

Title 4 WAC

ACCOUNTANCY, BOARD OF

OF

tive 2/4/94.] Repealed by 99-23-050, filed 11/15/99, effective 1/1/00. Statutory Authority: RCW 18.04.055 and 18.04.105.

Chapters

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General provisions.

Chapter 4-25 WAC

GENERAL PROVISIONS

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4-25-740	CPA certificate and license. [Statutory Authority: RCW 18.04.215, 93-12-067, § 4-25-740, filed 5/27/93, effective 7/1/93.] Repealed by 99-18-114, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.105.
4-25-760	Reinstating certificates and licenses. [Statutory Authority: RCW 18.04.055(11), 93-12-065, § 4-25-760, filed 5/27/93, effective 7/1/93.] Repealed by 99-18-118, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055(11).
4-25-810	Continuing professional education (CPE)—Who must have CPE. [Statutory Authority: RCW 18.04.055(7) and 18.04.215(4), 98-12-051, § 4-25-810, filed 5/29/98, effective 1/1/99. Statutory Authority: RCW 18.04.055, 94-02-072, § 4-25-810, filed 1/4/94, effective 2/4/94.] Repealed by 99-23-049, filed 11/15/99, effective 1/1/00. Statutory Authority: RCW 18.04.055.
4-25-811	Continuing professional education (CPE)—Program standards. [Statutory Authority: RCW 18.04.055, 94-02-072, § 4-25-811, filed 1/4/94, effective 2/4/94.] Repealed by 99-23-049, filed 11/15/99, effective 1/1/00. Statutory Authority: RCW 18.04.055.
4-25-812	Continuing professional education (CPE)—Reports. [Statutory Authority: RCW 18.04.055, 94-02-072, § 4-25-812, filed 1/4/94, effective 2/4/94.] Repealed by 99-23-049, filed 11/15/99, effective 1/1/00. Statutory Authority: RCW 18.04.055.
4-25-813	Continuing professional education (CPE)—Program sponsor agreements. [Statutory Authority: RCW 18.04.055, 94-02-072, § 4-25-813, filed 1/4/94, effective

WAC 4-25-510 What is the board's meeting schedule and how are officers elected? The board meets from 9:00 a.m. to 5:00 p.m. on the last Friday of the month in the months of January, April, July and October. Additionally, the board holds an annual meeting, from 9:00 a.m. to 5:00 p.m., on the third Friday of December.

At the annual meeting the board elects the chair, vice-chair, and secretary from its members. The newly elected officers assume the duties of their offices at the conclusion of the meeting and serve a term of one year. Officers can be reelected for one additional term.

Either the chair or a quorum of the board has the authority to call meetings of the board. The board complies with the rules of procedure, chapter 42.30 RCW, in regards to notice and conduct of meetings. The chair presides at all meetings. In the event of the chair's absence or inability to act, the vice-chair presides. The board determines other duties of the officers.

[Statutory Authority: RCW 18.04.055 and 42.30.070, 99-18-111, § 4-25-510, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055, 93-12-077, § 4-25-510, filed 5/27/93, effective 7/1/93.]

WAC 4-25-530 Fees. The board shall charge the following fees:

(1) CPA examination applications:	
(a) First-time	\$ 230
(b) Reexamination, four sections	\$ 205
(c) Reexamination, two sections	\$ 155
(d) Reexamination, one section	\$ 140
(e) Administration of examination for out-of-state applicants	\$ 90
(2) Application for certificate	\$ 75
(3) Application for certificate by reciprocity from other jurisdictions	\$ 225
(4) License to practice public accounting, includes certificate renewal fee	\$ 120
(5) Certificate renewal	\$ 40
(6) Firm license:	
(a) Sole proprietorships (with one or more employees)	\$ 90
(b) Partnerships and limited liability partnerships	\$ 90
(c) P.S. corporations and limited liability companies	\$ 90
(d) Amendment to firm license	\$ 10
(7) Copies of records, per page	\$ 0.10
(8) Printed listing of CPAs, CPA firms, CPA exam candidates, set up charge plus \$.01/record	\$ 50
(9) Computer diskette listing of CPAs, CPA firms, CPA exam candidates	\$ 50
(10) Applications for reinstatement	\$ 25
(11) Replacement CPA certificates	\$ 25
(12) Quality assurance review program per financial statement report review (includes monitoring reviews for up to two years)	\$ 225
(13) Late or incomplete individual or firm renewal application, per month or part thereof, to a maximum of \$200 per application	\$ 25

- (14) Dishonored check fee (including, but not limited to, insufficient funds or closed accounts) § 30

Note: The board may waive late filing fees for good cause.

