarify that a "client" can be both a firm client and the client of an individual. The distinction is necessary because CPA firms are "registered" under the statutes rather than "licensed."

Changes to definition of compilation services are made to reflect legislative changes in SB 272.

(16) Enterprise means any person or entity, whether organized for profit or not, for which a licensee provides public accounting services.

(17) Expired means a license that has not been renewed after six years from the close of the last license period for which the license was active, inactive or retired. An expired license may be restored only if the Board determines that there is good cause to do so.

(18) Fees include commissions, contingent fees and referral fees.

(19) Financial statements means the presentation of financial data, including accompanying notes, that is derived from accounting records and intended to communicate an entity's economic resources or obligations or the changes therein, at a specific point in time, and/or the results of operations for a specific period of time, presented in accordance with generally accepted accounting principles or a comprehensive basis of accounting other than generally accepted accounting principles. Financial presentations included in tax returns are not financial statements. Incidental financial data included in management advisory services reports to support recommendations to a client are not financial statements. The method of preparation (for example, manual or computer preparation) is not relevant to the definition of a financial statement.

(20) Firm means a business organization as defined in ORS 673.010 that is engaged in the practice of public accountancy and is required to be registered with the Board.

(21) First time candidate means a candidate for the CPA exam who is sitting for the exam for the first time in Oregon.

(22) Generally Accepted Accounting Principles means accounting principles or standards generally accepted in the United States, including but not limited to Statements of Financial Accounting Standards and interpretations thereof, as published by the Financial Accounting Standards Board, and Statements of Governmental Accounting Standards and interpretations thereof, as published by the Government Accounting Standards Board and the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(23) Generally Accepted Auditing Standards means the Generally Accepted Auditing Standards including but not limited to those standards adopted by the American Institute of Certified Public Accountants, together with interpretations thereof, as set forth in Statements on Auditing Standards issued by the AICPA, and for federal audits, the Single Audit Act and related U.S. Office of Management and Budget Circulars published by the Government Accountability Office, and International Standards on Auditing (ISAs) issued by International Federation of Accountants (IFAC) through the International Auditing and Assurance Standards Board (IAASB).

(24) Holding out as a CPA or PA means to assume or use by oral or written communication the titles or designations "certified public accountant" or "public accountant" or the abbreviations "CPA" or "PA", or any number or other title, sign, card, device or use of any internet domain or e-mail name, tending to indicate that the person holds a certificate or license in good standing issued under the authority of ORS 673 as a certified public accountant or a public accountant.

(25) Inactive means a license status granted by the Board to a licensee:

(a) Whose license is not suspended or revoked;

(b) Who is not:

(A) Performing or offering to perform, for a client, services involving the use of accounting or auditing skills, including but not limited to issuance of reports on financial statements, management advisory, financial advisory or consulting services, preparation of tax returns or the furnishing of advice on tax matters; and

(B) Practicing public accountancy in a business organization that is required to be registered in Oregon with the Board under ORS 673.160; or

(c) A sole practitioner.

(d) Licensees who are granted inactive status shall not use the CPA or PA designation unless the word "inactive" is used in conjunction with the designation, such as "CPA Inactive" and is listed in the same size font as the designation.

(26) In good standing means the status of a holder of a license or registration issued by any ~~jurisdiction, that~~ jurisdiction, that is not suspended, revoked, expired, resigned, retired or lapsed.

(27) Jurisdiction means the licensing authority for the practice of public accountancy in any state, U.S. Territory or foreign country.

(28) Lapsed means a license status that is not renewed within 60-days of the close of a license period.

(a) A person in lapsed status may not:

(A) Practice public accounting in a business organization required to be registered with the Board under ORS 673.160;

(B) Practice as a sole practitioner; or

(C) Perform or offer to perform for a client services involving the use of accounting or auditing skills, including but not limited to issuance of reports on financial statements, management advisory, financial advisory or consulting services, preparation of tax returns or the furnishing of advice on tax matters.

(b) A person in lapsed status must not hold out in any form or manner that they are a CPA or PA.

(c) A lapsed license may be reinstated to active status only prior to becoming expired.

(29) License means:

(a) A certificate, ~~or permit or registration, or a license~~ issued under ORS 673.150-100, enabling the holder thereof to practice public accountancy in this state; or

~~(b) A certificate, permit, registration or other authorization issued by a jurisdiction outside this state enabling the holder thereof to practice public accountancy in that jurisdiction, or a license issued under 673.100, enabling the holder thereof to practice public accountancy in this state; or~~

~~(b) A certificate, permit, registration or other authorization issued by a jurisdiction outside this state enabling the holder thereof to practice public accountancy in that jurisdiction.~~

(30) Licensee means the holder of a license as defined in these rules.

The change to (26) reflects a scrivener's correction only. Note that additional changes to this provision will be considered further in subsequent rulemaking by the Board.

Changes to definition of license are made to reflect legislative changes in SB 272.

(31) Material participation means participation that is regular, continuous and substantial.

(32) Manager means a manager of a limited liability company.

(33) Member means a member of a limited liability company.

(34) NASBA means National Association of State Boards of Accountancy.

(35) Non-licensee owner means a person who does not hold a certificate, license or permit as a certified public accountant or public accountant in Oregon or in any other jurisdiction.

(36) PA or Public Accountant means a person who is the holder of a license issued under ORS 673.100.

(37) Peer Review means a study, appraisal or review of one or more aspects of the public accountancy work of a holder of a license under ORS 673.150 or of a registered business organization that performs attestation services or compilation services that is conducted by a CPA who holds an active license issued by any state or a public accountant licensed under 673.100 who was required to pass the audit section of the Uniform CPA Exam as a requirement for licensing. The peer reviewer must also be independent of the license holder or registered business organization being reviewed.

(38) Permit means a license to practice public accountancy issued under ORS 673.150.

(39) Practice of public accountancy means performance of or any offer to perform one or more services for a client or potential client, including the performance of such services while in the employ of another person by a licensee, professional services of accounting, tax, personal financial planning, litigation support services, and those professional services for which standards are promulgated. These standards include Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Statements of Financial Accounting Standards, Statements on Auditing Standards, Statements on Standards for Accounting and Review Services, Statements on Standards for Consulting Services, Statements of Governmental Accounting Standards, International Financial Reporting Standards, International Accounting Standards, International Standards on Auditing, Statements on Standards for Attestation Engagements, and Statements on Standards for Valuation Services.

(40) Principal Place of Business means the office location designated by a person for purposes of substantial equivalency and reciprocity.

(41) Professional means arising out of or related to the specialized knowledge or skills associated with certified public accountants and public accountants.

(42) Professional services means any services performed or offered to be performed by a licensee for a client or potential client in the course of the practice of public accountancy.

(43) Regional Accreditation means the college or university is accredited by one of the six regional accrediting associations or by another accrediting body that is recognized by the Board.

(44) Referral fee means a referral fee that includes, but is not limited to, a rebate, preference, discount or any item of value, whether in the form of money or otherwise, given or received by a certified public accountant, public accountant or

Change reflects reference to attestation "services" to be consistent with legislative changes in SB 272.

firm, to or from any third party, directly or indirectly, in exchange for the purchase of any product or service, unless made in the ordinary course of business.

(45) Registration means the authority issued under ORS 673.160 to a business organization to practice public accountancy in this state.

(46) Report.

~~See OAR 801-005-0200 and 801-005-0300~~

"Report", when used with reference to attestation services or compilation services means an opinion or other form of language that states or implies assurance as to the reliability of the attested information or the compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing the report has special knowledge or competence in public accountancy. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the issuer is a public accountancy professional or organization or may arise from the language of the report itself.

(a) The term "report" includes any form of language that:

(A) Disclaims an opinion when the form of language implies any positive assurance as to the reliability of the attested information or the compiled financial statements referred to or of the special knowledge or competence on the part of the person of firm issuing the language;

(B) Implies any positive assurance as to the reliability of the attested information or compiled financial statements referred to or of the special knowledge or competence on the part of the person or firm issuing the language; or

(C) Relates to the ~~financial~~ affairs of a person and that is conventionally used by licensees in reports or financial statements.

**(b) Language Not Constituting a Report**

(A) The following statement, signed by a person who does not hold a license issued under ORS 673.150, shall not constitute a report under ORS 673.320 so long as the statement is not accompanied by any wording indicating the person is an accountant or auditor or other language prohibited by ORS 673.020, 673.030, 673.310 or 673.320:

"The accompanying balance sheet (or . . .) of XYZ Company as of (date) and the related statements of income (or retained earnings or cash flows) for the year then ended have been prepared by me (us). The information presented in these financial statements is the representation of management (owners)."

(47) Retired means a license status conferred by the Board upon a licensee who:

(a) At any age, has held an active license in good standing, to practice public accountancy in Oregon for a combined period of not less than 20 years, or

(b) Has reached 65 years of age

(A) A licensee in retired status may not perform any attest services nor sign any tax returns as a preparer.

Changes to definition of "report" are made to reflect the legislative changes in SB 272.

The addition of what "does not constitute a report" is added for consistency and to mirror the definition found at ORS 673.010(19). Similar language was previously found at OAR 801-005-0300, *infra*, which is to be repealed.

(B) A licensee in retired status may not perform public accounting services for direct or indirect compensation.

(C) A licensee in retired status may sign any documents related to non-compensated services as a "CPA Retired" or "PA Retired". The word "Retired" must be in the same size font as the designation.

(c) A licensee in retired status, may be restored to active status at the Boards discretion of showing good cause.

(48) Returning candidate means a person who has received grades for any section of the Uniform CPA exam who applies to sit for any part of the CPA exam in Oregon.

(49) Single Audit Act means the Single Audit Act with the Single Audit Act Amendments of 1996, as published by the United States Government Accountability Office, Office of Management and Budget.

(50) Standards for Accounting and Review Services means the Statements on Standards for Accounting and Review Services published by the AICPA.

