

Chapter 4-30 WAC

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4-30-072	What are the responsibilities of a verifying CPA?		"Act" means the Public Accountancy Act codified as chapter 18.04 RCW.
	WASHINGTON RESIDENT INDIVIDUAL LICENSING		"Active individual participant" means an individual whose primary occupation is at the firm or affiliated entity's business. An individual whose primary source of income from the business entity is provided as a result of passive investment is not an active individual participant.
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influences or controls, is influenced or controlled by, or is under common influence or control with other entities or persons. This definition includes, but is not limited to, parents, subsidiaries, investors or investees, coinvestors, dual employment or management in joint ventures or brother-sister entities.

"Applicant" means an individual who has applied:

- (a) To take the national uniform CPA examination;
- (b) For an initial individual license, an initial firm license, or initial registration as a resident nonlicensee owner;
- (c) To renew an individual license, a CPA-Inactive certificate, a CPA firm license, or registration as a resident nonlicensee firm owner;
- (d) To reinstate an individual license, a CPA-Inactive certificate, registration as a resident nonlicensee firm owner, or practice privileges.

"Attest" means providing the following services:

- (a) Any audit or other engagement to be performed in accordance with the statements on auditing standards;
- (b) Any review of a financial statement to be provided in accordance with the statements on standards for accounting and review services;
- (c) Any engagement to be performed in accordance with the statements on standards for attestation engagements; and
- (d) Any engagement to be performed in accordance with the public company accounting oversight board auditing standards.

"Audit," "review," and **"compilation"** are terms reserved for use by licensees, as defined in this section.

"Authorized person" means a person who is designated or has held out as the client's representative, such as a general partner, tax matters partner, majority shareholder, spouse, agent, or apparent agent.

"Board" means the board of accountancy created by RCW 18.04.035.

"Breach of fiduciary responsibilities/duties" means when a person who has a fiduciary responsibility or duty acts in a manner adverse or contrary to the interests of the person to whom they owe the fiduciary responsibility or duty. Such actions would include profiting from their relationship without the express informed consent of the beneficiary of the fiduciary relationship, or engaging in activities that represent a conflict of interest with the beneficiary of the fiduciary relationship.

"Certificate" means a certificate as a CPA-Inactive issued in the state of Washington prior to July 1, 2001, as authorized by the act, unless otherwise defined in rule.

"Certificate holder" means the holder of a valid CPA-Inactive certificate where the individual is not a licensee and is prohibited from practicing public accounting.

"Client" means the person or entity that retains a licensee, as defined in this section, a CPA-Inactive certificate holder, a nonlicensee firm owner of a licensed firm, or an entity affiliated with a licensed firm to perform professional services through other than an employer/employee relationship.

"Commissions and referral fees" are compensation arrangements where the primary contractual relationship for the product or service is not between the client and licensee, as defined in this section, CPA-Inactive certificate holder,

nonlicensee firm owner of a licensed firm, or a person affiliated with a licensed firm; and

(a) Such persons are not primarily responsible to the client for the performance or reliability of the product or service; or

(b) Such persons add no significant value to the product or service; or

(c) A third party instead of the client pays the persons for the products or services.

"Compilation" means providing a service to be performed in accordance with statements on standards for accounting and review services 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.

"Contingent fees" are fees established for the performance of any service 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.

"CPA" or **"certified public accountant"** means an individual holding a license to practice public accounting under chapter 18.04 RCW or recognized by the board in the state of Washington, including an individual exercising practice privileges pursuant to RCW 18.04.350(2).

"CPA-Inactive" means an individual holding a CPA-Inactive certificate recognized in the state of Washington. An individual holding a CPA-Inactive certificate is prohibited from practicing public accounting and may only use the CPA-Inactive title if they are not offering accounting, tax, tax consulting, management advisory, or similar services to the public.

"CPE" means continuing professional education.

"Fiduciary responsibility/duty" means a relationship wherein one person agrees to act solely in another person's interests. Persons having such a relationship are fiduciaries and the persons to whom they owe the responsibility are principals. A person acting in a fiduciary capacity is held to a high standard of honesty and disclosure in regard to a principal. Examples of fiduciary relationships include those between broker and client, trustee and beneficiary, executors or administrators and the heirs of a decedent's estate, and an officer or director and the owners of the entity.

"Firm" means a sole proprietorship, a corporation, or a partnership. "Firm" also means a limited liability company or partnership formed under chapters 25.15 and 18.100 RCW and a professional service corporation formed under chapters 23B.02 and 18.100 RCW.

"Firm mobility" means an out-of-state firm that is not licensed by the board and meets the requirements of RCW 18.04.195 (1)(a)(iii)(A) through (D) exercising practice privileges in this state.

"Generally accepted accounting principles" (GAAP) is an accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also detailed practices and procedures. Those conventions, rules, and procedures provide a standard by which to measure financial presentations.

"Generally accepted auditing standards" (GAAS) are guidelines and procedures, promulgated by the AICPA, for conducting individual audits of historical financial statements.

"Holding out" means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person that the person holds a license or practice privileges under the act and that the person offers to perform any professional services to the public. "Holding out" shall not affect or limit a person not required to hold a license under the act from engaging in practices identified in RCW 18.04.-350.

"Inactive" means the individual held a valid certificate on June 30, 2001, has not met the current requirements of licensure and has been granted CPA-Inactive certificate holder status through the renewal process established by the board. A CPA-Inactive may not practice public accounting nor may the individual use the CPA-Inactive title if they are offering accounting, tax, tax consulting, management advisory, or similar services to the public.

"Individual" means a living, human being.

"Independence" means an absence of relationships that impair a licensee's impartiality and objectivity in rendering professional services for which a report expressing assurance is prescribed by professional standards.

"Interactive self-study program" means a CPE program that provides feedback throughout the course.

"IRS" means Internal Revenue Service.

"License" means a license to practice public accounting issued to an individual or a firm under the act or the act of another state.

"Licensee" means an individual or firm holding a valid license to practice public accounting issued under the act, including out-of-state individuals exercising practice privileges in this state under RCW 18.04.350(2) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1)(a) and (b).

"Manager" means a manager of a limited liability company licensed as a firm under the act.

"NASBA" means the National Association of State Boards of Accountancy.

"Nonlicensee firm owner" means an individual, not licensed in any state to practice public accounting, who holds an ownership interest in a firm permitted to practice public accounting in this state.

"PCAOB" means Public Company Accounting Oversight Board.

"Peer review" means a study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including the "quality assurance review" under this section.

"Person" means any individual, nongovernmental organization, or business entity regardless of legal form, including a sole proprietorship, firm, partnership, corporation, limited liability company, association, or not-for-profit organi-

zation, and including the sole proprietor, partners, members, and, as applied to corporations, the officers.

"Practice privileges" are the rights granted by chapter 18.04 RCW to a person who:

(a) Has a principal place of business outside of Washington state;

(b) Is licensed to practice public accounting in another substantially equivalent state;

(c) Meets the statutory criteria for the exercise of privileges as set forth in RCW 18.04.350(2) for individuals or RCW 18.04.195 (1)(b) for firms;

(d) Exercises the right to practice public accounting in this state individually or on behalf of a firm;

(e) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board in this state;

(f) Must comply with the act and all board rules applicable to Washington state licensees to retain the privilege; and

(g) Consents to the appointment of the issuing state board of another state as agent for the service of process in any action or proceeding by this state's board against the certificate holder or licensee.