[Statutory Authority: RCW 18.04.055, 18.04.065, 18.04.105(7), 18.04.195(6) and 18.04.205(4). 99-18-112, § 4-25-530, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055, 18.04.065 and 18.04.195(b). 99-02-009, § 4-25-530, filed 12/24/98, effective 5/7/99. Statutory Authority: RCW 18.04.055, 18.04.065 and 18.04.195(6). 96-12-060, § 4-25-530, filed 5/31/96, effective 7/1/96. Statutory Authority: RCW 18.04.055, 93-12-075, § 4-25-530, filed 5/27/93, effective 7/1/93.]

WAC 4-25-730 Experience. Experience required for issuance of an initial license shall meet the requirements of this section:

(1) **Experience definition and timing:** One year of experience shall consist of full-time employment of no less than two thousand hours. For purposes of computing work experience for a part-time employee, two thousand hours shall constitute one year. Employment may be for one or more employers, with or without compensation, and may consist of any combination of full-time and part-time employment. For an applicant who passed the uniform certified public accounting examination prior to May 1988, experience obtained more than five years prior to application for initial license shall be supplemented by one hundred twenty hours of continuing education during the three-year period prior to application. For an applicant who passed the examination in May 1988, or thereafter, this experience must cover a minimum twelve-month period and must be obtained no more than five years prior to applying for a license.

(2) **Experience in public accounting:**

(a) An applicant shall show he/she has had employment for a period of one year as a staff accountant under the direct supervision of a currently licensed certified public accountant who is actively engaged in the practice of public accounting and is a member of a firm licensed to practice public accounting. Experience shall be in a CPA firm that participates in a board approved peer or quality review of its accounting or auditing practice. Qualifying experience for purposes of this section shall mean the performance of services as one skilled in the knowledge and practice of public accounting, including performance of accounting or auditing procedures, issuance of reports on financial statements, performance of management advisory or other consulting services, preparation of tax returns and furnishing advice on tax matters.

(b) Public accounting services shall be performed for clients of a certified public accountant or a firm of certified public accountants in compliance with the board's rules and must regularly involve the exercise of independent judgment and the application of appropriate technical and behavioral standards such as the standards contained in the Code of Professional Ethics, Generally Accepted Auditing Standards, Statement of Responsibilities in Tax Practice, Statement on Standards for Management Advisory Services, Statement on Standards for Accounting and Review Services, Statement on Standards for Attestation Engagements and other similar practice standards issued by the American Institute of Certified Public Accountants.

(3) **Experience other than in public accounting:**

(a) The experience required, as stated in subsection (2) of this section, may also be met by work experience, not including in-classroom training, performed under the direct supervision of a currently licensed certified public accountant in a commercial or governmental organization which has filed a sponsorship agreement with the board, acceptable to the board, which among other things specifies:

(i) The scope of accounting, auditing, consulting, and other services performed within the organization;

(ii) The professional education and on-job training provided to an applicant prior to application; and

(iii) The program of review and supervision performed by the internal review committee within the organization which administers the agreement.

(b) Qualifying work experience must be of a type and at a level equivalent to that performed in public accounting practice and must regularly involve the exercise of independent judgment and the application of the appropriate technical and behavioral standards.

(4) **Experience affidavit:** The experience claimed by an applicant shall be verified by the certified public accountant or firm of certified public accountants supervising the applicant on an experience affidavit form provided by the board.

(5) **Examination of experience documentation:**

(a) Any licensee who has furnished evidence of an applicant's experience to the board shall upon request by the board explain in writing or in person the information so provided.

(b) The board may require an interview or an inspection of documentation relating to an applicant's experience. Any licensee having custody of such documentation shall produce it upon request by the board.

(c) Any licensee who refuses to provide the evidence or documentation of the applicant's experience, requested by an applicant or by the board, shall upon request by the board explain in writing or in person the basis for such refusal.

(6) **Reciprocity:** An applicant who applies for initial license in this state shall be required to document experience obtained in another jurisdiction which is equivalent to the requirements of this state.

[Statutory Authority: RCW 18.04.055 and 18.04.215 (1)(a). 99-18-113, § 4-25-730, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055, 93-12-068, § 4-25-730, filed 5/27/93, effective 7/1/93.]