(51) Standards for board approved peer review programs means the Standards for Performing and Reporting on Peer Reviews published by the AICPA.

(52) Statements on Standards for Attestation Engagements means the statements by that name issued by the AICPA.

(53) State means any state, territory or insular possession of the United States, and the District of Columbia.

(54) Substantial equivalency means:

(a) An individual holds a valid license as a certified public accountant from another state that requires an individual, as a condition of licensure as a certified public accountant to:

(A) Complete at least 150 semester hours of college education and obtain a baccalaureate or higher degree conferred by a college or university;

(B) Achieve a passing grade on the Uniform Certified Public Accountant Examination; and

(C) Possess at least one year of experience, verified by a licensee, providing any type of service or advice involving the use of accounting, attestation, compilation, management advisory, financial advisory, tax or related consulting skills, obtained through public practice or government, industry or academic work; or

(b) An individual has the qualifications specified in paragraph (a) of this subsection and holds a valid license as a certified public accountant from another state that does not require an individual to have the qualifications specified in paragraph (1) of this subsection as a condition of licensure as a certified public accountant.

(55) Uniform Accountancy Act (UAA) is a model bill and set of regulations designed by the AICPA and NASBA to provide a uniform approach to regulation of the accounting profession, provisions of which may or may not be adopted by state boards of accountancy.

(56) Working papers include but are not limited to all statements, records, schedules, general ledgers, journals, trial balances and depreciation schedules made by the

A definition of "working papers" is added for ease of reference. The definition mirrors the language found at

<p><u>licensee incident to or in the course of rendering services to a client or former client. Working papers are and shall remain the property of the licensee in the absence of an express agreement to the contrary between the licensee and client.</u></p> <p><u>(a) In addition to the requirements specified in paragraph above, attest documentation shall include, but not be limited to, the following:</u></p> <p><u>(A) The objectives, scope and methodology, including any sampling criteria used;</u></p> <p><u>(B) Documentation of the work performed to support significant conclusions and judgments, including descriptions of transactions and records examined that would enable a reviewer with relevant knowledge and experience, having no previous connection with the attest engagement, to examine the same transactions and records; and</u></p> <p><u>(C) Evidence of any supervisory review of the work performed.</u></p> <p>(567) Valid means a certified public accountant or a public accountant license, municipal roster authority, firm registration or chartered accountant certificate that is in active status and in good standing with the appropriate licensing authority. A license in active status is one that is not revoked, suspended, subject to probation, lapsed, inactive, retired or expired.</p> <p>[Publications: Publications referenced are available from the agency.]</p>	<p>OAR Chapter 801, Division 30, <i>infra</i>.</p>
<p><b><del>OAR 801-005-0200</del></b></p> <p><b><del>Report</del></b></p> <p><del>"Report", when used with reference to attestation or compilation services means an opinion or other form of language that states or implies assurance as to the reliability of any financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing the report has special knowledge or competence in public accountancy. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the issuer is a public accountancy professional or organization or may arise from the language of the report itself.</del></p> <p><del>(a) The term "report" includes any form of language that:</del></p> <p><del>(A) Disclaims an opinion when the form of language implies any positive assurance as to the reliability of the financial statements referred to or special knowledge or competence on the part of the person or firm issuing the language;</del></p> <p><del>(B) Implies any positive assurance as to the reliability of the financial statements referred to or special knowledge or competence on the part of the person or firm issuing the language; or</del></p> <p><del>(C) Relates to the financial affairs of a person and that is conventionally used by licensees in reports or financial statements.</del></p>	<p>OAR 801-005-0200 (Report) is repealed in favor of including the provision as an enumerated definition at OAR 801-005-0010(46), <i>supra</i>.</p>
<p><b><del>801-005-0300</del></b></p> <p><b><del>Language Not Constituting a Report</del></b></p> <p><del>The following statement, signed by a person who does not hold a license issued under ORS 673.150, shall not constitute a report under ORS 673.320 so long as the</del></p>	<p>OAR 801-005-0300 (Language not Constituting a Report) is repealed in favor of including the provision as an enumerated definition at OAR 801-005-0010(46), <i>supra</i>.</p>

<p><del>statement is not accompanied by any wording indicating the person is an accountant or auditor or other language prohibited by ORS 673.020, 673.030, 673.310 or 673.320:</del></p> <p><del>"The accompanying balance sheet (or . . .) of XYZ Company as of (date) and the related statements of income (or retained earnings or cash flows) for the year then ended have been prepared by me (us). The information presented in these financial statements is the representation of management (owners)."</del></p>	
<p><b>801-005-0400</b></p> <p><b>Financial Statement Preparation</b></p> <p>Preparation of financial statements or reports (as defined <del>by OAR 801-005-0200</del> <u>herein</u>) is restricted to CPAs and PAs, unless prepared in accordance with <del>OAR 801-005-0300</del> <u>ORS 673.010(19)(c)</u>.</p>	<p>Scriveners change to reflect to reflect reference to statute rather than rule.</p>
<p><b>Proposed Rules – Division 010 / Fees, Applications, Requirements, Procedures and P.C.’s</b></p>	<p><b>Explanation</b></p>
<p><b>801-010-0010</b></p> <p><b>Fees, Civil Penalties and Cost Recovery</b></p> <p>For the purpose of ORS 673.010 to 673.455 and 297.670 to 297.740, the Board of Accountancy shall charge the following fees:</p> <p>(1) <b>Application fees.</b> All application fees are non- refundable.</p> <p>(a) CPA Examination:</p> <p>(A) Initial Examination — <del>\$15000</del>.</p> <p>(B) Re-Examination — \$50.</p> <p>(b) CPA or PA License — <del>\$150</del><u>225</u>.</p> <p>(c) Municipal Auditor Roster Application — <del>\$1500</del>.</p> <p>(d) Reinstatement application fee — <del>\$150</del><u>225</u>.</p> <p>(2) <b>Initial license and registration fees:</b></p> <p>(a) Initial CPA or PA License — <del>\$160</del><u>255</u>.</p> <p>(b) Municipal Auditor — <del>\$100</del><u>150</u>.</p> <p>(c) Firm Registration — <del>\$175</del><u>265</u>.</p> <p>(3) <b>Biennial renewal application fees:</b></p>	<p>Licensing and registration fee changes for individual renewals and firm registration renewals in OAR 801-010-0010 reflect fee increases proposed by the Oregon Society of Certified Public Accountants (OSCPA) and adopted by the legislature in SB 581, Enrolled, 2015 Regular Session. The changes are operative on January 1, 2016. SB 581 authorized the Board to adopt the rule changes necessary to implement the fee increases prior to the operational date of the legislation.</p> <p>The other fee increases proposed by rule are commensurate with the increases authorized by SB 581 and reflect the consensus the Board reached in discussions with OSCP A and OAIA prior to the start of the 2015 Oregon Legislative Session for a broad package of fee increases in statute and rule.</p>

(a) Active CPA or PA License — ~~\$160~~255.

(b) Inactive CPA or PA — \$50.

(c) Municipal Auditor — ~~\$1500~~.

(d) Firm Registration — ~~\$265~~175.

(e) Retired License — ~~\$250~~.

**(4) Late renewal penalty fees:**

(a) Active CPA or PA License — ~~\$160~~255.

(b) Inactive CPA and PA — \$50.

(c) Municipal Auditor Late Fee — ~~\$1500~~.

(d) Firm Registration — ~~\$175~~265.

(e) Retired License — ~~\$25~~50.

**(5) Miscellaneous fees:**

(a) Copies of existing mailing lists ~~shall~~may be provided for a fee equal to the amount necessary to prepare each list, including the cost of materials, if any, and the cost of staff time. ~~Staff time shall be calculated at the hourly rates stated in subsection (d) of this section.~~

(b) Municipal Auditor lists shall be provided at no charge to municipal entities that are subject to audit law.

(c) Copies of records made on a standard office copy machine ~~shall~~may be charged. ~~a minimum fee of \$2.50 for five pages or less, and 25 cents per page thereafter. If certified copies of records are requested, there will be a \$2.50 fee for each document certified in addition to the copy cost.~~

(d) Staff time required to research, locate, produce, summarize or otherwise provide records ~~shall~~may be charged. ~~as follows:~~

~~(A) Staff time, \$23 per hour, in quarter hour increments at \$5.75 per quarter hour.~~

**(6) Civil Penalties assessed for Specific Violations**

(a) Failure to provide change of address in 30 day — \$100.

(b) Failure to renew firm registration by January 31 — \$500.

Changes to the copying costs and other fees relating to the production of public records are made to more properly reflect authorization to recover the actual cost of producing records as provided in the Oregon Public Records Laws.

(c) Failure to respond to Notice of CPE audit and all follow-up in 21 days — \$250.

(d) Failure to respond to Notice of Peer Review Audit in 21 days — \$1000.

**(7) Cost Recovery:**

(a) The Board may recover costs associated with a contested case hearing in which the Board has prevailed. The following costs may be included in cost recovery:

(A) Attorney General Fees.

(B) Administrative Hearing Costs.

(C) Cost of Investigation.

(D) Expert Witness Fees.

(E) Costs of Appeal.

**(8) Form of Payment:**

(a) Checks or money orders shall be made payable to "Oregon Board of Accountancy".

(b) Credit card payments may be submitted in person, by mail, online or by fax. Any credit card that is rejected by the bank and requested to be confiscated will be retained and returned to the bank. All payments by credit card that are rejected must be paid in full by a check or money order within ten days from notification of rejection. All payments received after Board deadlines, including, but not limited to payments for renewals, applications and civil penalties, will be considered late and a late penalty will be assessed.

**801-010-0050**

**Application for Uniform CPA Examination**

**(1) Definitions.**

(a) Authorization to Test (ATT): Issued by the Board of Accountancy to eligible exam candidates to authorize the candidate to test for specified sections of the CPA exam. The ATT may be issued for one or more CPA exam sections. Each ATT authorizes the candidate to take each CPA exam section designated in the ATT one time only. The ATT may become expired as to one exam section named in the ATT, and remain valid as to other specified exam sections. The candidate must submit an application and re-examination fee to the Board of Accountancy for any exam section that is expired under the ATT or to retake any section of the CPA Exam not passed.