"Principal place of business" means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

"Public practice" or the **"practice of public accounting"** means performing or offering to perform by a person or firm holding itself out to the public as a licensee, or as an individual exercising practice privileges, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. The "practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.350(10) by persons or firms not required to be licensed under the act.

"Quality assurance review or QAR" is the process, established by and conducted at the direction of the board, to study, appraise, or review one or more aspects of the audit, compilation, review, and other professional services for which a report expressing assurance is prescribed by professional standards of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed.

"Reciprocity" means board recognition of licenses, permits, certificates or other public accounting credentials of another jurisdiction that the board will rely upon in full or partial satisfaction of licensing requirements.

"Referral fees" see definition of "commissions and referral fees" in this section.

"Report," when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. 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 person or firm is

involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to and/or special competence of the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence. "Report" does not include services referenced in RCW 18.04.350 (10) or (11) provided by persons not holding a license under this chapter as provided in RCW 18.04.350(14).

"Representing oneself" means having a license, practice privilege, certificate or registration that entitles the holder to use the title "CPA," "CPA-Inactive," or be a non-licensee firm owner.

"Rules of professional conduct" means rules adopted by the board to govern the conduct of licensees, as defined in this section, while representing themselves to others as licensees. These rules also govern the conduct of CPA-Inactive certificate holders, nonlicensee firm owners, and persons exercising practice privileges pursuant to RCW 18.04.350(2).

"SEC" means the Securities and Exchange Commission.

"Sole proprietorship" means a legal form of organization owned by one person meeting the requirements of RCW 18.04.195.

"State" includes the states and territories of the United States, including the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands at such time as the board determines that the Commonwealth of the Northern Mariana Islands is issuing licenses under the substantially equivalent standards of RCW 18.04.350 (2)(a).

"Statements on auditing standards (SAS)" are interpretations of the generally accepted auditing standards and are issued by the Auditing Standards Board of the AICPA. Licensees are required to adhere to these standards in the performance of audits of financial statements.

"Statements on standards for accounting and review services (SSARS)" are standards, promulgated by the AICPA, to give guidance to licensees who are associated with the financial statements of nonpublic companies and issue compilation or review reports.

"Statements on standards for attestation engagements (SSAE)" are guidelines, promulgated by the AICPA, for use by licensees in attesting to assertions involving matters other than historical financial statements and for which no other standards exist.

[Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-010, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-010, filed 8/9/16, effective 9/9/16. Statutory Authority: 18.04.055, 18.04.025, 18.04.350. WSR 10-24-009, amended and recodified as § 4-30-010, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055, 18.04.025. WSR 08-18-016, § 4-25-410, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055. WSR 05-01-137, § 4-25-410, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-410, filed 11/25/03, effective 12/31/03. Statutory Authority: RCW 18.04.055(16). WSR 02-04-064, § 4-25-410, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(11). WSR 01-11-124, § 4-25-410, filed 5/22/01, effective 6/30/01; WSR 98-12-020, § 4-25-410, filed

5/27/98, effective 6/27/98; WSR 94-23-071, § 4-25-410, filed 11/15/94, effective 12/16/94.]

BOARD ADMINISTRATION

WAC 4-30-020 What are the authority for and the purpose of the board's rules? The Public Accountancy Act (act), chapter 18.04 RCW, establishes the board as the licensing and disciplinary agency for certified public accountants (CPA), CPA-Inactive certificate holders, CPA firms, and owners of CPA firms. The act authorizes the board to promulgate rules to carry out the purpose of the act, which include:

- Protecting the public interest;
- Enhancing the reliability of information used for guidance in financial transactions or for accounting for or assessing financial status or performance;
- Establishing one set of qualifications to be a licensee of this state;
- Assuring that CPAs practicing in Washington have substantially equivalent qualifications to those practicing in other states;
- Regulating ownership of CPA firms;
- Publishing consumer alerts and public protection information regarding persons and firms who violate the act or board rules; and
- Providing general consumer protection information to the public.

The board's rules, contained in Title 4 WAC, encompass these subjects:

- Definitions;
- Administration of the board;
- Ethics and prohibited practices;
- Entry and renewal requirements;
- Continuing competency; and
- Regulation and enforcement.

[Statutory Authority: RCW 18.04.055. WSR 11-07-070, § 4-30-020, filed 3/22/11, effective 4/22/11; WSR 10-24-009, recodified as § 4-30-020, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-400, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-400, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-400, filed 10/30/01, effective 12/1/01; WSR 00-11-067, § 4-25-400, filed 5/15/00, effective 6/30/00; WSR 93-12-063, § 4-25-400, filed 5/27/93, effective 7/1/93.]

WAC 4-30-022 What is the board's meeting schedule and how are officers elected? Regular board meetings begin at 9:00 a.m. on the last Friday of the month in the months of January, April and July or as otherwise determined by the board. The board holds an annual meeting beginning at 9:00 a.m. on the last Friday of October or as otherwise determined by the board.

The board consists of nine members. 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 on January 1 following the annual board meeting. Officers serve a term of one year and 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 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.

The board's meetings are open public meetings conducted pursuant to chapter 42.30 RCW. WAC 4-30-026 provides information on how to contact the board's office for meeting times and locations or additional information regarding the board's activities.

[Statutory Authority: RCW 18.04.055, 42.30.070. WSR 10-24-009, amended and recodified as § 4-30-022, filed 11/18/10, effective 12/19/10; WSR 07-14-034, § 4-25-510, filed 6/26/07, effective 7/27/07; WSR 05-01-137, § 4-25-510, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-510, filed 10/30/01, effective 12/1/01; WSR 00-11-068, § 4-25-510, filed 5/15/00, effective 6/30/00; WSR 99-18-111, § 4-25-510, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055. WSR 93-12-077, § 4-25-510, filed 5/27/93, effective 7/1/93.]

WAC 4-30-024 Public records. All public records of the agency are available for public inspection and copying pursuant to these rules and applicable state law (chapter 42.56 RCW), as follows:

(1) **Hours for inspection of records.** Public records are available for inspection and copying during normal business hours of the office of the Washington State Board of Accountancy at 711 Capitol Way S., Suite 400, Olympia, Washington, Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding legal holidays. Records must be inspected at the agency's office when the requestor has been notified of the availability of the requested documents and an appointment is made with the public records officer.

(2) **Records index.** An index of public records, consisting of the retention schedules applicable to those records, is available to members of the public at the agency's office.

(3) **Organization of records.** The agency maintains its records in a reasonably organized manner. The agency will take reasonable actions to protect records from damage and disorganization. A requestor shall not take original records from the agency's office. A variety of records are also available on the agency's web site at www.acb.wa.gov. Requestors are encouraged to view the documents available on the web site prior to submitting a public records request.

(4) Making a request for public records.