WAC 4-25-740 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-745 How do I apply for an initial CPA license and/or certificate? To apply for an initial license and/or certificate you must use the application form provided by the board. You need to fully complete the form, have your signature notarized, and submit the form, all applicable fees, and all required documentation to the board's office.

An initial application is not complete and cannot be processed until all fees, required information, and required documentation is received by the board. When the processing of your application is complete, notification will be mailed to the last address you provided to the board.

Your initial license and/or certificate will expire on June 30 of the third calendar year following initial licensure and/or certification.

You may not use the title CPA until you receive written notice from the board of your Washington state CPA certificate number. You may not hold out as a CPA in public practice until you receive written notice from the board of your Washington state CPA license and certificate number. A licensee may only practice public accountancy in a licensed CPA firm meeting the requirements of WAC 4-25-750.

[Statutory Authority: RCW 18.04.055, 18.04.105 and 18.04.215. 99-18-115, § 4-25-745, filed 9/1/99, effective 1/1/00.]

WAC 4-25-746 How do I apply for a Washington state CPA license and/or certificate if I hold a valid CPA certificate, license or permit in another state? Pursuant to RCW 18.04.180 and 18.04.215(3) the board may issue a certificate and/or license if you hold a CPA certificate, license or permit issued by another state. To apply for a Washington state CPA license and/or certificate you must use the application form provided by the board and satisfy CPE requirements in WAC 4-25-830. You need to fully complete the form, have your signature notarized, and submit the form, all applicable fees, and all required documentation to the board's office.

An application is not complete and cannot be processed until all fees, required information, and required documentation is received by the board. When the processing of your application is complete, notification will be mailed to the last address you provided to the board.

Your Washington state CPA license and/or certificate will expire on June 30 of the third calendar year following initial licensure and/or certification.

You may not use the title CPA and you may not hold out as a CPA in public practice until you have filed a complete application with the board. A licensee may only practice public accountancy in a licensed CPA firm meeting the requirements of WAC 4-25-750.

[Statutory Authority: RCW 18.04.055, 18.04.180 and 18.04.215(3). 99-18-116, § 4-25-746, filed 9/1/99, effective 1/1/00.]

WAC 4-25-750 Firm license. (1) A licensee may only practice public accountancy in a CPA firm organized as:

- (a) A proprietorship;
- (b) A partnership;
- (c) A professional corporation;
- (d) A limited liability company;
- (e) A limited liability partnership; or
- (f) Some other form of legal entity authorized by statute for use by a CPA firm.

(2) A CPA firm shall apply to the board for a license to practice public accountancy within ninety days of formation. A CPA firm shall apply for renewal of its license no later than sixty days prior to expiration of the firm's current license. The board will not accept a firm license renewal application unless it is accompanied by all applicable renewal and late filing fees.

(3) An application for a firm license shall include the:

- (a) Firm name;
- (b) Addresses and telephone numbers of the main office and any branch offices of the firm;
- (c) Name of the manager of each branch office;

(d) Owners' names and the states in which they hold CPA licenses;

(e) Names of corporate directors, limited liability company managers, and all firm officers; and

(f) Type of legal organization under which the firm operates (such as, general partnership or limited liability company).

(4) Firm licenses expire on June 30 of the third year after the board issues a firm's initial license and on June 30 of each third year after the initial license expires.

(5) A CPA firm shall file with the board a written notification of any of the following events within ninety days after its occurrence:

- (a) Formation or dissolution of a CPA firm;
- (b) Admission of an owner;
- (c) Retirement or death of an owner;
- (d) Any change in the name of the firm;
- (e) Change in the management of any branch office;
- (f) Opening, closing, or relocating of a branch office; and
- (g) The occurrence of any event that would cause the firm to be in violation of the provisions of the act or these rules.

A change in the legal form of a firm constitutes a new firm. Accordingly the new firm shall within ninety days of the change file an application for a firm license and pay the applicable fee.

[Statutory Authority: RCW 18.04.055(8) and 18.04.205(3). 99-18-117, § 4-25-750, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055(3), 18.04.205(3) and 18.04.195. 96-12-061, § 4-25-750, filed 5/31/96, effective 7/1/96. Statutory Authority: RCW 18.04.055. 93-22-089, § 4-25-750, filed 11/2/93, effective 12/3/93.]

WAC 4-25-760 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-780 Reciprocity for accountants from foreign countries. RCW 18.04.183 allows the board to designate a professional accounting credential issued in a foreign country as substantially equivalent to a CPA certificate issued under provisions of RCW 18.04.105.