(b) Notice to Schedule (NTS): Issued by NASBA and enables the candidate to schedule testing at an examination test center. The NTS must remain open

until the candidate schedules testing or until six months have elapsed since the NTS was issued, whichever occurs first.

(c) Testing Center: Board approved computer testing facilities, at which candidates may take the CPA examination, are listed on the Board website.

(d) Testing Opportunity: Each testing window is considered a testing opportunity. There are four testing opportunities per year. A candidate may test for a particular section only once per testing window. A candidate may not retake a failed test section(s) in the same testing window.

(e) Testing Windows: The testing window is comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered so that exam sections can be graded and maintenance may be performed.

## (2) Applications.

(a) Applications for the CPA exam must be submitted on a form provided by the Board and must be accompanied by the appropriate fee. The act of filing an application for the CPA exam constitutes an agreement by the candidate to observe and comply with the CPA Exam rules adopted by the Board.

(b) An application will not be reviewed until the application fee and all required supporting documents have been received, including proof of identity (as determined by the Board and specified on the application form), official transcripts and/or evaluation of foreign credentials from NASBA International Evaluation Services (NIES) and evidence that the candidate has met eligibility requirements.

(c) All foreign academic credentials submitted as evidence of eligibility for the CPA exam are required to be evaluated by NASBA International Evaluation Services (NIES). ~~Applications for the CPA exam received prior to June 1, 2014, involving foreign credentials will not be required to be submitted to NIES if the applicant chooses to submit a credential evaluation from a provider that is a member of the National Association of Credential Evaluation Services, Inc. (NACES);~~

(d) An application for the CPA examination must be complete in every particular within 3 months from the date it is received at the Board office. If an application is incomplete, the candidate will be found ineligible and the file will be closed. A candidate whose file has been closed as described herein is required to submit a new application, application fee and all required documents.

(e) Candidates shall pay the CPA exam application fee designated in OAR 801-010-0010 to the Board. All other fees associated with the CPA exam are required to be paid to NASBA. All CPA exam fees are non-refundable. If a candidate fails to appear for a scheduled testing at an approved test center, all fees paid will be forfeited for the examinations scheduled on that day.

(f) At the time of application and during the time any ATT issued by the Oregon Board of Accountancy is open, the candidate must not have an open ATT for the same section in any other state or jurisdiction.

Language deleted as no longer necessary due to the passage of time.

(g) The candidate must certify at the time of application that he or she is in compliance with subsection (f) of this rule. Falsifying this certification or including any false, fraudulent, or materially misleading statements on the application for the examination, or including any material omission on the application for the examination is cause for disciplinary action under ORS 673.170.

(h) The Board or its designee will forward authorization to test (ATT) for the computer-based CPA exam to the candidate and to the NASBA National Candidate Database once eligibility is determined.

(i) The Board will offer a candidate the opportunity to voluntarily disclose the candidate's social security number to the Board so that the Board may provide the social security number to NASBA for identification purposes.

(3) **Eligibility under education requirements.** Candidates for admission to the CPA exam applying under the educational requirements of ORS 673.050(1)(a) must demonstrate eligibility as follows:

(a) 150 Hour rule: Satisfactory evidence that the candidate has successfully completed 150 semester hours or 225 quarter hours, including:

(A) A baccalaureate or higher degree from a regionally accredited college or university as described in ORS 673.050(1)(a);

(B) A minimum of 24 semester hours or 36 quarter hours, or the equivalent thereof, in the study of accounting. For candidates applying on or after June 30, 2017, these hours must be upper-division courses. Principles and introductory courses cannot be used to meet this requirement; and

(C) A minimum of 24 semester hours or 36 quarter hours in accounting or related subjects. Related subjects are defined as business, finance, economics, and written and oral communication.

(D) Credit for community college courses. Applicants who have earned a baccalaureate or higher degree from a regionally accredited college or university may obtain additional hours from a community college, if such hours would be transferable to an accredited college or university.

(E) Applicants applying on or after June 30, 2017: Internship courses are limited to a maximum of 4 semester hours or 6 quarter hours.

(b) Evidence of eligibility. Candidates must meet all requirements under this rule at the time of application. Satisfactory evidence of the educational requirement may be provided in the following manner:

(A) Candidates who have completed all course requirements and been awarded a baccalaureate or higher degree must provide an official transcript(s) demonstrating successful completion of all courses required under these rules, and that a degree was awarded.

(B) Candidates who have completed all course requirements at the time of application, but for whom a baccalaureate degree has not yet been awarded must provide an official transcript(s) showing successful completion of all courses required under these rules, together with a letter from the Registrar's

Office of the college or university stating that the candidate has met the degree requirements and the date that the degree will be awarded.

(C) Only official transcripts that are forwarded directly to the Board office by the issuing college or university will be accepted.

(D) Colleges or universities, which are accredited by one of the six regional accrediting associations and listed as accredited in the Directory of ~~Post secondary~~Post-secondary Institutions, published by the National Center for Education Statistics, are recognized by the Board.

(4) **Eligibility under experience standards.** Candidates for the CPA exam who are applying under the experience requirements of ORS 673.050(2) to be licensed as a Public Accountant must submit satisfactory evidence that:

(a) The candidate graduated from a high school with a four-year program, or the equivalent; and

(b) The candidate completed two years of experience in public accountancy or the equivalent satisfactory to the Board that meets the requirements of OAR 801-010-0100(2) and 801-010-0065(2).

(c) Returning candidates after January 1, 2002 who were eligible to take two sections of the CPA Exam under provisions of ORS 673.100 in effect prior to January 1, 2002, are required to sit for at least one exam section in any two testing windows each year in order to maintain eligibility under those requirements.

(5) **Authorization to Test and Notice to Schedule.**

(a) An ATT authorizes the candidate to test one time for those sections of the CPA exam that are specified in the ATT. An ATT is effective for six months from the date on which the corresponding NTS is issued or until the NTS expires, whichever occurs first; however, the ATT will expire ninety (90) days after it is issued if the candidate has not paid the appropriate fees to NASBA.

(b) Expiration of the ATT. Authorization to take a specified exam section will expire on any of the following events:

(A) When the candidate schedules and takes a designated exam section;

(B) If the candidate schedules a testing date for a designated exam section but fails to appear and take the section at the scheduled time;

(C) If the candidate fails to schedule a designated exam section within the six-month period defined by the NTS; or

(D) If the candidate fails to request an NTS and pay the appropriate fees to NASBA within 90 days of the date the ATT is issued.

(c) Suspension of the ATT. An ATT may be suspended by the Board of Accountancy based on a report from NASBA that a problem related to the

candidate is identified on the National Candidate Database, or for other good cause as determined by the Board.

(d) Payment of CPA Exam testing fees. To obtain a Notice to Schedule (NTS), the candidate must remit the CPA exam testing fees required for the CPA exam sections specified in the ATT to NASBA within ninety (90) days from the date the ATT is issued. Failure to remit the required fees and obtain the NTS will cause the ATT to expire, and the candidate must submit a re-examination application to the Board, with the appropriate CPA exam fee, to receive another ATT.

(e) NTS. When the candidate receives an ATT from the Board, the candidate is required to:

(A) Submit to NASBA payment of all fees related to testing of the CPA exam sections authorized by the ATT;

(B) Upon receipt of the NTS, contact an approved test center to schedule the time and place for testing of the exam sections authorized by the NTS. CPA exam sections do not have to be scheduled on the same date.

(C) The NTS remains valid for each exam section until the candidate schedules testing for that specific section, or for six months from the date the NTS was issued, whichever occurs first.

(D) The NTS expires as to each individual exam section when the candidate schedules testing for that section, whether or not the candidate appears at the scheduled testing appointment.

(f) Testing.

(A) A candidate may schedule testing at an approved testing center in Oregon or in another jurisdiction. A list of approved testing centers is on the Board of Accountancy website.

(B) Candidates must comply with the procedures and rules of the test center.

(g) Re-examination. A completed re-examination application and payment of the appropriate fee to the Board of Accountancy is required:

(A) To retake any exam section that the candidate does not pass;

(B) To obtain an NTS for any exam section that the candidate failed to schedule during the six-month period for which a previous NTS was issued;

(C) To obtain an NTS for any exam section for which the candidate failed to obtain an NTS during the ninety (90) day period after the date the ATT was issued.

**801-010-0065**

**Qualifications for Licensure**

(1) Requirements. Applicants for the license of Certified Public Accountant must meet the following requirements:

(a) Complete and pass all sections of the CPA exam

(b) Complete and pass an ethics exam that has been adopted by the Board; and

(c) Have a minimum of 12 months of full-time employment or a total of 2,000 hours of part-time employment;

(A) One hundred sixty seven (167) hours of part-time experience is equivalent to one month.

(d) Applicants for the CPA license must obtain the experience competencies as described in sections (2) through (4) of this rule and a minimum of 12 months full-time employment or a total of 2,000 hours of equivalent part-time employment.

(2) Experience Requirements:

(a) "Supervisor licensee" is a person who qualifies under this rule as a supervisor for the purpose of verifying the experience requirement of an applicant for a CPA license under OAR 801-010-0065 or the experience requirement of an applicant for a public accountant license under 801-010-0100.

(b) To qualify as a supervisor licensee the person providing supervision must hold an active CPA license issued by any state or a PA license issued under ORS 673.100 during the period of supervision and for at least five of the past seven years immediately prior to such supervision.

(i) Notwithstanding subset (2)(b) above, a public accountant (PA) may not act as a supervising licensee or verify an applicant's experience relating to attestation services.

(c) A licensee who provides direct supervision over an applicant must act as supervisor licensee and shall certify to the Board whether or not the applicant has gained qualifying experience under this rule.

