



# RULE-MAKING ORDER

(RCW 34.05.360)

CR-103 (7/22/01)

Agency: Board of Accountancy

- Permanent Rule
- Emergency Rule
- Expedited Rule Making

(1) Date of adoption: July 25, 2003

(2) Purpose: To set transition and conditioning requirements to facilitate the move to a computer-based exam format

(3) Citation of existing rules affected by this order:

Repealed:  
 Amended: WAC -4-25-720 How do I apply to take the CPA examination?  
 Suspended:

(4) Statutory authority for adoption: RCW 18.04.105(2)  
Other Authority:

### PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 03-09-051 on April 11, 2003 (date).  
 Describe any changes other than editing from proposed to adopted version: None

*[03-10-036]*  
*on April 30, 2003*

### EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

(5.3) Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?:

Yes  No If Yes, explain:

(6) Effective date of rule:

#### Permanent Rules

- 31 days after filing
- Other (specify) 9/30/03\*

#### Emergency Rules

- Immediately
- Later (specify) \_\_\_\_\_

\*(If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

Name (Type or Print)  
 Dana M. McInturff, CPA, CFE

Signature

Title  
 Executive Director

Date  
 8/12/03

### CODE REVISER USE ONLY

9:27  
 03-17-041  
 PIA

(COMPLETE REVERSE SIDE)

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.

**The number of sections adopted in order to comply with:**

<b>Federal statute:</b>	New	_____	Amended	_____	Repealed	_____
<b>Federal rules or standards:</b>	New	_____	Amended	_____	Repealed	_____
<b>Recently enacted state statutes:</b>	New	_____	Amended	_____	Repealed	_____

**The number of sections adopted at the request of a nongovernmental entity:**

New	_____	Amended	_____	Repealed	_____
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**The number of sections adopted in the agency's own initiative:**

New	_____	Amended	<u>1</u>	Repealed	_____
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	_____	Amended	<u>1</u>	Repealed	_____
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**The number of sections adopted using:**

<b>Negotiated rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Pilot rule making:</b>	New	_____	Amended	_____	Repealed	_____
<b>Other alternative rule making:</b>	New	_____	Amended	<u>1</u>	Repealed	_____

AMENDATORY SECTION (Amending WSR 02-04-064, filed 1/31/02 effective 3/15/02)

**WAC 4-25-720 How do I apply to take the CPA examination? (1)**

**Application form and due dates:**

(a) For examinations held prior to January 1, 2004:

(i) Your application to take the CPA examination must be made on a form provided by the board's designee and filed with the board's designee on or before March 1 for the May examination and September 1 for the November examination. Applications, including all required documentation, for the May examination must be postmarked by March 1 (and received by March 10). Applications, including all required documentation, for the November examination must be postmarked by September 1 (and received by September 10). An application is not considered filed until the (~~examination fee has been received by the~~) board's designee has received the examination fee.

(ii) **Proctoring CPA exam candidates:** The board may agree to request the assistance of another accountancy board in proctoring Washington's applicants at out-of-state exam sites and may agree to proctor another accountancy board's applicants at a Washington exam site, both subject to space and staffing constraints. The board will not arrange for out-of-state proctoring for applicants domiciled out-of-state who wish to take the uniform CPA exam as Washington candidates. Such applicants must take the CPA exam in Washington on a space available basis.

(b) **For examinations held after December 31, 2003:** Your application to take the CPA examination must be made on a form provided by the board's designee and filed with the board's designee by the due date specified by the board on the application form. Your application is not considered filed until all of the following are received by the board's designee:

- A fully completed application form;
- Fee(s);
- Proof that you have met the education requirements;
- Your proof of identity as determined by the board and specified on the application form;
- Other required supporting documents; and
- Proof from NASBA's National Candidate Data Base that you have not previously taken, or applied to take, the exam during the current examination period.

(2) **Failure to attend the exam:** If you fail to appear for examination (~~or reexamination~~), you forfeit the fees charged for examination (~~and reexamination~~).

(3) **Notice of admittance to the examination or denial of your application:**

(a) **For examinations held prior to January 1, 2004:** Notice of

the denial of your application, or notice of your admittance to the examination along with the time and place of the examination, will be mailed to you at least ten days prior to the date set for the examination.

~~((4))~~ **(b) For examinations held after December 31, 2003:** Notice of the denial of your application, or notice of your eligibility to take the examination will be mailed to you by the board's designee. You will contact the board's designee or the approved test site to schedule the time and location for your examination. Your notice of eligibility to take the examination will be valid for one taking of the examination within the six months following the date of your notice of eligibility to take the examination.

**(4) Examination content:** The CPA examination shall test the knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the board may require. The examination will consist of the following four sections: Auditing and attestation; financial, accounting and reporting; regulation; and business environment and concepts.