(1) **Initial CPA certification.**

(a) The board may rely on the National Association of State Boards of Accountancy (NASBA), the American Institute of Certified Public Accountants, or other professional bodies for evaluation of foreign accounting credential equivalency.

(b) The board may accept a foreign accounting credential in partial satisfaction of CPA certification requirements if:

(i) The holder of the foreign accounting credential met the issuing body's education requirement and passed the issuing body's examination used to qualify its own domestic candidates; and

(ii) The foreign accounting credential is valid and in good standing at the time of application for a CPA certificate; and

(iii) The body granting the foreign accounting credential permits this state's CPAs equivalent opportunity to receive the foreign accounting credential by reciprocity. The board will, by resolution, specify acceptable foreign accounting

credentials and acknowledge reciprocal agreements with bodies granting foreign accounting credentials.

(c) The board may satisfy itself through qualifying examinations that the holder of a foreign credential deemed by the board to be substantially equivalent to a CPA certificate possesses adequate knowledge of U.S. practice standards and the board's regulations. The board will, by resolution, specify the form of qualifying examination(s) and passing grade(s).

(d) The board shall require the foreign reciprocity applicant to demonstrate completion of one hundred twenty hours of continuing professional education that meet the standards contained in the board's continuing professional education rules for CPA certificate renewal.

(2) **License to practice public accountancy.** In addition to the certification requirements contained in subsection (1)(a) through (d) of this section, the board may require a foreign reciprocity applicant for a license to practice public accounting to demonstrate satisfactory experience in a foreign or domestic professional accounting firm. The board will, by resolution, specify experience standards for each foreign accounting credential accepted by the board as basis for certification and licensure by foreign reciprocity.

(3) **Renewal of CPA certificate or license granted through foreign reciprocity.** An applicant for renewal of a CPA certificate originally issued in reliance on a foreign professional accounting credential shall:

(a) Make application for renewal of the CPA certificate (and license) at the time and in the same manner prescribed by the board for all other CPAs certified (and licensed) by the board.

(b) Pay such fees as are prescribed for all other CPA certificate (and license) renewals.

(c) If still credentialed in the foreign country, present documentation from the body that issued the applicant's foreign accounting credential stating that the credential is in good standing and valid for the practice of public accountancy in the foreign jurisdiction and stating that the applicant is free of a current disciplinary investigation or action or, if the applicant is the subject of such investigation or action, the particulars thereof. If no longer credentialed in the foreign country, present proof from the foreign credentialing body that the applicant was not the subject of any investigations or disciplinary proceedings at the time the foreign credential lapsed.

(d) Show completion of one hundred twenty hours of continuing professional education within the three-year period preceding renewal application in accordance with rules applicable to all CPAs.

(4) **Investigations and discipline of CPAs certified (and licensed) based in part on a foreign accounting credential.**

(a) The holder of a Washington CPA certificate issued in reliance on a foreign accounting credential shall report any investigations undertaken, or sanctions imposed, by a foreign credentialing body against the CPA's foreign credential. Such report shall be made to the Washington state board of accountancy within thirty days of notice to the CPA that an investigation has been started or a sanction imposed.

(b) RCW 18.04.295 authorizes the board to impose discipline for, among other things, violation of state or federal laws. For purposes of enforcement and discipline against CPAs whose CPA certificate (and license) was issued based in part on a foreign accounting credential, the board interprets "state" to include "state, province, or territory" and "federal" to apply to equivalent governmental units of the country in which the foreign accounting credential was issued.

(c) Suspension or revocation of, or refusal to renew, a CPA's foreign accounting credential by the foreign credentialing body is evidence of conduct reflecting adversely upon the CPA's fitness to retain the CPA certificate and is basis for board disciplinary action.

(d) The board may notify foreign credentialing bodies of any sanctions imposed against a CPA whose certificate was issued through foreign reciprocity.

(e) The board may participate in joint investigations with foreign accounting credentialing bodies and may receive evidence supplied by such bodies or their authorized agents or contractors in investigations and disciplinary proceedings.

[Statutory Authority: RCW 18.04.055 and 18.04.183. 99-18-119, § 4-25-780, filed 9/1/99, effective 1/1/00; 94-10-039, § 4-25-780, filed 4/29/94, effective 5/30/94.]