(d) "Direct supervision" as used in this rule means that there is a regular and meaningful interaction between the supervisor licensee and the person being supervised in terms of planning, coordinating, guiding, inspecting, controlling, and evaluating activities, and having authority over the employee being supervised.

(A) A licensee acting as a consultant or independent contractor to the applicant's employer will not meet the requirement of direct supervision.

(e) The experience required under ORS 673.040 consists of activities generally performed by Oregon licensed CPAs and PAs engaged in public practice. Typical public practice experience includes attestation services, engagements, tax return preparation, financial advisory services and/or compliance and internal control evaluation. Experience obtained while performing financial

advisory services or tax advisory services must be performed while employed at a public accounting firm.

(3) Experience portfolio. The applicant must develop a portfolio that demonstrates to the satisfaction of the Board that the applicant has achieved each of the following competencies, together with the supervisory licensee verification.

(a) Understanding of the Code of Professional Conduct promulgated and adopted by the Board;

(b) Ability to assess the achievement of a client's objectives by demonstrating knowledge of various business organizations, understanding of the objectives and goals of business entities, ability to develop and analyze performance measures and critical success factors, and understanding of the economic and regulatory trends that affect the environment of a business entity.

(c) Experience in preparing working papers that include sufficient relevant data to support the analysis and conclusions required by the applicant's work.

(d) Understanding transaction streams and information systems, including the ability to understand how individual transactions aggregate at the organizational level, to infer how transactions impact the organization as a whole, and to evaluate the integrity and reliability of various client information systems, including relevant computer aspects.

(e) Skills in risk assessment and verification demonstrated by a sufficient understanding of accounting and other information systems to:

(A) Assess the risk of misstatement in an information system;

(B) Obtain sufficient relevant data based on the risk of misstatement and the nature of the engagement to determine the appropriateness of underlying data in terms of its completeness, existence and occurrence, valuation and allocation, rights and obligations, presentation and disclosures.

(f) Skills in decision making, problem solving, critical analytical thinking including the ability to evaluate and interpret sufficient relevant data in a variety of engagements and settings. For example, the candidate must evaluate a client's cash flow, profitability, liquidity, solvency, operating cycle, achievement of management's plans, accomplishment of service efforts and systems reliability.

(g) Ability to express scope of work, findings and conclusions including the ability to determine the appropriateness of reports on financial statements, system reliability, or reports expressing scope of work, findings and conclusions.

(4) Qualifying experience. An applicant must demonstrate to the satisfaction of the Board that the portfolio of experience submitted is of sufficient quality and diversity to meet the requirements of this rule. Qualifying experience may be obtained in the following categories:

(a) Attest. Experience that demonstrates the competencies prescribed in section (3) of this rule must be obtained while the applicant is:

(A) Employed in public practice on the staff of a certified public accountant or a firm of certified public accountants;

(B) Employed in an organization where employment is equivalent to that described in paragraph (4)(a)(A) of this rule if a peer review is conducted or if such employment is with audit agencies, internal audit departments or other organizations where a peer review is conducted and the audit agency, internal audit department, or other organization is independent of the entity.

(C) Experience under this subsection must include:

(i) Conducting attest-oriented functions where third party reliance is an objective of the report;

(ii) Preparing opinions in accordance with professional standards;

(iii) Preparing financial statements with footnotes to generally accepted accounting principles or other comprehensive bases of accounting; and

(iv) Accounting and review services.

(D) "Third party reliance" as used in this rule means:

(i) Actual third party reliance, such as takes place with respect to the reader of financial statements upon which an audit opinion has been rendered by a public accountant licensed in Oregon or a certified public accountant;

(ii) Audits performed by government agencies, including tax authorities, on organizations which are not subject to management control by the auditing agency; or

(iii) Financial audits performed by independent working groups where the purpose of the audit is reliance by the board of directors on the fairness of the presentation of internally generated financial statements in accordance with generally accepted accounting principles or other comprehensive bases of accounting.

(E) Attest experience will be evaluated on a case-by-case basis to ensure that experience meets the criteria of subsections (3)(a) through (g).

(b) Tax. Experience that demonstrates the competencies prescribed in section (3) of this rule must be obtained while the applicant is:

(A) Employed in public practice on the staff of a public accountant, a certified public accountant or a firm of public accountants or certified public accountants;

(B) Engaged in employment that is equivalent to that described in paragraph (4)(b)(A) of this rule including internal tax departments.

(C) Tax experience related to subsection (3)(a) of this rule will include the practice of tax with integrity, objectivity, independence, professional judgment, due professional care and professional skepticism.

(D) Tax experience related to subsection (3)(b) of this rule will be in the context of federal and state tax law, federal and state tax regulation, judicial precedence and other technical tax sources applied to a variety of taxable and nontaxable business entities, non-business entities, individuals, families, estates and trusts.

(E) Tax experience related to subsection (3)(c) of this rule will be in the context of records that are clearly organized, complete, cross-referenced and with adequate documentation and support for positions taken or proposed within the context of federal and state tax law, federal and state tax regulations, judicial precedence and other technical tax sources.

(F) Tax experience related to subsection (3)(d) of this rule will be in the context of the application of tax law to various types of transactions both individually and in the aggregate and both actual and proposed.

(G) Tax experience related to subsection (3)(e) of this rule will be in the context of the evaluation of the reasonableness of data provided by clients and the sufficiency and adequacy of the data to support reasonable tax positions and conclusions.

(H) Tax experience related to subsection (3)(f) of this rule will be in the context of identifying tax issues, researching technical guidance, choosing appropriate courses of action and proposing solutions.

(I) Tax experience related to subsection (3)(g) of this rule will be in the context of researching and preparing supporting documents for technical tax positions.

(J) Tax experience will be evaluated on a case-by-case basis to ensure that experience meets criteria of subsections (3)(a) through (g).

(c) Industry accountancy. Experience that demonstrates the competencies described in section (3) of this rule may also be obtained while the applicant is employed under the direct supervision of a public accountant or certified public accountant as provided under this rule.

(A) Industry experience related to subsection (3)(a) of this rule, will include the practice of accountancy with integrity, objectivity, independence, professional judgment, due professional care and professional skepticism.

(B) Industry experience related to subsection (3)(b) of this rule, will be in the context of assessing the objectives and goals, performance measures, critical success factors and the economic and regulatory trends affecting the applicant's company and industry.

(C) Industry experience related to subsection (3)(c) will be in the context of documenting an analysis of a financial accountancy issue affecting the applicant's company from the collection and summarization of financial data to the identification of alternative conclusions such that others of equal

training and experience can trace information to source data and draw similar conclusions.

(D) Industry experience related to subsection (3)(d) of this rule will be in the context of evaluating an accounting system within the applicant's company, performing internal control and substantive testing (analytical procedures, technical research and conclusion), and providing a written conclusion on the reasonableness of the procedures conducted, specific controls that were missing or ineffective, and the measures taken to corroborate data accuracy and conclusions drawn.

(E) Industry experience related to subsection (3)(e) of this rule will be in the context of evaluating risks of misstated financial data within the applicant's company and performing tests to substantiate data accuracy.

(F) Industry experience related to subsection (3)(f) of this rule will be in the context of identifying significant data trends and the impact of the trends on the applicant's company on both a short and long term basis.

(G) Industry experience related to subsection (3)(g) of this rule will be in the context of both written and oral presentation of financial information and related accounting conventions within the applicant's company that include the significance of the financial information, applicable accounting rules and consideration of alternatives and conclusions drawn.

(d) Experience, other than experience described in subsections (4)(a), (b), and (c) of this rule will be evaluated by the Board on a case-by-case basis to ensure that experience meets the criteria of subsections (3)(a) through (g).

(5) Submitting applications to the Board.

(a) An applicant's file must be complete in every particular within three months of the date of application or the file will be closed and the license fee will be refunded. The application fee is not refundable.

(b) An applicant's file may be included on the agenda of any meeting of the Board if the file is complete in every particular no less than seven days prior to the date of a scheduled Board meeting.

## **801-010-0075**

### **Public Accountants Applying for Certificate of Public Accountancy**

A public accountant licensed in Oregon who is applying for a certified public accountant license must:

(1) Hold an active public accountant license issued under ORS 673.100 that is not revoked, suspended, on probation or lapsed;

(2) Present satisfactory evidence that the candidate has successfully completed 150 semester hours or 225 quarter hours, including:

<p>(a) A baccalaureate or higher degree from an accredited college or university as described in ORS 673.050(1)(a)</p> <p>(b) A minimum of 24 semester hours or 36 quarter hours, or the equivalent thereof, in the study of accounting; and</p> <p>(c) A minimum of 24 semester hours or 36 quarter hours in accounting and or related subjects. Related subjects are defined as business, finance, economics, and written and oral communication.</p> <p>(3) Successfully complete all sections of the CPA exam. Credit may be received for sections of the CPA exam previously completed, <u>and not expired</u>, if the requirements of OAR 801-010-0060 are satisfied; and</p> <p>(4) Satisfy the experience requirements under ORS 673.040 and OAR 801-010-0065.</p> <p>(5) The experience and examination requirements must be obtained and completed within eight years immediately preceding the date of application</p> <p>(6) Licensee must surrender the Public Accountant license issued before the CPA license will be issued.</p>	<p>This change is designed to clarify the historic application and interpretation of Board policy relating to the CPA examination and licensure.</p>
<p><b>801-010-0100</b></p> <p><b>Public Accountant Licenses</b></p> <p>(1) Application requirements. Applicants for the license of public accountant must meet the following requirements:</p> <p>(a) Complete and pass the required sections of the CPA exam as described in ORS 673.100 and OAR 801-010-0060;</p> <p>(b) Complete and pass an ethics exam that has been adopted by the Board; and</p> <p>(c) Meet the experience requirements stated in ORS 673.100 as follows:</p> <p>(A) Obtain one year of experience, which means at least 12 months of full-time employment or a total of 2,000 hours of part-time employment.</p> <p>(d) The experience and examination requirements must be obtained and completed within eight years immediately preceding the date of application for license.</p> <p>(2) Experience requirements.</p> <p>(a) Applicants must meet the experience requirements described in OAR 801-010-0065(2).</p> <p>(b) The experience required under ORS 673.100 consists of activities generally performed by Oregon licensed CPAs and PAs engaged in public practice. Typical public practice experience includes attestation <u>services engagements</u>, tax return preparation, financial advisory services, and reporting on an entity's internal controls. Experience obtained while performing financial</p>	