(a) Any person wishing to inspect or obtain copies of public records should make the request in writing by letter, fax, or email addressed to the public records officer. **Written requests must include the following information:**

- Date of the request;
- Name of the requestor;
- Address of the requestor and other contact information, including telephone number and any email address;
- Clear identification of the public records requested to permit the public records officer or designee to identify and locate the records.

(b) The public records officer may also accept requests for public records by telephone or in person. If the public records officer or designee accepts an oral or telephone request, he or she will confirm receipt of the request and the details of the records requested, in writing, to the requestor.

(c) If the requests received in (a) or (b) of this subsection are not sufficiently clear to permit the public records officer to identify the specific records requested, the public records officer will request clarification from the requestor in writing.

(d) If the requestor wishes to have copies of the records made instead of simply inspecting them, he or she should

make that preference clear in the request. Copies will be made by the agency's public records officer or designee.

(e) When fulfilling public records requests the agency will perform its public records responsibilities in the most expeditious manner consistent with the agency's need to fulfill its other essential functions.

(f) By law, certain records and/or specific content of any specific record or document may not be subject to public disclosure. Accordingly, a reasonable time period may occur between the date of the request and the ability of the public records officer to identify, locate, retrieve, remove content not subject to disclosure, prepare a redaction log that includes the specific exemption, a brief explanation of how the exemption applies to the records or portion of the records being withheld, and produce the records for inspection and/or copying. The requestor will be kept informed of the expected delivery timetable.

(g) If the request includes a large number of records, the production of the records for the requestor may occur in installments. The requestor will be informed, in writing, of the agency's anticipated installment delivery timetable.

(h) In certain instances the agency may notify affected third parties to whom the record relates. This notice allows the affected third party to seek an injunction within fifteen days from the date of the written notice. The notice further provides that release of the records to the requestor will be honored unless timely injunctive relief is obtained by the affected third party on or before the end of the fifteen-day period.

(i) Requests for lists of credentialed individuals by educational organizations and professional associations:

In order to obtain a list of individuals under the provisions of RCW 42.56.070(9), educational organizations and professional associations must apply for and receive recognition by the board before requests will be honored. The requesting organization must provide sufficient information to satisfy the approving authority that the requested list of individuals is primarily for educational and professionally related uses.

Board forms are available on the board's web site or upon request for your use.

[Statutory Authority: RCW 18.04.055. WSR 18-21-034, § 4-30-024, filed 10/8/18, effective 11/8/18. Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-024, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.055, 42.56.070. WSR 10-24-009, amended and recodified as § 4-30-024, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-520, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055 and 42.17.260. WSR 02-04-064, § 4-25-520, filed 1/31/02, effective 3/15/02; WSR 01-11-125, § 4-25-520, filed 5/22/01, effective 6/30/01; WSR 98-12-021, § 4-25-520, filed 5/27/98, effective 6/27/98. Statutory Authority: Chapter 42.17 RCW. WSR 93-14-050, § 4-25-520, filed 6/29/93, effective 7/30/93.]

WAC 4-30-026 How can I contact the board? The board's administrative office, executive director and staff are located in Olympia, Washington. You may utilize the following numbers or addresses to contact the board:

- 711 Capitol Way South, Suite 400, Olympia, WA 98501 (physical address);
- P.O. Box 9131, Olympia, Washington 98507-9131 (mailing address);
- 360/753-2586 (telephone);

- 360/664-9190 (fax);
- 7-1-1 (TTY service);
- 800/833-6385 (Telebraille services);
- customerservice@acb.wa.gov (email address); and
- www.acb.wa.gov (web site address).

[Statutory Authority: RCW 18.04.055. WSR 18-17-145, § 4-30-026, filed 8/21/18, effective 9/21/18. Statutory Authority: RCW 18.04.055, 42.56.040. WSR 10-24-009, amended and recodified as § 4-30-026, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-521, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055 and 42.17.250. WSR 01-11-126, § 4-25-521, filed 5/22/01, effective 6/30/01. Statutory Authority: RCW 18.04.055(1). WSR 94-02-068, § 4-25-521, filed 1/4/94, effective 2/4/94.]

WAC 4-30-028 What rules govern the proceedings before the board? Except where they are inconsistent with the rules in this chapter and subject to additional rules that the board may adopt from time to time, practice and procedure in and before the board are governed by the uniform procedural rules codified in the Washington Administrative Code, chapter 10-08 WAC.

For certain types of decisions, the board has adopted an appeal process authorized by RCW 34.05.482 through 34.05.494 which is called a brief adjudicative proceeding. Decisions to which this appeal process will be applied are:

- (1) Staff denials of initial individual license applications, renewals, or applications for reinstatement;
- (2) Staff denials of CPA-Inactive certificate renewals or applications for reinstatement;
- (3) Staff denials of practice privilege reinstatements;
- (4) Staff denials of initial resident nonlicensee firm owner registration applications, renewals, or applications or requests for reinstatement;
- (5) Staff denials of initial firm license applications, renewals, and amendments;

WAC 4-30-030 What are the requirements for communicating with the board and staff? Individuals and firms must communicate with the board as follows:

- Note:
- (1) Failure to timely inform the board of matters required by WAC 4-30-032, 4-30-036, 4-30-100, and 4-30-110 can result in late fees and/or board discipline.
 - (2) Failure to timely respond to board requests for information may result in board discipline.

- (6) Staff denials of exam applications; and
- (7) A proposed suspension as a result of a determination by a lending agency of nonpayment or default on a federally or state-guaranteed student loan or service conditional scholarship.

To appeal a decision you must submit your request for a brief adjudicative proceeding, **in writing**, to the board **within thirty days** after the decision by board staff is posted in the U.S. mail. The board chair or the board vice chair, if the board chair is unavailable, will appoint one member of the board as the presiding officer for brief adjudicative proceedings. The presiding officer renders a decision either upholding or overturning the denial. This decision, called an order, will be provided to you at the last address you furnished to the board.

If you are dissatisfied with the order in the brief adjudicative proceeding, you may appeal to the board's vice chair, or designee. This appeal process is called an administrative review. Your appeal must be received by the board, **orally or in writing, within twenty-one days** after the brief adjudicative proceedings order is posted in the U.S. mail. The vice chair, or designee, considers your appeal and either upholds or overturns the brief adjudicative proceeding order. The vice chair's, or designee's, decision, also called an order, will be provided to you at the last address you furnished to the board.

[Statutory Authority: RCW 18.04.055(1), 34.05.220, and 34.05.482. WSR 10-24-009, amended and recodified as § 4-30-028, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-540, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-540, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-540, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(1) and 34.05.482. WSR 00-11-070, § 4-25-540, filed 5/15/00, effective 6/30/00; WSR 98-12-022, § 4-25-540, filed 5/27/98, effective 6/27/98. Statutory Authority: RCW 18.04.055. WSR 93-12-074, § 4-25-540, filed 5/27/93, effective 7/1/93.]