WAC 4-25-790 How do I renew my CPA license and/or certificate? To renew your license and/or certificate you must use the form provided by the board and satisfy CPE requirements in WAC 4-25-830. In January of the year of expiration, a renewal form will be mailed to the last address you provided to the board. Renewal of your license constitutes renewal of your certificate.

To renew your license and/or certificate, you must submit to the board by April 30th of the year of expiration:

- A complete renewal application form including your certification that you have complied with the CPE requirements of WAC 4-25-830 and the supporting documentation requirements of WAC 4-25-833;

- All applicable fees; and
- All required documentation.

A renewal application is not complete and cannot be processed until all fees, required information, and required documentation is received by the board. Upon completion of processing, your license or confirmation of your renewal certificate will be mailed to the last address you provided to the board.

A license and/or certificate renewal expires on June 30 of the third calendar year following the renewal.

Failure to file a complete application for certificate and/or license renewal by April 30 of the year of expiration will result in late fees. The board may waive, reduce, or extend the due date of renewal and/or late fees based on individual hardship.

If you fail to file a complete application for certificate and/or license renewal by June 30 of the year of expiration your license and/or certificate will lapse. If your license and/or certificate has lapsed, you may not use the title CPA or hold out as a CPA in public practice.

[Statutory Authority: RCW 18.04.105 and 18.04.215. 99-18-120, § 4-25-790, filed 9/1/99, effective 1/1/00.]

WAC 4-25-791 If I hold a certificate under the reasonable cause exemption to the CPE requirements, how do I apply to return to my previous status as a licensee or a certificate holder? If you hold a certificate under the reasonable cause exemption, you may not hold out as a CPA in public practice or use the title CPA until your license and/or certificate is returned to its previous status.

To apply to return to your previous status as a licensee or a certificate holder, you must use the form provided by the board and satisfy CPE requirements in WAC 4-25-830. An application is not complete and cannot be processed until all fees, required information, and required documentation is received by the board.

To apply to return to your previous status you must submit to the board:

- A complete application form including your certification, under the penalty of perjury, that you have:

- (1) Not held out in public practice and/or used the title CPA during the time in which you were a certificate holder under the reasonable cause exemption; and

- (2) Met the CPE requirements to return to your previous status in WAC 4-25-830;

- All applicable fees; and
- Other documents or information the board may deem necessary.

Upon approval of your application, your license or notification of certification will be mailed to the last address you provided to the board.

[Statutory Authority: RCW 18.04.055(11) and 18.04.215 (2), (4). 99-18-121, § 4-25-791, filed 9/1/99, effective 1/1/00.]

WAC 4-25-792 How do I apply for reinstatement of a lapsed CPA license and/or certificate? If your CPA license and/or certificate has lapsed, you may not hold out as a CPA in public practice or use the title CPA until your license and/or certificate is reinstated by the board.

To apply for reinstatement of a lapsed license and/or certificate you must use the form provided by the board and satisfy CPE requirements in WAC 4-25-830. An application is not complete and cannot be processed until all fees, required information, and required documentation is received by the board.

To apply for reinstatement, you must submit to the board:

- A complete reinstatement form including your certification, under the penalty of perjury, that you have:

- (1) Not held out in public practice and/or used the title CPA during the time in which your license and/or certificate was lapsed;

- (2) Met the CPE requirements for reinstatement in WAC 4-25-830; and

- (3) Met the CPE supporting documentation requirements in WAC 4-25-833;

- Source documents as evidence of eligibility for CPE credit for all courses claimed in order to meet CPE requirements as defined by WAC 4-25-833;

- All applicable fees; and

- Other documents or information the board may deem necessary.

Upon approval of your application, your license reinstatement or notification of certification reinstatement will be mailed to the last address you provided to the board.

[Statutory Authority: RCW 18.04.055(11) and 18.04.215 (2), (4). 99-18-122, § 4-25-792, filed 9/1/99, effective 1/1/00.]

WAC 4-25-795 How do I apply for reinstatement of a revoked or suspended CPA license and/or certificate? If your CPA license and/or certificate was revoked or suspended by the board pursuant to RCW 18.04.295, 18.04.305 and/or 18.04.335, you may not hold out as a CPA in public practice or use the title CPA until your license and/or certificate is reinstated by the board.

You may apply to the board for modification of the suspension or revocation after one year has elapsed from the effective date of the board's order revoking or suspending your license and/or certificate unless the board sets some other period by order. However, if you made a previous application with respect to the same order, no additional application will be considered before the lapse of an additional year following the board's decision on the last such previous application.