<p>advisory services or tax advisory services must be performed while employed at a public accounting firm.</p> <p>(3) Experience portfolio. The applicant's experience portfolio must meet the requirements stated in OAR 801-010-0065(3).</p> <p>(4) Public Accountant practice restrictions.</p> <p>(a) Licensed public accountants who qualified for the CPA exam after January 1, 2002 must not perform audits.</p>	
<p><b>801-010-0130</b></p> <p><b>Restoration to Active Status</b></p> <p>(1) A person who is granted inactive status under ORS 673.220 and who subsequently applies to renew such permit to active status must submit an application on a form provided by the Board. The applicant must:</p> <p>(a) Pay the <u>application fee and the</u> license fee for the renewal period in which the application is submitted;</p> <p>(b) Meet the CPE requirements for reinstatement described in OAR 801-040-0090;</p> <p>(c) The applicant must not perform any public accountancy services until after the applicant receives an active license.</p>	<p>Language added to clarify Board policy on fees necessary to restore a license to active status.</p>
<p><b>801-010-0340</b></p> <p><b>Non-CPA and Non-PA Ownership of Business Organizations</b></p> <p>(1) <b>Requirements of non-CPA or non-PA ownership.</b> The ownership of a business organization, defined in ORS 673.010 and registered as a firm under ORS 673.160 and OAR 801-010-0345, that is lawfully engaged in the practice of public accountancy in this state may include owners who are not licensed as certified public accountants or public accountants if the following conditions are met:</p> <p>(a) Licensed certified public accountants and public accountants shall, in the aggregate, directly or beneficially, hold ownership of more than half of the equity capital and a majority of voting rights;</p> <p>(b) If the business organization has its principal place of business in this state and performs public accountancy services in this state, licensees under the provisions of ORS 673.150 or 673.100 shall, in the aggregate, directly or beneficially, hold ownership of more than half of the equity capital and a majority of voting rights;</p>	

(c) The business organization shall designate in writing a license holder under ORS 673.150 who shall be responsible for the management and registration of the business organization in this state;

(d) A license holder under ORS 673.150 shall have ultimate responsibility for each financial statement attestation service engagement performed in this state;

(e) Non-licensee owners shall be material participants in the business of the firm or an entity affiliated with the firm;

(f) Non-licensee owners may be natural persons or legal entities provided that each ultimate beneficial owner of an equity interest in such entity shall be a natural person who materially participates in the business conducted by the firm.

(g) Non-licensee owners must not hold themselves out as certified public accountants or public accountants and must not have a license in Oregon or any other jurisdiction, ~~which~~ that has been suspended or revoked for disciplinary reasons.

(h) Business organizations with non-CPA or non-PA ownership that are registered under OAR 801-010-0345 must comply with the requirements for peer review as provided in ORS 673.455 if such business organization performs attestation services or compilation services.

(i) For purposes of this rule, "material participation" means an activity that is regular, continuous and substantial.

(2) **Registration.** A business organization with non-licensee ownership that is registered in this state under OAR 801-010-0345 must certify at the time of registration and at each renewal that the business organization is in compliance with the provisions of this rule.

(3) **Request for extension.** If the licensee ownership of a registered business organization whose principal place of business is in this state does not meet the requirements of section (1) of this rule because of a death or other unforeseen circumstance, the business organization may request an extension of 180 days, or until the next renewal period, whichever is longer, for the business organization to meet such requirement.

(4) **CPA designation.** A business organization, of which the majority ownership is held by individuals licensed as public accountants under ORS 673.100, must not use the term "CPA firm" or any similar name that would indicate that a majority of the owners of the firm hold CPA certificates issued under ORS 673.040.

## 801-010-0345

### Registration of Business Organizations

**(1) Requirement to register as a firm.** A business organization organized for the practice of public accountancy must register with the Board as a firm if the business organization:

(a) Is located in Oregon and

(A) Uses the terms "certified public accountant", "CPA", "public accountant" or "PA", or any derivation of such terms;

(B) Holds out to clients or to the public that the business organization is in any way engaged in the practice of public accountancy; or

(C) Performs attestation services or compilation services, as defined by these rules.

(b) Is not located in Oregon and

(A) Uses the terms "certified public accountants", "CPA", "public accountants" or "PA", or any derivation of such terms;

(B) Holds out to clients or to the public that the business organization is in any way engaged in the practice of public accountancy and performs any of the following services:

(i) An audit or other engagement for which performance standards are included in Statements on Auditing Standard (SAS)

(ii) Examination of prospective financial information for which performance standards are included in the Statement on Standards for Attestation Engagements (SSAE)

(iii) Engagements for which performance standards are included in the auditing standards of the Public Company Accounting Oversight Board (PCAOB)

(C) Has a person, who is a license holder under ORS 673.150 or meets the substantial equivalency requirements of ORS 673.153, that is responsible for supervising attestation services and signs or authorizes someone to sign the accountant's report on the financial statements on behalf of the business organization.

(2) Registration of sole proprietors. A business organization organized as a sole proprietorship, a professional corporation or a limited liability company, and comprised of a single license holder under ORS 673.150, is required to register as a firm if the business organization engages in any of the following activities in this state:

(a) Holds out to clients or to the public that it is composed of more than one licensee, or

(b) Performs attestation services or compilation services.

**(3) Application requirements.**

(a) Firms located in Oregon: Application by a business organization to be registered as a firm to practice as Certified Public Accountant(s) or Public Accountant(s) must be made to the Board in writing on a form provided by the Board and shall be accompanied by the appropriate fee, stated in OAR 801-010-0010. The application and each renewal application must provide the following information in writing:

(A) Name of the firm;

(B) Identification by name and by certificate or license number of each CPA and PA in this state who is associated with or employed by the business organization;

(C) The physical address of every office and branch office in this state;

(D) Notice of every denial, revocation, lapse or suspension of authority to perform public accountancy services that is or has been issued by any jurisdiction against any licensee associated with the business organization;

(E) Notice of the filing of any lawsuit relating to the professional services of the business organization, if an essential element of such lawsuit involves fraud, dishonesty or misrepresentation; and

(F) Notice of any criminal action filed against the business organization or against any owner or manager and notice of any conviction against any owner or manager of the business organization. Notice of a conviction under this rule includes the initial plea, verdict or finding of guilt, pleas of no contest or pronouncement of sentence by a trial court even though that conviction may not be final and sentence may not be actually imposed until appeals are exhausted. The notice provided shall be signed by the person to whom the conviction or criminal action applies, and shall state the facts that constitute the reportable event and identify the event by the name of the agency or court, the title of the matter, the docket number and the date of occurrence of the event.

(G) Provide a letter [showing proof of enrollment in Peer Review or of acceptance and/or completion letter and the peer review report](#) of the firm's most recent peer review if the firm intends to perform [attestation services](#) or compilation services in this state.

(b) Firms not located in Oregon

(A) Name of the firm

(B) Identification by name and by active certificate or license number, indicating the state in which the certificate or license is issued of each CPA who is associated with or employed by the business organization and is authorized to practice in Oregon under substantial equivalency pursuant to ORS 673.153 who will practice public accounting in Oregon.

(C) Provide a letter of [acceptance and/or completion and the peer review report](#) of the firm's most recent peer review if the firm intends to perform [attestation services](#) or compilation services in this state.

Language changes are designed to reflect the current operation of the peer review program(s).

Language changes are designed to reflect the current operation of the peer review program(s).

(D) Any out of state firm that is required to register in Oregon and subsequently opens an office in Oregon shall notify the Board of the existence of the new office within 30 days of opening the office.

(4) Application requirements for firms with non-CPA and non-PA ownership. In addition to the information required under section (3) of this rule for firm registrations, business organizations with non-CPA or non-PA owners that are required to register as a firm must provide the following information with the application for initial registration and with each registration renewal.

(a) The name of the firm and a list of the states in which the business organization has applied, or is currently authorized to practice public accountancy;

(b) Evidence to the satisfaction of the Board that the business organization satisfies the requirements of OAR 801-010-0340;

(c) The identities of all owners or managers of the business organization who work regularly in this state;

(d) The physical address of every office maintained in this state;

(e) The identity of every person with management responsibility for each office in this state;

(f) Notice of every denial, revocation, lapse, or suspension of authority to perform accounting services or other services issued against any owner or manager of the business organization in any jurisdiction;

(5) Issuance of firm registration. The Board shall, upon receipt of an application that satisfies all the requirements of these rules and payment of the registration fee, issue a certificate of registration, which shall remain in effect until December 31 of the odd-numbered year following the date of such registration. The business organization shall:

(a) Renew the firm registration on or before December 31 of each odd-numbered year by submitting the renewal form provided by the Board, together with the appropriate registration renewal fee. The Board may waive the renewal fee if an initial firm registration is issued in November or December of the year in which the registration is due for renewal.

(b) Business organizations subject to registration that fail to renew a registration within 60 days by the end of the month following ~~of~~ the close of the renewal period, will be terminated and required to pay the renewal fee plus any applicable penalties ~~late fee~~ and submit a reinstatement form to the Board office;

(c) Notify the Board in writing of any change in the firm name within 30 days of such change;

(d) In addition to the notice that is required upon application and for each renewal of the firm registration under section (3) of this rule, business organizations are required to provide written notice to the Board within 45 days of the filing of any lawsuit, settlement or arbitration relating to the

Language is modified to reflect Board policy and operational aspects of licensing.

professional services of the business organization if an essential element of such lawsuit involves fraud, dishonesty or misrepresentation;

(e) Display the letter of registration issued by the Board in a conspicuous place at the principal office of the firm.