**(5) Examination, grading and conditioning:**

**(a) For examinations held prior to January 1, 2004:** The board uses all parts of the uniform CPA examination and the advisory grading services of the American Institute of Certified Public Accountants. Seventy-five or better is a passing grade for each section of the examination. Each time you sit for the examination you must take all sections you have not previously passed. You are required to pass all sections of the examination in order to qualify for a license. If at a given sitting of the examination you pass two or more, but not all sections of the examination, then you will receive credit for those sections that you pass and you will not be required to take those sections again provided:

~~((a))~~ **(i)** You took all unpassed sections of the examination at that sitting;

~~((b))~~ **(ii)** You attained a minimum grade of fifty on each section of the examination not passed at that sitting;

~~((c))~~ **(iii)** You pass the remaining sections of the examination within six consecutive examinations given after the one at which the first sections were passed;

~~((d))~~ **(iv)** At each subsequent sitting you take all sections not yet passed and you attain a minimum grade of fifty on those sections taken but not passed at that sitting; and

~~((e))~~ **(v)** In order to receive credit for passing additional sections in a subsequent sitting you attain a minimum grade of fifty on sections taken but not passed at that sitting.

~~((5))~~ **(b) For examinations held after December 31, 2003:** The board uses all parts of the uniform CPA examination and the advisory grading services of the American Institute of Certified Public Accountants.

**(i)** To qualify to apply for a license you must attain the national uniform passing grade, approved by the board by policy, on

all four sections of the examination.

(ii) You may take the required four sections individually and in any order. Credit for any section(s) taken and passed after December 31, 2003, will be valid for eighteen months from the actual date you took the passed section, without having to attain a minimum score on any failed section(s) and without regard to whether you have taken other sections.

(iii) You must pass all four sections of the examination within a rolling eighteen-month period, which begins on the date that the first section(s) is passed. When determining the date that a section is passed the date that is used is the date that you took the exam section and not the date that your grade(s) is released.

(iv) You may not retake a failed section(s) in the same examination window. An examination window refers to a three-month period in which candidates have an opportunity to take the examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the item bank is refreshed).

(v) In the event you do not pass all four sections of the examination within the rolling eighteen-month period, credit for any section(s) passed prior to the eighteen-month period will expire and you must retake that section(s).

**(c) Transitioning for candidates obtaining conditional credits under the provisions of (a) of this subsection:**

(i) If you earned conditional credit(s) under the provisions of (a) of this subsection and as of February 15, 2004, those conditional credits remained valid under the provisions of (a) of this subsection, you will retain conditional credit for the corresponding sections of the examination as follows:

<u>Examination section taken prior to January 1, 2004</u>	<u>Examination section taken after December 31, 2003</u>
<u>Auditing</u>	<u>Auditing and Attestation</u>
<u>Financial Accounting and Reporting (FARE)</u>	<u>Financial Accounting and Reporting</u>
<u>Accounting and Reporting (ARE)</u>	<u>Regulation</u>
<u>Business Law and Professional Responsibilities (LPR)</u>	<u>Business Environment and Concepts</u>

(ii) If you qualify for conditional credit(s) for a section of the examination under (c) (i) of this subsection, you will lose the conditional credit(s) for the section unless you complete all remaining section(s) of the examination within the transition period which is the lesser of:

• The maximum number of testing opportunities that you had remaining to complete all sections of the examination under the provisions of (a) of this subsection; or

• The number of remaining testing opportunities you had remaining to complete all sections of the examination under the

provisions of (a) of this subsection multiplied by six months.

(iii) If you do not pass all remaining sections during the transition period, the conditional credit for the section(s) you passed under the provision of (a) of this subsection will become invalid. Any section you pass after December 31, 2003, will be subject to the provisions of (b) of this subsection with the following exception:

• You will not lose conditional credit for any section passed during the transition period, even though more than eighteen months may have elapsed from the date the section is passed, until the end of your transition period.

(iv) You will retain credit for any and all sections of an examination passed in another state if credit would have been given under the Washington state requirements in effect on the date you took the examination.

(v) If you pass a section of the examination, the date you took the section of the examination is the date you receive credit for passing the section.

(6) Ethics exam: Upon passing the CPA examination, applicants for licensure are required to attain and demonstrate a passing grade of ninety percent or better on the AICPA professional code of conduct examination.

~~((6) Proctoring CPA exam candidates: The board may agree to request the assistance of another accountancy board in proctoring Washington's applicants at out-of-state exam sites and may agree to proctor another accountancy board's applicants at a Washington exam site, both subject to space and staffing constraints. The board will not arrange for out-of-state proctoring for applicants domiciled out-of-state who wish to take the uniform CPA exam as Washington candidates. Such applicants must take the CPA exam in Washington on a space available basis.))~~