To apply for reinstatement of a revoked or suspended license and/or certificate you must use the form provided by the board and satisfy CPE requirements in WAC 4-25-830. An application is not complete and cannot be processed until all fees, required information, and required documentation is received by the board.

To apply for reinstatement, you must submit to the board:

- A complete reinstatement form including your certification under the penalty of perjury, that you have:

- (1) Not held out in public practice and/or used the title CPA during the time in which your license and/or certificate was suspended or revoked;

- (2) Met the CPE requirements for reinstatement in WAC 4-25-830; and

- (3) Met the CPE supporting documentation requirements in WAC 4-25-833;

- All applicable fees;
- Source documents as evidence of eligibility for CPE credit for all courses claimed in order to meet CPE requirements as defined by WAC 4-25-833;

- Written substantiation of the reasons constituting good cause for the reinstatement;

- Two supporting recommendations, under penalty of perjury, from CPA licensees who have personal knowledge of your activities since the suspension or revocation was imposed; and

- Other documents or information which the board may deem necessary.

In considering the reinstatement application, the board may consider all relevant factors, including but not limited to:

- The offense for which you were disciplined;
- Your activities since the disciplinary penalty was imposed;

- Your activities during the time the certificate or permit was in good standing;
- Your rehabilitative efforts;
- Restitution to damaged parties in the matter for which the penalty was imposed; and
- Your general reputation for truth and professional probity.

If the board decides to consider the merits of your application for reinstatement, in the board's discretion, a hearing may be held following such procedures as the board deems suitable for the particular case. If the board decides that it will not consider the merits of your application for reinstatement, then this constitutes final agency action and there is no further administrative review available to you. As a condition of reinstatement, the board may impose such terms and conditions as it deems suitable.

The board will not consider an application for reinstatement while you are under sentence for any criminal offense, including any period during which you are on court-imposed probation or parole.

[Statutory Authority: RCW 18.04.055(11), 18.04.335 and 34.05.220. 99-18-123, § 4-25-795, filed 9/1/99, effective 1/1/00.]

WAC 4-25-810 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-811 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-812 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-813 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-830 What are the CPE requirements? (1) For CPE reporting periods beginning January 1, 2000, or later, the following CPE is required during the three calendar year period prior to renewal:

Category	Maximum CPE Allowed in Nontechnical Subject Areas	Minimum CPE in Ethics Applicable to Practice in WA State	Total CPE
(a) A licensee.	24	4	120
(b) A certificateholder whose activities during the 3-year calendar period prior to renewal do not require a license to practice public accounting.	Exempt	4	120

(2) Subject area requirements:

(a) Licensees are limited to a maximum of 24 CPE credit hours in nontechnical subject areas during the CPE reporting period.

(b) If you are a certificateholder, you are exempt from the limitation of CPE credit hours in nontechnical subject areas.

(3) Ethics applicable to practice in WA state: During each CPE reporting period all licensees and certificateholders are required to complete a four-hour course on professional ethics with specific application to the practice of public accounting in Washington state.

(4) 20 hours a year minimum: For CPE reporting periods beginning after December 31, 1999, you must complete a minimum of 20 hours of CPE each calendar year.

(5) Reasonable cause exemption: In order to renew your license and/or certificate you must complete the required CPE unless you can demonstrate your failure to meet the CPE requirements was due to reasonable cause. The board may make exceptions to the CPE requirements for reasons of individual hardship including health, military service, foreign residence, or other reasonable cause. You must request such an exemption in writing to the board. The request should include justification for the exemption and your plan to correct your CPE deficiency.

If you are retired, or you are a certificateholder and did not make any public, professional, commercial, or occupational use of the title CPA during the prior three years, you are deemed to have met the reasonable cause exemption.

(6) Return to previous status: If you seek to change your status as a certificateholder exempted from the CPE requirements under the reasonable cause exemption to a:

(a) Licensee, you must satisfy the requirements of subsection (1)(a) of this section within the three-year period immediately preceding the date the application for change in status was received by the board; or

(b) Certificateholder, you must satisfy the requirements of subsection (1)(b) of this section within the three-year period immediately preceding the date the application for change in status was received by the board.

(7) Reinstatement of a lapsed, suspended, or revoked license and/or certificate: If you seek to reinstate a lapsed, suspended, or revoked license and certificate, you must satisfy the requirements of subsection (1)(a) of this section within the three-year period immediately preceding the date the application for reinstatement was received by the board. If you seek to reinstate a lapsed, suspended, or revoked certificate, you must satisfy the requirements of subsection (1)(b) of this section within the three-year period immediately preceding the date the application for reinstatement was received by the board.