(6) **Form of practice.** A licensee may practice public accountancy in a business organization as defined in ORS 673.010 that is organized in accordance with statutory provisions.

(a) **Non-CPA or non-PA ownership.** A licensee may form a business organization with a non-licensee for the purpose of engaging in the practice of public accountancy in accordance with the provisions of ORS 673.160 and OAR 801-010-0340.

(A) Notwithstanding subsection (6)(a) of this rule, any certified public accountant or public accountant whose license to practice public accountancy has been suspended or revoked for disciplinary reasons in any jurisdiction, may not participate as a non-licensee owner in a business organization required to be registered under ORS 673.160.

(b) **Branch offices.**

(A) Every branch office located in this state shall be managed by a licensee holding a license issued under ORS 673.150 who shall be in residence at the branch office, on a full-time basis, during the time the branch office is open to the public. A licensee operating a branch office is responsible for managing the office, staff and services rendered to the public.

(B) The Board may, at its discretion, approve the operation of a branch office that does not meet the supervision requirements of paragraph A of this subsection. Licensees seeking approval under this paragraph shall submit in advance a written proposal describing how the licensee will provide adequate supervision of the branch office. The proposal shall specify the minimum number of hours each week that a named licensee will provide physical supervision at the branch office.

(C) Any licensee operating a branch office under approval authorized by paragraph (B) of this subsection shall notify the Board in writing of any deviation from an approved plan within 30 days of the deviation.

(D) The location of each branch office in Oregon shall be reported to the Board at the time of application for registration as a firm and with each renewal application, together with a statement that each branch office meets the requirements of OAR 801-010-0345(6)(b)

(c) **Internet Practice.** Licensees using the CPA or PA title to perform or solicit services via a website, are required to include information on the website naming the state(s) in which each CPA or PA is licensed to perform public accounting services, or provide a name and contact information for an individual who will respond within seven business days to inquiries regarding individual licensee information. Information required to be posted by this rule must be clearly visible and prominently displayed.

(7) Firm Names

(a) False and misleading firm names

(A) A public accounting firm shall not offer or provide public accounting services using a firm name that is misleading as to the legal entity or organization of the firm, as to the owners or employees of the firm, or as to any matter restricted by section (4) of this rule.

(B) A firm name shall not include false or misleading language about the business organization of the firm, the nature of the services provided, and the number of licensees associated with or working for the firm or the identity of individual members of the firm. Except as provided in paragraphs (D) and (E) of this subsection, a firm name shall not include information about or indicate an association with, individuals who are not members of the firm.

(C) A firm name shall include words or abbreviations required by the laws under which the business organization is organized to identify the form of business organization or legal entity being used by the firm.

(D) A firm name may be composed of the names of one or more past partners, shareholders, owners, or members of the business organization or its successor, so long as the past partner, shareholder, owner or member:

(i) Is not actively engaged in the practice of public accountancy as a sole proprietor in the same market area, and

(ii) Approves in writing of the continued use of such name. Approval given by a licensee for the continued use of licensee's name may be withdrawn by the licensee, in writing and shall allow a reasonable period of time for the firm to withdraw such name.

(E) A partner, shareholder, owner or member surviving the death or withdrawal of all other partners, shareholders, owners or members may continue to practice under the firm name provided that the firm meets the requirements stated in this rule.

(b) Singular firm names. The use by a certified public accountant or public accountant in individual practice of the individual's full legal name in the singular form, followed by the title "Certified Public Accountant," "Public Accountant", "CPA" or "PA" is not misleading.

(c) Plural firm names.

(A) The use by a firm of a plural title or designation, including words like "and company", "associates" and "accountants", is not misleading if, in addition to the names of persons included in the firm name, the firm has at least one additional partner, shareholder, owner or member, or employs at least one staff person (excluding independent contractors), who work a minimum of 20 hours per week, who is licensed to practice public accountancy under ORS 673.150, or who is authorized under 673.153 and whose permit is not revoked, suspended, lapsed or inactive.

<p>(B) A firm using a plural name that ceases to qualify for use of a firm name under (A) shall:</p> <p>(i) Cease using the plural name and so notify the Board in writing; or</p> <p>(ii) Notify the Board in writing within 30 days of non-compliance. Such firm shall have 90 days in which to employ a licensed staff person as required under paragraph (A) of this subsection. The firm shall provide written notice to the Board when the firm has employed the required licensed staff person.</p> <p>(C) A firm may file a written request for an additional 90-day extension to satisfy the requirements of (A).</p> <p>(d) Assumed business names.</p> <p>(A) A firm name that does not include the designations "PC", "LLC", "LP", or "LLP" to indicate the form of legal entity through which the practice of public accountancy is being conducted, or that does not include the full legal name of every owner of such business organization, shall be filed as an assumed business name with the Corporations Division of the Office of the Secretary of State. A copy of the registration of the assumed business name shall be provided to the Board with the application for registration as a firm and with every renewal application.</p> <p>(B) An assumed business name that is registered with the Corporate Division of the Office of the Secretary of State may be composed in whole or in part of initials. Such abbreviated firm name shall not spell a word or form an acronym that may be misleading to the public. Every assumed business name shall meet the requirements of paragraph (6)(a)(B) of this rule.</p> <p>(e) Notice to Board. A business organization registered as a firm under ORS 673.160 shall provide the following information to the Board:</p> <p>(A) List of the names and certificate or license numbers of all Oregon licensees employed by the firm at the time of application for registration as a firm and with every renewal application, and</p> <p>(B) Written notice of any change of firm name, firm address or firm ownership within 30 days of such change.</p>	
<p align="center"><b>Proposed Rules – Division 020 / Municipal Audits</b></p>	<p align="center"><b>Explanation</b></p>
<p><b>801-020-0690</b></p> <p><b>Qualifications for Admission to Municipal Roster</b></p> <p>(1) <b>Eligibility.</b> The following licensees are eligible to apply for admission to the municipal roster:</p> <p>(a) Individuals holding an active CPA permit issued under ORS 673.150,</p>	

(b) Individuals holding an active PA license issued under ORS 673.100 prior to January 1, 2002,

(c) Individuals holding an active PA license issued under ORS 673.100 who were licensed after January 1, 2002 and who passed the audit section of the CPA Exam as a requirement of licensing, and

(d) Individuals with an active CPA license issued by another jurisdiction that is recognized by the Board and who have authority to practice public accountancy in Oregon under ORS 673.153.

(2) **Application Requirements.** Qualified applicants for admission to the municipal roster must meet the following requirements:

(a) The applicant must be a licensee in good standing with the Board of Accountancy;

(b) Every application shall be on a form provided by the Board and shall be accompanied by a fee prescribed by OAR 801-010-0010; and

(c) The application, signed by the applicant, shall constitute an agreement between the applicant and the Board that the applicant will comply with the provisions of the Municipal Audit Law, ORS 297.405 through 297.555, and OAR chapter 801 division 020.

(3) **Grounds for Denial.** In addition to the specific grounds stated in ORS 673.170(2), the Board may deny admission or reinstatement to the municipal roster if:

(a) The applicant has not complied with the requirements of OAR 801-020-0620;

(b) The applicant has committed any act or engaged in conduct that reflects adversely on the licensee's fitness to practice public accountancy; or

(c) The applicant has committed any act or engaged in conduct that would cause a reasonable person to have substantial doubts about the applicant's honesty, fairness and respect for the rights of others or for any law.

(A) Any act or conduct that resulted in a criminal conviction, other than a crime described in ORS 673.170(2)(h) or (i), will not be used to deny admission to the municipal roster unless such act or conduct is rationally connected to the applicant's fitness to practice public accountancy.

(4) **Initial CPE Requirements.** The applicant shall demonstrate to the satisfaction of the Board that, within the two year period immediately preceding the date of application to the municipal roster, the applicant completed 40 CPE hours of Level 1 (basic) or Level 2 (intermediate) education in the following subjects, including at least 4 hours in each subject:

(a) Audits of state and local governmental units;

(b) Governmental accounting and financial reporting standards;

(c) Generally Accepted Governmental Auditing Standards;

(d) [Audits of federal programs including OMB Uniform Guidance and other authoritative sources. Single Audit Act and related circulars and supplements published by the United States Government Accountability Office, Office of Management and Budget;](#)

Language deleted to reflect changes to applicable standards. Recommended by the CPE Committee.

<p>(e) Oregon Local Budget Law; and</p> <p>(f) Minimum standards of audits and reviews of Oregon municipal corporations.</p> <p>(5) <b>CPE Credit.</b> The 40 hours of education required for admission to the municipal roster may be included in the 80 hours of CPE required for renewal of the CPA/PA permit.</p> <p>(6) <b>Approval.</b> When an application to the municipal roster is approved, the Board shall:</p> <p>(a) Notify the applicant in writing that the application is approved;</p> <p>(b) Enter the applicant's name on the municipal roster; and</p> <p>(c) Notify the Secretary of State that the applicant is authorized to conduct municipal audits.</p>	
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<b>Proposed Rules – Division 040 / Continuing Professional Education</b>	<b>Explanation</b>
<p><b>801-040-0010</b></p> <p><b>Basic Requirements</b></p> <p>(1) <b>Biennial CPE requirement for Active licensees.</b> Each biennial renewal period, certified public accountants and public accountants must report satisfactory evidence of having completed 80 hours of continuing professional education (CPE) unless such requirement is waived by the Board under ORS 673.165 and OAR 801-040-0150. The 80-hour CPE requirement must be completed as follows:</p> <p>(a) At least 24 of the required 80 CPE hours must be completed in each year of the renewal period. Hours carried forward from the previous reporting period (carry-forward hours) may not be used to meet the minimum annual requirement.</p> <p>(b) CPE hours must be completed during the two-year period immediately preceding the renewal date, except for carry-forward hours described in subsection (c) of this rule.</p> <p>(c) A maximum of 20 CPE hours <del>in technical subjects</del> may be carried forward from one reporting period to the next and may be used in partial fulfillment of the 80 hour requirement.</p> <p>(2) <b>Ethics CPE requirement.</b> CPE hours in professional conduct and ethics are included in the 80 hour requirement for each renewal period.</p> <p>(a) All active licensees who are applying for the first license renewal in Oregon are required to complete and report at least four hours of CPE in a professional conduct and ethics program that meets the requirements of section three (3) of this rule.</p> <p>(b) Licensees who are not renewing for the first time and whose principal place of business is located in another jurisdiction may meet the ethics requirement of this rule by demonstrating compliance with the other jurisdiction's professional conduct and ethics CPE requirement. The number of CPE Ethics hours that meets the Ethics requirement of such other jurisdiction will be accepted in Oregon, so long as the</p>	<p>Change made to allow for CPE carry forward of both technical and non-technical subject course hours.</p>

other jurisdiction requires the licensee to complete an ethics program as a condition of renewal.