Condition	Time Period	Preferred Form of Contact	WAC
Complete and/or submitted applications, including requested information, documents, and fees.	Prior to holding out as a credentialed person.	Online system, board form, letter, or email with required information.	Various
Request for brief adjudicative proceeding (BAP).	Within 30 days after the staff decision is posted in U.S. mail.	Email or written correspondence.	4-30-028
Request for appeal of brief adjudicative proceeding (BAP).	Within 21 days after the BAP decision is posted in U.S. mail.	Oral, email or written correspondence.	4-30-028
1. Change of individual physical address; or 2. Change in the physical address of a firm's main office or branch office(s).	Within 30 days of any change of address.	Online system, board form, letter, or email with required information.	4-30-32 [4-30-032]

Condition	Time Period	Preferred Form of Contact	WAC
Board requests for information or documents from licensees, certificate holders, nonlicensee firm owners, or applicants.	Within 20 days after the date of the request.	Email or written correspondence with requested information.	4-30-34 [4-30-034]
1. Notification of orders or sanctions imposed by the SEC, PCAOB, IRS, or another state board of accountancy for reasons other than payment of a license fee or failure to meet the CPE requirements of another state board of accountancy.	Within 30 days of receipt of an initial notice.	Board form, letter, PDF, or email with required information.	4-30-036
2. Charges filed by the SEC, IRS, PCAOB, another state board of accountancy or a federal or state taxing, insurance or securities regulatory body.			
Licensees or certificate holders granted issued through foreign reciprocity.	Within 30 days of receiving notice that an investigation has begun or a sanction was imposed.	Board form, letter, PDF, or email with required information.	4-30-036
Any investigations undertaken or sanctions imposed by a foreign credentialing body against a foreign credential.			
Reporting firm changes:	Within 90 days after the condition occurs.	Board form, letter, PDF, or email with required information.	4-30-110
<ul style="list-style-type: none"> • Change in legal form; • Dissolution of a firm; • Change in resident manager(s) or owner(s); • Change in branch or main office location(s); • Change in firm name; • Noncompliance with firm ownership requirements. 			
A foreign license, permit, or certificate has lapsed or otherwise becomes invalid.	Within 30 days after the credential issued by the other jurisdiction has lapsed or otherwise becomes invalid.	Board form, letter, PDF, or email with required information.	4-30-100

[Statutory Authority: RCW 18.04.055 (1), (8), (16), 18.04.183, 18.04.195 (13)(b), 18.04.205, 18.04.215 (9)(b), 34.05.220, and 34.05.482. WSR 10-24-009, § 4-30-030, filed 11/18/10, effective 12/19/10.]

WAC 4-30-032 Do I need to notify the board if I change my address? Yes. All individuals licensed in this state, CPA-Inactive certificate holders, CPA firms licensed in this state, individuals registered with the board as resident nonlicensee firm owners, and applicants must notify the board **in writing** within thirty days of any change of address. Firms licensed in this state must notify the board of any opening, closing, or relocation of the main office or a branch office in this state.

[Statutory Authority: RCW 18.04.055(16). WSR 10-24-009, recodified as § 4-30-032, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-550, (10/8/18)

filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-550, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-550, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. WSR 98-12-023, § 4-25-550, filed 5/27/98, effective 6/27/98; WSR 93-12-073, § 4-25-550, filed 5/27/93, effective 7/1/93.]

WAC 4-30-034 Must I respond to inquiries from the board? Yes. All licensees, including out-of-state individuals exercising practice privileges in this state under RCW 18.04.-350(2) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions

prescribed in RCW 18.04.195 (1)(a) and (b), CPA-Inactive certificate holders, nonlicensee firm owners, and applicants must respond, in writing, to board communications requesting a response. Your response must be made within twenty days of the date the board's communication is posted in the U.S. mail. Communications from the board to you are directed to the last address you furnished the board.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-034, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(16). WSR 10-24-009, amended and recodified as § 4-30-034, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-551, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-551, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-551, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. WSR 98-12-047, § 4-25-551, filed 5/29/98, effective 6/29/98; WSR 93-12-072, § 4-25-551, filed 5/27/93, effective 7/1/93.]

WAC 4-30-036 What enforcement actions must be reported to the board? (1) A licensee, CPA-Inactive certificate holder, or nonlicensee firm owner must notify the board, of the following matters, in the manner prescribed by the board, within **thirty days** of the issuance of:

(a) A sanction, order, suspension, revocation, or modification of a license, certificate, permit or practice rights by the SEC, PCAOB, IRS, or another state board of accountancy for any cause other than failure to pay a professional license fee by the due date or failure to meet the continuing professional education requirements of another state board of accountancy; or

(b) Charges filed by the SEC, IRS, PCAOB, another state board of accountancy, or a federal or state taxing, insurance or securities regulatory body that the licensee, CPA-Inactive certificate holder, or nonlicensee firm owner committed a prohibited act that would be a violation of board ethical or technical standards.

(2) Licensed CPA firms with more than one licensed owner are not required to report on action taken against owners, principals, partners, or employees.

(3) If you hold a license or CPA-Inactive certificate issued through the foreign reciprocity provisions of the act, you must notify the board of any investigations undertaken, or sanctions imposed, by a foreign credentialing body against your foreign credential within thirty days of receiving notice that an investigation has begun or a sanction was imposed.

[Statutory Authority: RCW 18.04.195 (13)(b) and 18.04.215 (9)(b). WSR 11-06-062, amended and recodified as § 4-30-036, filed 3/2/11, effective 4/2/11; WSR 08-18-016, § 4-25-670, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.195 (10)(b) and 18.04.215 (9)(b). WSR 05-01-137, § 4-25-670, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-670, filed 11/25/03, effective 12/31/03.]

WAC 4-30-038 Fees. RCW 18.04.065 provides that the board shall set fees related to licensure at a level adequate to pay the costs of administering chapter 18.04 RCW. The board has established the following fee schedule:

(1)	Initial application for individual license, individual license through reciprocity, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner	\$330
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(2)	Renewal of individual license, CPA-Inactive certificate, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner	\$230
(3)	Application for CPA-Inactive certificate holder to convert to a license	\$0
(4)	Application for reinstatement of license, CPA-Inactive certificate, or registration as a resident nonlicensee owner	\$480
(5)	Quality assurance review (QAR) program fee (includes monitoring reviews for up to two years)	
	Firm submits reports for review	\$400
	Firm submits a peer review report for review	\$60
	Firm is exempted from the QAR program because the firm did not issue attest reports	\$0
(6)	Late fee *	\$100
(7)	Amendment to firm license except for a change of firm address (there is no fee for filing a change of address)	\$35
(8)	Replacement CPA wall document	\$50
(9)	Dishonored check fee (including, but not limited to, insufficient funds or closed accounts)	\$35
(10)	CPA examination. Exam fees are comprised of section fees plus administrative fees. The total fee is contingent upon which section(s) is/are being applied for and the number of sections being applied for at the same time. The total fee is the section fee(s) for each section(s) applied for added to the administrative fee for the number of section(s) applied for.	
(a)	Section fees: Section fees for the computerized uniform CPA examination are set by third-party providers for the development and delivery of the exam. These fees are collected and retained by the third-party provider.	
(b)	Administrative fees: Administrative fees for the qualification and application processes are set by a third-party provider. These fees are collected and retained by the third-party provider.	