(8) Reciprocity: If you are applying for an initial Washington state CPA license and/or certificate under the reciprocity provisions of RCW 18.04.180 or 18.04.183, you must satisfy the applicable requirements in subsection (1) of this section within the three-year period immediately preceding the date the application was received by the board. For purposes of an initial license and/or certificate, you do not need to satisfy the ethics requirements of subsection (3) of this section.

Thereafter, in order to renew your Washington state CPA license and/or certificate, you must comply with all the applicable renewal requirements in subsection (1) of this section, including the ethics requirements in subsection (3) of this section.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(4) and 18.04.105(8). 99-23-045, § 4-25-830, filed 11/15/99, effective 1/1/00.]

WAC 4-25-831 What are the program standards for CPE? (1) **Qualifying program:** A program qualifies as acceptable CPE for purposes of RCW 18.04.215(4) if it is a formal program of learning which contributes to the growth in the professional knowledge and professional competence of an individual in the practice of the profession. A formal program means:

- The program is at least fifty minutes in length;
- Attendance is recorded;
- Participants sign in to confirm attendance and, if the program is greater than four credit hours, participants sign out during the last hour of the program; and
- Attendees are provided a certificate of completion.

(2) **Undergraduate and graduate courses:** A graduate or undergraduate course qualifies for CPE credit if it meets the standards in subsections (1) and (5) of this section. For both undergraduate and graduate courses one quarter credit equals 10 CPE credit hours and one semester credit equals 15 CPE credit hours.

(3) **Committee meetings:** Generally, CPE credit is not allowed for attending committee meetings. A meeting qualifies for CPE credit only if it meets the standards in subsections (1) and (5) of this section.

(4) **Quality assurance review:** Service on the board's QAR committee, participating as a QAR team captain or reviewer, and participating on other board-approved quality or peer review committees may be considered for CPE credit as defined by board policy.

(5) **Subject areas:** Programs dealing with the following general subject areas are acceptable so long as they meet the standards in subsection (1) of this section:

- (a) Technical subjects include:
 - (i) Auditing standards or procedures;
 - (ii) Compilation and review of financial statements;
 - (iii) Financial statement preparation and disclosures;
 - (iv) Attestation standards and procedures;
 - (v) Projection and forecast standards or procedures;
 - (vi) Accounting and auditing;
 - (vii) Management advisory services;
 - (viii) Personal financial planning;
 - (ix) Taxation;
 - (x) Management information services;
 - (xi) Budgeting and cost analysis;
 - (xii) Asset management;
 - (xiii) Professional ethics (other than those programs used to satisfy the requirements of WAC 4-25-830(3));
 - (xiv) Specialized areas of industry;
 - (xv) Human resource management;
 - (xvi) Economics;
 - (xvii) Business law;

(xviii) Mathematics, statistics, and quantitative applications in business;

(xix) Business management and organization;

(xx) General computer skills, computer software training, information technology planning and management;

(b) Nontechnical subjects include:

- (i) Communication skills;
- (ii) Interpersonal management skills;
- (iii) Leadership and personal development skills;
- (iv) Client and public relations;
- (v) Practice development;
- (vi) Motivational and behavioral courses;
- (vii) Speed reading and memory building;
- (viii) Negotiation or dispute resolution courses;

(c) Professional ethics with specific application to the practice of public accounting in Washington state covers the following subjects: Revised Code of Washington chapter 18.04, Washington Administrative Code chapter 4-25, and the code of professional conduct promulgated by the American Institute of CPAs.

Subjects other than those listed above may be acceptable provided you can demonstrate they contribute to your professional competence. You are solely responsible for demonstrating that a particular program is acceptable.

(6) **Group programs:** You may claim CPE credit for group programs such as the following so long as the program meets the standards in subsections (1) and (5) of this section:

- (a) Professional education and development programs of national, state, and local accounting organizations;
- (b) Technical sessions at meetings of national, state, and local accounting organizations and their chapters;
- (c) Formal in-firm education programs;
- (d) Programs of other organizations (accounting, industrial, professional, etc.);
- (e) Dinner, luncheon, and breakfast meetings which are structured as formal educational programs;

(f) Firm meetings for staff and/or management groups structured as formal education programs. Portions of such meetings devoted to communication and application of general professional policy or procedure may qualify, but portions devoted to firm administrative, financial and operating matters generally will not qualify.