(c) An active licensee who is not renewing for the first time and whose principal place of business is in another jurisdiction that does not have a professional conduct and ethics CPE requirement must complete the ethics requirement described in subsection (2)(d) of this rule.

(d) All other active licensees are required to complete and report four hours of CPE in professional conduct and ethics with each biennial renewal application, which may be satisfied by any ethics program that meets the general CPE requirements described in OAR 801-040-0030.

(3) **CPE ethics programs.** CPE programs in professional conduct and ethics required by subsection (2)(a) of this rule are eligible for CPE credit if the program is offered by a sponsor registered with the Board and includes information pertaining to each of the following topics:

(a) Oregon Administrative Rules and Oregon Revised Statutes pertaining to the practice of public accountancy;

(b) Examples of issues or situations that require an understanding of statutes, rules and case law relevant to all licensees.

(c) The Code of Professional Conduct adopted by the Board and set forth in OAR chapter 801, division 030; and

(d) Review of recent case law pertaining to ethics and professional responsibilities for the accounting profession.

(4) **Biennial CPE Requirements for Inactive Licensees.** A licensee who is granted inactive status must:

(a) Obtain 32 hours of qualified continuing professional education during a two-year renewal period;

(b) A maximum of 8 hours may be in non-technical subjects;

(c) A maximum of 8 CPE hours may be carried forward from one reporting period to the next and may be used in partial fulfillment of the 32 hour requirement.

(d) Licensees that do not meet the CPE requirements stated above will be assessed an 8 hour CPE penalty.

Clarifies Board policy regarding CPE carry forward hours for Inactive status licensees and imposes an additional CPE requirement if Inactive licensee fails to meet the biennial CPE requirements.

**801-040-0030**

**Programs that Qualify for CPE Credit**

(1) **Qualifying programs.** In order to qualify for CPE credit under these rules, a CPE program must be a formal program of learning that contributes directly to the professional competence of the licensee. It is the obligation of each licensee to select a course of study that contributes to the licensee's professional competence in public accountancy. The licensee may take programs in a variety of topics that are relevant to the licensee's practice.

(2) **Program requirements.** CPE programs must meet the following requirements to qualify for CPE credit:

- (a) An outline of the program is prepared in advance and preserved;
- (b) The program is at least one hour (fifty-minute period) in length;
- (c) A record of attendance is maintained by the sponsor; evidence of completion is provided to participating licensees;
- (d) The program is conducted by a qualified instructor whose background, training, education or experience qualifies the person to teach or lead a discussion on the subject matter of the particular program.

(3) **Eligible programs.** The following programs will qualify for CPE credit provided they also meet the requirements of section (2) of this rule:

- (a) Programs presented by national, state or local accounting organizations;
- (b) Programs offered by a firm to licensees;
- (c) Programs sponsored by organizations that provide professional educational programs on a regular basis;
- (d) **Accredited** ~~U~~university or college courses are eligible for CPE credit at the rate of 15 CPE hours for each semester hour credit and 10 CPE hours for each quarter hour credit. University or college courses that do not earn college credit are eligible for one CPE hour for each classroom hour of learning;
- (e) Distance learning programs offered by a **regionally** ~~n~~-accredited university or college are eligible for CPE credit as described in subsection (3)(d), without meeting the requirement of NASBA ~~Quality Assurance Service~~ **National CPE QAS/Registry** approval described in section (4) of this rule.
- (f) Other programs may qualify for CPE credit if the program meets the requirements of section 2 of this rule.

(4) **Individual study programs.**

- (a) Correspondence courses or other individual study programs do not qualify for CPE credit unless both the CPE sponsor and the specific CPE program are approved by the NASBA **National CPE QAS/Registry** ~~Quality Assurance Service (QAS)~~.

(5) **Programs not eligible for CPE credit.** The following programs do not qualify for CPE credit:

- (a) Courses taken to fulfill the requirements for licensure as a certified public accountant or public accountant;
- (b) Ethics courses that were taken to fulfill the Ethics exam requirement for licensure; and
- (c) CPA exam review or study courses.

Clarifies that to receive CPE credit for college level courses the course must be taken through an accredited university or college.

Title change to reflect current NASBA CPE qualified program registry.

**801-040-0040**

**Acceptable Subject Matter**

(1) Examples listed not all-inclusive. The subjects listed in this rule serve as examples only, and are not all inclusive of technical and non-technical subjects that may qualify for CPE credit.

(2) **Technical subjects.** Qualified continuing education programs in the following subjects are eligible for CPE credit as technical subjects:

- (a) Accounting
- (b) Auditing and assurance
- (c) Consulting
- (d) Specialized knowledge and applications

(e) Management Advisory Services

(f) Taxation

(g) Professional ethics

(h) Finance

(i) Business Law

(j) Business Management & Organization

(k) Economics

(l) Computer Science

(m) Communications

(n) Other subjects may be acceptable if they maintain or improve the licensee's professional competence.

**(3) Non-technical subjects.** Qualified continuing education programs in subjects other than those listed in section (2) of this rule are non-technical subjects and are eligible for CPE credit if the program directly contributes to the licensee's professional competence.

(a) Credit for programs in non-technical subjects is limited to 16 CPE hours per renewal period.

~~(b) Non-technical subject hours may not be carried forward to the next reporting period.~~

~~(c)~~ The following are examples of non-technical subjects:

(A) Interpersonal management skills;

List of acceptable technical and non-technical subjects that will qualify for CPE credit is expanded to provide additional guidance for practitioners.

Deletion mirrors change at OAR 801-040-0010(1), *supra*.

<p>(B) Public relations;</p> <p>(C) Practice development; <del>and</del></p> <p>(D) Practice administration.</p> <p><u>(E) Marketing</u></p> <p><u>(F) Personnel/HR</u></p> <p><u>(G) Personal Development</u></p>	
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<p><b>801-040-0050</b></p> <p><b>Credit Allowed and Evidence of Completion</b></p> <p>(1) <b>Credit hours.</b> Eligible CPE credit is measured by program length, with one 50 minute period equal to one CPE credit. CPE credit may be issued in half increments (equal to 25 minute program periods) after the first credit has been earned.</p> <p>(2) <b>Evidence of completion.</b> Licensees are required to document all CPE programs claimed for CPE credit and to provide the appropriate proof of completion for the number of qualifying CPE credits claimed for each program. Licensees must retain proof of completion for each CPE program reported for a period of 5 years after completion of the program.</p> <p>(3) <b>Group study programs.</b></p> <p>(a) CPE credit is allowed for actual class hours attended.</p> <p>(b) Evidence of completion includes a written course outline and certificate of completion or attendance record provided by each program sponsor. The evidence of completion must include the sponsor name, course title, date of attendance or date of completion, name of participating licensee, statement that the program and sponsor are QAS approved, if appropriate, and the number of CPE hours earned;</p> <p>(4) <b>Individual study programs.</b></p> <p>(a) Individual study programs are eligible for CPE credit only if the program is offered by a NASBA-<del>QAS</del> <u>CPE Registry</u> approved sponsor and the program itself is <del>QAS</del> <u>Registry</u> approved;</p> <p>(b) CPE credit will be awarded in an amount equal to the average completion time determined by the <del>QAS</del>-<u>NASBA CPE Registry</u> approved sponsor.</p> <p>(c) The date for which CPE credit is allowed is the completion date specified on the evidence of completion provided by the sponsor.</p> <p>(d) Evidence of completion must include the name of the participating licensee, sponsor name, program title, date of completion, Instructor name, if applicable and number of <del>QAS</del>-<u>NASBA CPE Registry</u> CPE hours allowed.</p> <p>(5) <b>Lecturer, discussion leader or speaker.</b></p>	<p>Change to NASBA program title only.</p>
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(a) CPE credit for a lecture, training session or speaking engagement at which the licensee was an instructor, discussion leader or speaker is allowed provided that the lecture, training or engagement meets CPE requirements for the participants;

(b) CPE credit for a university or college course where the licensee was the faculty instructor is allowed, provided that the course is considered an upper division (300 or 400 level) or post-graduate course.

~~(c)~~ One CPE hour is allowed for each 50 minute period completed as an instructor or discussion leader for the first presentation of the subject material if such activity increases the instructor's professional competence. CPE credit may be allowed for additional presentations if the substantive content of the program was substantially changed and the licensee provides evidence that such change required significant additional study or research;

~~(d)~~ CPE credit for preparation time allowed for an instructor, discussion leader, or a speaker shall be calculated on the basis of two CPE hours of preparation for each hour of teaching;

~~(e)~~ The maximum CPE credit allowed for preparation and teaching under this section and for published articles described in section (6) of this rule, combined, must not exceed one-half of the total number of CPE hours required for the renewal period;

~~(f)~~ Evidence of completion includes a copy of the agenda or outline provided for each presentation, lecture or speaking engagement, stating the date of presentation and name of the sponsoring organization. For university courses taught, evidence of completion should include the course syllabus and outline for each class.