* The board may waive late filing fees for individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

[Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-038, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.065 and 18.04.215(5). WSR 14-04-086, § 4-30-038, filed 2/3/14, effective 3/6/14. Statutory Authority: RCW 18.04.055, 18.04.065, 18.04.105 (1)(e), (3), and (4)(e), 18.04.195(10), 18.04.205(4), 18.04.215 (3), (4), and (8), 42.56.120. WSR 10-24-009, recodified as § 4-30-038, filed 11/18/10, effective 12/1/10.]

tive 12/19/10. Statutory Authority: RCW 18.04.065, 18.04.105 (2) and (3). WSR 09-24-055, § 4-25-530, filed 11/24/09, effective 12/25/09. Statutory Authority: RCW 18.04.065, 18.04.105(3). WSR 09-10-019, § 4-25-530, filed 4/27/09, effective 8/1/09; WSR 08-14-152 and 08-15-018, § 4-25-530, filed 7/1/08 and 7/8/08, effective 8/1/08 and 8/8/08; WSR 07-14-035, § 4-25-530, filed 6/26/07, effective 8/1/07; WSR 06-14-030, § 4-25-530, filed 6/27/06, effective 8/1/06; WSR 05-10-046, § 4-25-530, filed 4/29/05, effective 6/2/05. Statutory Authority: RCW 18.04.065, 18.04.105(3), 18.04.205. WSR 05-01-136, § 4-25-530, filed 12/16/04, effective 1/31/05. Statutory Authority: RCW 18.04.065, [18.04.]105(3), [18.04.]195(7), [18.04.]205(4), [18.04.]215(8), [18.04.]350 (2)(a), and 42.17.260(8). WSR 04-01-076, § 4-25-530, filed 12/15/03, effective 1/15/04. Statutory Authority: RCW 18.04.055, [18.04.]065, [18.04.]105 (1)(e) and (3). WSR 02-22-083, § 4-25-530, filed 11/5/02, effective 12/31/02. Statutory Authority: RCW 18.04.055, 18.04.065, 18.04.105(3), 18.04.195(7), 18.04.205(4), 18.04.215(8), and 18.04.350(2). WSR 01-22-036, § 4-25-530, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055, 18.04.065, 18.04.105(7), 18.04.195(6) and 18.04.205(4). WSR 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). WSR 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). WSR 96-12-060, § 4-25-530, filed 5/31/96, effective 7/1/96. Statutory Authority: RCW 18.04.055. WSR 93-12-075, § 4-25-530, filed 5/27/93, effective 7/1/93.]

ETHICS AND PROHIBITED PRACTICES

WAC 4-30-040 What are the requirements concerning integrity and objectivity? When offering or performing services, licensees, CPA-Inactive certificate holders, non-licensee firm owners, and employees of such persons must:

- Remain honest and objective;
- Not misrepresent facts;
- Not subordinate their judgment to others; and
- Remain free of conflicts of interest unless such conflicts are specifically permitted by board rule or professional standards listed in WAC 4-30-048.

If the language of the professional standards listed in WAC 4-30-048 differ from or conflict with specific board rules, board rules prevail.

[Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, amended and recodified as § 4-30-040, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-620, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-620, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-620, filed 1/31/02, effective 3/15/02; WSR 98-12-048, § 4-25-620, filed 5/29/98, effective 6/29/98. Statutory Authority: RCW 18.04.055 [18.04.055]. WSR 93-22-046, § 4-25-620, filed 10/28/93, effective 11/28/93.]

WAC 4-30-042 When is independence required? When performing professional services for which a report expressing assurance is prescribed by professional standards, licensees, as defined in WAC 4-30-010, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons must evaluate and maintain their independence so that opinions, reports, conclusions, and judgments will be impartial and viewed as impartial by parties expected to rely on any report expressing assurance by such persons. Such persons are required:

- (1) To comply with all applicable independence rules, regulations, and the AICPA code of conduct as referenced in and required by WAC 4-30-048; and
- (2) To decline engagements for which a report expressing assurance is prescribed by professional standards when such persons have a relationship that could lead a reasonable and foreseeable user to conclude that such persons are not independent.

(10/8/18)

Independence is not required when performing a compilation engagement provided the report discloses a lack of independence.

[Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, amended and recodified as § 4-30-042, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-622, filed 8/25/08, effective 9/25/08; WSR 03-24-034, § 4-25-622, filed 11/25/03, effective 12/31/03; WSR 98-12-049, § 4-25-622, filed 5/29/98, effective 6/29/98. Statutory Authority: RCW 18.04.055 [18.04.055]. WSR 93-22-046, § 4-25-622, filed 10/28/93, effective 11/28/93.]

WAC 4-30-044 What restrictions govern commissions, referral, and contingent fees? For the purposes of this section, the term "licensed firm" includes any affiliated entity(ies) and the term "firm owner" includes the owner(s) of any affiliated entity(ies).

(1) Licensees and/or their employees must not for a commission recommend or refer to a client any product or service, or for a commission recommend or refer any product or service to be supplied by a client, or receive a commission, when such persons perform compilation, or other professional services for which a report expressing assurance is prescribed by professional standards for that client. This prohibition applies:

(a) During the period in which such persons are engaged to perform professional services for which a report expressing assurance is prescribed by professional standards; and

(b) During the period covered by any information for which a report expressing assurance is prescribed by professional standards and a report was issued by such persons.

(2) Licensees and/or their employees must also not:

(a) Perform for a contingent fee any professional services for, or receive such a fee from a client for whom such persons perform compilation, or other professional services for which a report expressing assurance is prescribed by professional standards; or

(b) Prepare an original or amended tax return or claim for a tax refund for a contingent fee for any client.

(3) The prohibition against contingent fees applies:

(a) During the period in which such persons are engaged to perform professional services for which a report expressing assurance is prescribed by professional standards; and

(b) During the period covered by any information for which a report expressing assurance is prescribed by professional standards and a report was issued by such persons.

(4) Fees are not considered contingent if fixed by courts or other public authorities, or, in tax matters, if determined based on the results of judicial proceedings or the findings of governmental agencies. Fees may vary depending, for example, on the complexity of services rendered.

(5) Any person subject to board rules who is not prohibited by this section from performing services for, or receiving a commission, referral or contingent fee and who are paid or expect to be paid accordingly must disclose that fact to any person or entity to whom such persons recommend or refer a product or service to which the commission, referral or contingent fee relates in the manner prescribed below:

(a) Disclose the arrangement in writing and in advance of client acceptance;

(b) Disclose the method of calculating the fee or amount of fee;

(c) Specify the licensee's, CPA-Inactive certificate holder's, or nonlicensee firm owner's role as the client's advisor; and

(d) Obtain the client's consent to the fee arrangement in writing.

(6) Nothing in this rule shall be interpreted to preclude licensees, as defined in WAC 4-30-010, CPA-Inactive certificate holders, or nonlicensee firm owners from purchasing, selling, or merging all or a portion of a licensed firm or affiliated entity or to require disclosure to clients of terms or payments made or received pursuant to the purchase, sale, or merger.

[Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, amended and recodified as § 4-30-044, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-626, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-626, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-626, filed 1/31/02, effective 3/15/02; WSR 01-03-012, § 4-25-626, filed 1/5/01, effective 2/5/01; WSR 98-12-055, § 4-25-626, filed 5/29/98, effective 6/29/98.]

WAC 4-30-046 What are the requirements concerning competence? Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons must not undertake to perform any professional service unless such persons can reasonably expect to complete the service with professional competence.

[Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, recodified as § 4-30-046, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-630, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-630, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-630, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-630, filed 10/28/93, effective 11/28/93.]

WAC 4-30-048 Compliance is required with which rules, regulations and professional standards? Licensees, including out-of-state individuals exercising practice privileges in this state under RCW 18.04.350(2) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1)(b), CPA-Inactive certificate holders, CPA firms, nonlicensee firm owners, and employees of such persons must comply with rules, regulations, and professional standards promulgated by the appropriate bodies for each service undertaken. However, if the requirements found in the professional standards listed in this section differ from the requirements found in specific board rules, board rules prevail.

Authoritative bodies include, but are not limited to, the Securities and Exchange Commission (SEC); the Public Company Accounting Oversight Board (PCAOB); the Financial Accounting Standards Board (FASB); the Governmental Accounting Standards Board (GASB); the Cost Accounting Standards Board (CASB); the Federal Accounting Standards Advisory Board (FASAB); the U.S. Governmental Accountability Office (GAO); the Federal Office of Management and Budget (OMB); the Internal Revenue Service (IRS); the American Institute of Certified Public Accountants (AICPA), and federal, state, and local audit, regulatory and tax agencies.

Such standards include:

(1) Statements on Auditing Standards and related Auditing Interpretations issued by the AICPA;

(2) Statements on Standards for Accounting and Review Services and related Accounting and Review Services Interpretations issued by the AICPA;

(3) Statements on Governmental Accounting and Financial Reporting Standards issued by GASB;

(4) Statements on Standards for Attestation Engagements and related Attestation Engagements Interpretations issued by AICPA;

(5) Statements of Financial Accounting Standards and Interpretations, and Staff Positions issued by FASB, together with those Accounting Research Bulletins and Accounting Principles Board Opinions which are not superseded by action of the FASB;

(6) Statement on Standards for Consulting Services issued by the AICPA;

(7) Statements on Quality Control Standards issued by the AICPA;

(8) Statements on Standards for Tax Services and Interpretation of Statements on Standards for Tax Services issued by the AICPA;

(9) Statements on Responsibilities in Personal Financial Planning Practice issued by the AICPA;

(10) Statements on Standards for Litigation Services issued by the AICPA;

(11) Professional Code of Conduct issued by the AICPA including interpretations and ethics rulings;

(12) Governmental Auditing Standards issued by the U.S. Governmental Accountability Office;

(13) AICPA Industry Audit and Accounting Guides;

(14) SEC Rules, Concept Releases, Interpretative Releases, and Policy Statements;

(15) Standards issued by the PCAOB; and

(16) IRS Circular 230;

(17) Any additional national or international standards recognized by the AICPA, PCAOB, SEC and/or GAO.

If the professional services are governed by standards not included in subsections (1) through (17) of this section, individuals and firms including persons exercising practice privileges under RCW 18.04.350(2) who offer or render professional services in this state or for clients located in this state and the firms rendering professional services in this state or for clients located in this state through such qualifying individuals must:

(a) Maintain documentation of the justification for the departure from the standards listed in subsections (1) through (17) of this section;

(b) Determine and document what standards are applicable; and

(c) Demonstrate compliance with the applicable standards.

[Statutory Authority: RCW 18.04.055(2). WSR 11-07-070, § 4-30-048, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-048, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-631, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-631, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-631, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055 (2) and (6). WSR 00-11-071, § 4-25-631, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(6). WSR 98-12-050, § 4-25-631, filed 5/29/98, effective 6/29/98. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-631, filed 10/28/93, effective 11/28/93.]

WAC 4-30-050 Records and clients confidential information. (1) **Client:** The term "client" as used throughout WAC 4-30-050 and 4-30-051 includes former and current clients. For purposes of this section, a client relationship has been formed when confidential information has been disclosed by a prospective client or another authorized person in an initial interview to obtain or provide professional services.

(2) **Sale or transfer of client records:** No statement, record, schedule, working paper, or memorandum, including electronic records, may be sold, transferred, or bequeathed without the consent of the client or another authorized person.

(3) **Disclosure of client confidential records and client relationships:**

(a) Confidential client communication or information: Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons must not without the specific consent of the client or another authorized person disclose any confidential communication or information pertaining to the client obtained in the course of performing professional services.

(b) Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons who have provided records to a client or another authorized person are not obligated to provide such records to other individuals associated with the client.

(c) When a licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee is engaged to prepare a married couple's joint tax return, both spouses are considered to be clients, even if the licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee was engaged by one spouse and deals exclusively with that spouse.

Accordingly, if the married couple is undergoing a divorce and one spouse directs the licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee to withhold joint tax information from the other spouse, the licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee shall provide the information to both spouses, in compliance with this rule. The licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee should consider reviewing the legal implications of such disclosure with an attorney and any responsibilities under any applicable tax performance standards promulgated by the United States Department of Treasury, Internal Revenue Service.

This rule also applies to confidential communications and information obtained in the course of professional tax compliance services unless state or federal tax laws or regulations require or permit use or disclosure of such information.

Consents may include those requirements of Treasury Circular 230 and IRC Sec. 7216 for purposes of this rule, provided the intended recipients are specifically and fully identified by full name, address, and other unique identifiers.

(4) **Disclosing information to third-party service providers:** Licensees, CPA-Inactive certificate holders, or nonlicensee firm owners must do one of the following before disclosing confidential client information to third-party service providers:

(a) Enter into a contractual agreement with the third-party service provider to assist in providing the professional

services to maintain the confidentiality of the information and provide a reasonable assurance that the third-party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others. The nature and extent of procedures necessary to obtain reasonable assurance depends on the facts and circumstances, including the extent of publicly available information on the third-party service provider's controls and procedures to safeguard confidential client information; or

(b) Obtain specific consent from the client before disclosing confidential client information to the third-party service provider.

(5) Disclosure of client records in the course of a firm sale, or transfer upon death of a licensee, CPA-Inactive certificate holder, or nonlicensee firm owner.

A licensee, CPA-Inactive certificate holder, or nonlicensee firm owner, or the successor in interest of a deceased licensee, CPA-Inactive certificate holder, or nonlicensee firm owner, that sells or transfers all or part of a practice to another person, firm, or entity (successor firm) and will no longer retain ownership in the practice must do all of the following:

(a) Submit a written request to each client subject to the sale or transfer, requesting the client's consent to transfer its files to the successor firm or other entity and notify the client that its consent may be presumed if it does not respond to the licensee, CPA-Inactive certificate holder, or nonlicensee firm owner's request within a period of not less than ninety days, unless prohibited by law. The licensee, CPA-Inactive certificate holder, or nonlicensee firm owner, or successor in interest of a deceased firm owner, should not transfer any client files to the successor firm until either the client's consent is obtained or the ninety days has lapsed, whichever is shorter. The licensee, CPA-Inactive certificate holder, or nonlicensee firm owner must retain evidence of consent, whether obtained from the client or presumed after ninety days.