(7) **CPE credit:** CPE credit is allowable only for those programs taken after the issuance of the CPA certificate. Credit is not allowed for programs taken to prepare an applicant for the ethics examination as a requirement for initial certification. CPE credit is given for whole hours only, with a minimum of fifty minutes constituting one hour. For example, one hundred minutes of continuous instruction counts as two hours of CPE credit; however, more than fifty minutes but less than one hundred minutes of continuous instruction counts only as one hour CPE credit. Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time.

(8) **Self-study programs:** Credit for self-study programs is allowed in the renewal period in which you completed the program as established by the evidence of completion provided by the program sponsor.

(a) **Interactive self-study programs:** The amount of credit allowed for interactive self-study is that which is rec-

ommended by the program sponsor on the basis of the average completion time under appropriate "field tests." In order to claim CPE credit for interactive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor.

(b) **Noninteractive self-study programs:** The amount of credit allowed for noninteractive self-study is one-half the average completion time as determined by the program sponsor on the basis of appropriate "field tests." To claim CPE credit for noninteractive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor.

(9) **Instructor, discussion leader, or speaker:** If you serve as an instructor, discussion leader or speaker at a program which meets the standards in subsections (1) and (5) of this section, the first time you present the program you may claim CPE credit for both preparation and presentation time. One hour of credit is allowed for each fifty minutes of instruction. Additionally, you may claim credit for actual preparation time up to two times the presentation hours. No credit is allowed for subsequent presentations. A maximum of 72 CPE credit hours are allowed for preparation and presentation during each CPE reporting period.

(10) **Published articles, books:** You may claim CPE credit for published articles and books, provided they contribute to your professional competence. Credit for preparation of such publications may be claimed on a self-declaration basis for up to 30 hours in a CPE reporting period. In exceptional circumstances, you may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances that justify a greater credit. The amount of credit awarded for a given publication will be determined by the board.

(11) **Carry-forward:** CPE credit hours you complete during one period cannot be carried forward to the next period.

(12) **Carry-back:** CPE credit hours you complete during one period can be carried back to the previous reporting period; however, only in accordance with WAC 4-25-830(5).

[Statutory Authority: RCW 18.04.055 and 18.04.105(8). 99-23-046, § 4-25-831, filed 11/15/99, effective 1/1/00.]

WAC 4-25-832 How do I report my CPE to the board? In order to apply for renewal of your CPA license and/or certificate, you must satisfy the board's CPE and supporting documentation requirements.

The reporting of compliance with CPE requirements is concurrent with the application for license and/or certificate renewal. When you complete your renewal form, you are required to sign a statement certifying under the penalty of perjury that you complied with the board's CPE requirements as defined in WAC 4-25-830 and supporting documentation requirements as defined in WAC 4-25-833.

The board audits, on a test basis, compliance with CPE and supporting documentation requirements as certified on the license and/or certificate renewal form. As part of this audit the board may require a general description of each course's contribution to your professional competence.

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[Statutory Authority: RCW 18.04.055 and 18.04.105(8). 99-23-047, § 4-25-832, filed 11/15/99, effective 1/1/00.]

WAC 4-25-833 What documentation must I retain to support my eligibility for CPE credits? (1) For each program for which you claim CPE credit you must retain documentation to support all of the following required information:

- (a) Program sponsor;
- (b) Title of program or description of content;
- (c) Date(s) attended;
- (d) Number of CPE credit hour(s); and
- (e) Acceptable evidence of completion.

(2) Acceptable evidence supporting the requirements of subsection (1) of this section includes:

(a) For group programs, a certificate, or other acceptable verification as defined by board policy, that is supplied by the program sponsor;

(b) For self-study programs, a certificate supplied by the program sponsor after satisfactory completion of a workbook or examination;

(c) For a university or college course, a record of the grade you received;

(d) For instruction credit, evidence obtained from the program sponsor of your having been the instructor or discussion leader at the program; or

(e) For published articles or books, evidence of publication.

(3) You are responsible for documenting your entitlement to the CPE credit you claim on your license and/or certificate renewal form. You must retain the supporting documentation for CPE credit claimed for five years after completion of the program.

[Statutory Authority: RCW 18.04.055 and 18.04.105(8). 99-23-048, § 4-25-833, filed 11/15/99, effective 1/1/00.]

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AGENCY ORGANIZATION—PUBLIC RECORDS

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