**(6) Published articles.**

(a) CPE credit may be allowed for authoring published articles or books, provided the work directly contributes to the professional competence of the licensee;

(b) CPE credit for authoring published articles or books is allowed as of the date of publication and is only allowed for the first publication of such writing. The number of CPE hours is based on the time spent writing-creating the published article,

(c) Authorship of a published article does not contribute to the professional competence of the licensee unless the published article is suitable for a professional audience. Published articles may be reviewed on a case-by-case basis to determine whether such articles contribute to the licensee's professional competence

(d) The maximum credit for published articles and books allowed under this section and for preparation and teaching under section (5) of this rule, combined, is no more than one-half of the total CPE requirement for the renewal period.

(e) A licensee may request additional CPE credit for authoring a published article by submitting an explanation of the circumstances which justify greater credit than is otherwise allowed. The Board shall determine whether additional credit is justified.

(f) Evidence of completion includes a copy of the title page or other pages that show the title, date of publication and a description of the content for each article reported for CPE credit.

**(7) Reviewing peer review reports for Board approved Peer Review Programs.**

(a) Licensees who serve as volunteer members of the Review Acceptance Body or any other committee that reviews peer review reports on behalf of a board approved

Clarifies the level of course for which a college or university faculty instructor may receive CPE credit for instruction.

This added language is intended to provide clarification of the Board's policy and rule interpretation that to receive CPE credit for the same course taught on more than one occasion, a change to the course topics or significant changes to the subject matter presentation must be demonstrated. An example of where credit *may* be permitted a second time is when a course is significantly updated to reflect changes in the law or standards applicable to the instruction and the instructor is required to research and analyze the changes as part of his/her preparation for instruction.

<p>peer review program are allowed two hours of CPE credit per meeting attended, for a maximum of 16 hours for the renewal period.</p> <p>(b) Evidence of completion includes proof of attendance, provided by the sponsor of the approved Peer Review Program, for each meeting attended.</p> <p><b>(8) State Legislative Joint Ways and Means Committee members.</b></p> <p>(a) Licensees who serve as members of the Oregon Joint Ways and Means Legislative Committee are allowed up to 16 hours of the total CPE requirement for the renewal period during which the licensee served on the legislative committee.</p> <p>(b) Evidence of completion shall be a copy of the membership roster published during the legislative session indicating the specific section of the Joint Ways and Means sub-committee on which the licensee served.</p> <p><b>(9) University and college courses.</b></p> <p>(a) CPE credit allowed is described in OAR 801-040-0030.</p> <p>(b) An official copy of the college transcript is evidence of completion for courses that earn college credit.</p> <p>(c) An attendance schedule or sign-in sheet demonstrating the licensee's attendance and prepared and maintained by the college will provide evidence of completion for courses that do not earn college credit.</p>	
<p><b><del>801-040-0080</del></b></p> <p><b><del>Reciprocity</del></b></p> <p><del>This section is deleted. Or Laws 1999, ch 322 repealed ORS 673.080, which authorized licensing by reciprocity. The provisions of OAR 801-040-0080 are replaced in 801-040-0020 and 801-040-0095 and pertain to licensees who receive a permit under the provisions of substantial equivalency, which replaced reciprocity under Or Laws 1999, ch 322.</del></p>	<p>Formal repeal of Reciprocity provision is proposed as clean up and reflects 1999 statutory changes and companion rule changes made at that time. No substantive change to law or rule is intended by repeal of this rule.</p>
<p><b>801-040-0090</b></p> <p><b>Reinstatement Requirements: Lapsed, Suspended or Inactive to Active Status</b></p>	

<p>(1) <b>Lapsed licenses.</b> Licenses that are not properly renewed shall lapse. Lapsed licenses may be reinstated <del>to only to</del> active, <u>inactive or retired</u> status. To reinstate to active status an individual must:</p> <p>(a) Provide a detailed written description of the business and professional activities of the individual during the period of lapse, and indicate whether the individual was holding out as a CPA or PA during the period of lapse;</p> <p>(b) Submit an application for reinstatement on a form provided by the Board;</p> <p>(c) Submit payment of the application fee and the active renewal fee for each renewal period that the license was lapsed, and</p> <p>(d) Complete and report the appropriate CPE hours described in this rule, plus a penalty of an additional 16 CPE hours.</p> <p>(e) CPE hours submitted for reinstatement must meet the requirements for CPE credit under these rules.</p> <p>(2) <b>Holders of licenses that are lapsed less than two years must:</b></p> <p>(a) Complete and report 80 CPE hours, which shall be completed within the 12 month period immediately preceding the date of application for reinstatement; and</p> <p>(b) Complete and report four CPE hours in professional conduct and ethics.</p> <p>(3) <b>Holders of licenses that are lapsed more than two and less than six years must:</b></p> <p>(a) Complete and report 160 CPE hours which shall be completed within the 12 month period immediately preceding the date of application for reinstatement;</p> <p>(b) Comply with CPE requirements under these rules for the period following reinstatement until the next renewal date on a pro rata basis, to be calculated at the rate of 3-1/3 hours per month, including the month of reinstatement, from the date of reinstatement to the end of the renewal period in which reinstatement occurs; and</p> <p>(c) Complete and report four CPE hours in professional conduct and ethics.</p> <p>(d) In lieu of meeting the CPE requirements described in this section, the holder of a lapsed license may elect to take and pass the CPA exam within the five years immediately preceding the date of application for reinstatement. A person who elects this option must meet the requirements of OAR 801-010-0060.</p> <p>(4) <b>Lapsed more than six years or three renewal periods:</b></p> <p>(a) A license that is lapsed for more than three renewal periods will expire.</p> <p>(b) An expired license may be restored only upon the Board's determination that there is good cause.</p> <p>(5) <b>Inactive licenses.</b> To reinstate a license from inactive to active status, the holder of such license shall meet the requirements for reinstatement of lapsed licenses described in section (1) of this rule, with the following exceptions:</p>	<p>Expands the license status categories to which a lapsed license may be reinstated to include reinstatement from lapsed status to inactive or retired status.</p>
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<p>(a) <b>Credit for CPE</b> taken while on inactive status will be given for <del>the first two bienniums</del> <u>the two renewal periods immediately preceding the date of reinstatement application</u> only (maximum of 64 hours)</p> <p>(6) <b>Suspended licenses.</b> To reinstate a license that is suspended under ORS 673.170, the holder of such license shall:</p> <p>(a) Provide evidence of satisfaction or completion of all terms and conditions stated in the Order of Suspension; and</p> <p>(b) Meet the requirements for reinstatement of a lapsed license as stated in this rule.</p> <p>(7) <b>License holders in other jurisdictions.</b> Licensees who hold an active license to practice public accountancy issued under the laws of another jurisdiction, whose principal place of business is in such other jurisdiction, and who wish to reinstate an Oregon license that has been lapsed for less than six years or inactive for more than two years shall:</p> <p>(a) Submit evidence that the applicant holds an active license to practice public accountancy, in good standing, issued by another jurisdiction; and</p> <p>(b) Submit payment of the initial license fee stated in OAR 801-010-0010(2)(a) plus the biennial renewal application fee stated in OAR 801-010-0010(3)(a).</p> <p>(c) Upon reinstatement, licensee shall complete CPE requirements described in these rules on a pro rata basis, calculated at 3-1/3 hours per month, including the month of reinstatement until the end of the renewal period in which reinstatement occurs.</p> <p>(8) <b>24 Hour Minimum annual CPE requirement.</b> Licensees whose licenses are reinstated under this rule are required to meet the 24 hour minimum annual CPE requirement at the pro-rated calculation of two (2) CPE hours for each month, including the month of reinstatement, until June 30 of the year in which the licensee is reinstated.</p>	<p>The change in language proposed here is for clarification and is designed to reflect current licensing operations and Board policy.</p>
<p><b>801-040-0150</b></p> <p><b>Waivers</b></p> <p>(1) CPE waivers. The Board, in its discretion, may waive CPE requirements for:</p> <p>(a) Reasons of health, certified by a medical doctor, that prevent the licensee from complying with CPE requirements;</p> <p>(b) A licensee who is on extended active military duty, who does not practice public accountancy during the renewal period, and who provides a copy of orders to active military duty; and</p> <p>(c) Other good cause, to be <del>demonstrated</del> <u>determined by the Board on a case-by-case basis as the Board requests.</u></p> <p>(2) Requests for waivers. A request for waiver of CPE requirements must be submitted in writing for each renewal period during which the conditions supporting the waiver exist.</p> <p><del>(3) Waivers not available for inactive status. The provisions of this rule are not available for licensees on inactive status granted under OAR 801-010-0120.</del></p>	<p>Clarifies Board policy and practice that good cause for CPE waiver determinations are discretionary and that requests or waivers will be evaluated on a case-by-case basis. Change also deletes prohibition for inactive status waivers. Waiver requests by an inactive licensee will be evaluated in the same manner as other CPE waiver requests.</p>

<p><b>801-040-0160</b></p> <p><b>Failure to Comply</b></p> <p>(1) <b>16-hour CPE penalty.</b> Licensees who submit an application for renewal of a license and who have not complied with the CPE requirements described in OAR 801-040-0010 are required to complete and report an additional 16 hours of qualifying CPE.</p> <p>(a) <u>Inactive licensees will be assessed an 8 hour CPE penalty for non-compliance with CPE rules.</u></p> <p>(2) <b>Failure to comply</b> with CPE requirements. Licensees who do not meet the CPE requirements are subject to disciplinary action under ORS 673.170 (L), unless CPE requirements have been waived under OAR 801-040-0150.</p>	<p>The addition of subsection (a) reflects the changes made at OAR 801-040-0010(4)(d), <i>supra</i>.</p>
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