(b) It is permissible for the successor in interest of a deceased licensee, CPA-Inactive certificate holder, or nonlicensee firm owner to contract with a responsible custodian to securely store client records until such time as consent or transfer has been obtained.

(6) This rule does not:

(a) Affect in any way the obligation of those persons to comply with a lawfully issued subpoena or summons;

(b) Prohibit disclosures in the course of a quality review of a licensee's attest, compilation, or other reporting services governed by professional standards;

(c) Preclude those persons from responding to any inquiry made by the board or any investigative or disciplinary body established by local, state, or federal law or recognized by the board as a professional association; or

(d) Preclude a review of client information in conjunction with a prospective purchase, sale, or merger of all or part of the professional practice of public accounting of any such persons.

[Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-050, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.055 (2), 18.04.405(1). WSR 13-04-011, § 4-30-050, filed 1/25/13, effective 2/25/13. Statutory Authority: RCW 18.04.055(2), 18.04.390 (4)(b), and 18.04.405(1). WSR 11-06-062, amended and recodified as § 4-30-050, filed 3/2/11, effective 4/2/11; WSR 08-18-016, § 4-25-640, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-640, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-640, filed 11/25/03, effective 12/31/03. Statutory

Authority: RCW 18.04.055(2). WSR 02-22-082, § 4-25-640, filed 11/5/02, effective 12/31/02. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-640, filed 10/28/93, effective 11/28/93.]

WAC 4-30-051 Client records. (1) The following terms are defined below solely for use with this section:

(a) **Client provided records** are accounting or other records belonging to the client that were provided to the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons by or on behalf of the client.

(b) **Client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner** are accounting or other records (for example, tax returns, general ledgers, subsidiary journals, and supporting schedules such as detailed employee payroll records and depreciation schedules) that the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons was engaged to prepare for the client.

(c) **Supporting records** are information not reflected in the client's books and records that are otherwise not available to the client with the result that the client's financial information is incomplete. For example, supporting records include adjusting, closing, combining or consolidating journal entries (including computations supporting such entries), that are produced by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons during an engagement.

(d) **Licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner working papers** include, but are not limited to, audit programs, analytical review schedules, statistical sampling results, analyses, and schedules prepared by the client at the request of the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons.

(2) When a client or former client (client) makes a request for client-provided records, client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner, or supporting records that are in the custody or control of the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner that have not previously been provided to the client, the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner should respond to the client's request as follows:

(a) Client provided records in the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner custody or control must be returned to the client.

(b) Client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner must be provided to the client, except that client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner may be withheld if the preparation of such records is not complete.

(c) Supporting records relating to a completed and issued work product must be provided to the client.

(d) Persons subject to this subsection developing and maintaining such records, or schedules should make a reasonable effort to provide the required information and data to the client in a format useable by the client to avoid the cost to the client of duplicate reentry of individual transaction or other

information into the client's or successor custodian's record-keeping system.

(3) The licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner is not required to convert records that are not in electronic format to electronic format. However, if the client requests records in a specific format and the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner was engaged to prepare the records in that format, the client's request should be honored.

(4) In responding to a records request, it is not permissible for a licensee, CPA-Inactive certificate holder, or nonlicensee firm owner to supplant a client record originally created in an electronic format with one converted to a nonelectronic format, such as a hard copy or a dissimilar electronic format unusable to the client.

(5) Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and/or employees of such persons must not refuse to return or provide records indicated in subsection (1)(a), (b), and (c) of this section including electronic documents, pending client payment of outstanding fees.

(6) Once the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons has complied with the requirements in subsection (2) of this section, he or she is under no ethical obligation to comply with any subsequent requests to again provide such records or copies of such records. However, if subsequent to complying with a request, a client experiences a loss of records due to a natural disaster or an act of war, the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner should comply with an additional request to provide such records.

(7) Licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner working papers are the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner property and need not be provided to the client under provisions of this section; however, such requirements may be imposed by state and federal statutes and regulations, and contractual agreements.

(8) In connection with any request for client-provided records, client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons, or supporting records, the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner may:

(a) Charge the client a reasonable fee for the time and expense incurred to retrieve and copy such records and require that such fee be paid prior to the time such records are provided to the client;

(b) Provide the requested records in any format usable by the client;

(c) Make and retain copies of any records returned or provided to the client.

(9) Where a licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner is required to return or provide records to the client, the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner should comply with the client's request as soon as practicable but, absent extenuating circumstances, no later than forty-five days after the request is made. The fact that the statutes of the state in which the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner practices grants the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner a

lien on certain records in his or her custody or control does not relieve the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner of his or her obligation to comply with this section.

(10) A licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner is under no obligation to retain records for periods that exceed applicable professional standards, state and federal statutes and regulations, and contractual agreements relating to the service(s) performed.

(11) Audit and review record retention requirements: For a period of seven years after a licensee concludes an audit or review such persons must retain the following records and documents, including electronic records unless hard copies of such exist:

- (a) Records forming the basis of the audit or review;
- (b) Records documenting audit or review procedures applied;
- (c) Records documenting evidence obtained including financial data, analyses, conclusions, and opinions related to the audit or review engagement; and
- (d) Records documenting conclusions reached by the licensee in the audit or review engagement.

[Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-051, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.055(2), 18.04.390 (4)(b), and 18.04.405(1). WSR 11-06-062, § 4-30-051, filed 3/2/11, effective 4/2/11.]

WAC 4-30-052 What acts are considered discreditable? Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons must not:

- (1) Commit, or allow others to commit in their name, any act that reflects adversely on their fitness to represent themselves as a CPA, CPA-Inactive certificate holder, CPA firm, or a firm owner;
- (2) Seek to obtain clients by the use of coercion, intimidation or harassing conduct; or
- (3) Permit others to carry out on their behalf, either with or without compensation, acts which violate the rules of conduct.

[Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, recodified as § 4-30-052, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-650, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-650, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-650, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. WSR 93-22-090, § 4-25-650, filed 11/2/93, effective 12/3/93.]

WAC 4-30-054 What are the limitations on advertising and other forms of solicitation? Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons must not make false, fraudulent, misleading, deceptive or unfair statements or claims regarding their services. Examples of such statements or claims include, but are not limited to, statements or claims which:

- (1) Contain a misrepresentation of fact;
- (2) Fail to make full disclosure of relevant facts;
- (3) Imply your professional services are of an exceptional quality, which is not supported by verifiable facts;
- (4) Create false expectations of favorable results;
- (5) Imply educational or professional attainments, specialty designations, or licensing recognition not supported in fact; or

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(6) Represent that professional services will be performed for a stated fee when this is not the case, or do not disclose variables that may reasonably be expected to affect the fees that will be charged.

[Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, recodified as § 4-30-054, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-660, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-660, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-660, filed 1/31/02, effective 3/15/02; WSR 00-11-072, § 4-25-660, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055. WSR 93-22-090, § 4-25-660, filed 11/2/93, effective 12/3/93.]

WAC 4-30-056 What are the limitations regarding individual and firm names? A firm name that does not consist of the name(s) of one or more present or former owners must be approved in advance by the board as not being deceptive or misleading.

Misleading or deceptive firm names are prohibited. The following are examples of misleading firm names. The board does not intend this listing to be all inclusive. The firm name:

- (1) Implies it is a legal entity when it is not such an entity (as by the use of the designations "P.C.," "P.S.," "Inc. P.S.," or "L.L.C.");
- (2) Implies the existence of a partnership when one does not exist;
- (3) Includes the name of a person who is neither a present nor a past owner of the firm; or
- (4) Implies educational or professional attainments, specialty designations, or licensing recognition not supported in fact.

A licensee may not operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the board. A CPA or a CPA-Inactive certificate holder may not use the title in association with a name that is not registered with the board.

[WSR 10-24-009, recodified as § 4-30-056, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055 (4), (8) and 18.04.345(5). WSR 05-01-137, § 4-25-661, filed 12/16/04, effective 1/31/05. Statutory Authority: RCW 18.04.055(8). WSR 01-22-036, § 4-25-661, filed 10/30/01, effective 12/1/01; WSR 00-11-073, § 4-25-661, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055 [18.04.055]. WSR 93-22-046, § 4-25-661, filed 10/28/93, effective 11/28/93.]

WAC 4-30-058 Does the board authorize the use of any other titles or designations? Yes. RCW 18.04.350(14), Practices not prohibited, authorizes the board to allow the use of other titles (designations) if the individual using the title or designation is authorized at the time of use by a nationally recognized entity sanctioning the use of board authorized titles or designations. Accordingly, the board authorizes the use of the following titles and designations:

- (1) Designations or titles authorized by the American Institute of Certified Public Accountants (AICPA);
- (2) Designations or titles authorized by the Accreditation Council for Accountancy and Taxation located in Alexandria, Virginia, or its successor:
 - "Accredited Business Accountant" or "ABA";
 - "Accredited Tax Preparer" or "ATP"; and
 - "Accredited Tax Advisor" or "ATA."
- (3) Designations or titles authorized by the Certified Financial Planner Board of Standards in Denver, Colorado, or its successor:
 - "Certified Financial Planner" or "CFP."

[Ch. 4-30 WAC p. 13]

These authorized designations relate to title use only, are not limited to individuals who have held or are holding a license or certificate under the act, and do not authorize these other designated individuals to use the title "certified public accountant" or "CPA," or "CPA-inactive."

The board further authorizes the use of the designation "CPA retired" in this state by those individuals who, upon notice to the board to retire a license, meet the following criteria:

- Has reached sixty years of age and holds an active license in good standing; or
- At any age, has held an active license in good standing, not suspended or revoked, to practice public accounting in any state for a combined period of not less than twenty years.

[Statutory Authority: RCW 18.04.055, WSR 16-17-036, § 4-30-058, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.350(13), WSR 12-10-085, § 4-30-058, filed 5/2/12, effective 6/2/12; WSR 10-24-009, recodified as § 4-30-058, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.350(9), WSR 02-17-051, § 4-25-930, filed 8/15/02, effective 9/15/02.]

UNIFORM CPA EXAMINATION

WAC 4-30-060 What are the education requirements to qualify to apply for the CPA examination? (1) Education requirements: Effective July 1, 2000, to apply for the CPA examination you must have completed:

(a) At least one hundred fifty semester hours (two hundred twenty-five quarter hours) of college education, including;

(b) A baccalaureate or higher degree; and

(c) An accounting major or concentration as defined as at least:

(i) Twenty-four semester hours (thirty-six quarter hours) or the equivalent in accounting subjects of which at least fifteen semester hours must be at the upper level or graduate level (an upper level course is defined as a course that frequently carries completion of a lower level course(s) as a prerequisite); and

(ii) Twenty-four semester hours (thirty-six quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.

(2) **One hundred eighty-day provision:** If you expect to meet the education requirements of this section within one hundred eighty days following the examination, you will be eligible to take the CPA examination provided you submit a signed Certificate of Enrollment from the educational institution in which you are enrolled stating that you will meet the board's education requirements within one hundred eighty days following the day you first sit for any one section of the examination. If you apply for the exam using the one hundred eighty-day provision, then within two hundred ten days of first sitting for any section of the exam, you must provide the examination administrator complete documentation demonstrating that you met the board's education requirements within one hundred eighty days of first sitting for any one section of the exam. If you do not provide such documentation within the required two hundred ten-day time period, your exam score(s) will not be released and you will not be given credit for any section(s) of the examination. Applicants failing to provide such documentation must reapply as a first-time applicant.

(3) **Education obtained outside the United States:** If you obtained all or a portion of your education outside the United States you must have your education evaluated by a board approved foreign education credential evaluation service. The board will establish the criteria for board approval of foreign education credential evaluation services. The board does not provide education credential evaluation services.

(4) **Semester versus quarter hours:** As used in these rules, a "semester hour" means the conventional college semester hour. Your quarter hours will be converted to semester hours by multiplying them by two-thirds.

(5) **Accreditation standards:** For purposes of this rule, the board will recognize colleges and universities which are accredited in accordance with (a) through (c) of this subsection.

(a) The college or university must be accredited at the time your education was earned by a regionally or nationally accrediting agency recognized by the board.

(b) If an institution was not accredited at the time your education was earned but is so accredited at the time your application is filed with the board, the institution will be deemed to be accredited for the purpose of (a) of this subsection provided that it:

(i) Certifies that your total educational program would qualify the applicant for graduation with a baccalaureate degree during the time the institution has been accredited; and

(ii) Furnishes the board satisfactory proof, including college catalogue course numbers and descriptions, that the pre-accrediting courses used to qualify you for a concentration in accounting are substantially equivalent to postaccrediting courses.

(c) If your degree was received at an accredited college or university as defined by (a) or (b) of this subsection, but the educational program which was used to qualify you for a concentration in accounting included courses taken at nonaccredited institutions, either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which your degree was received, provided the accredited institution either:

(i) Has accepted such courses by including them in its official transcript; or

(ii) Certifies to the board that it will or would accept such courses for credit toward graduation.

(6) **Alternative to accreditation:** If you graduated from a degree-granting institution that was not accredited at the time your degree was received or at the time your application was filed, you will be deemed to be a graduate of an accredited college or university if a credentials evaluation service approved by the board certifies that your degree is equivalent to a degree from an accredited college or university as defined in subsection (5) of this section. The board does not provide education credential evaluation services.

[Statutory Authority: RCW 18.04.055, 18.04.105, WSR 16-10-018, § 4-30-060, filed 4/22/16, effective 5/23/16. Statutory Authority: RCW 18.04.-055(5), 18.04.105(1), WSR 10-24-009, amended and recodified as § 4-30-060, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-710, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-710, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(5), WSR 95-20-065, § 4-25-710, filed 10/3/95, effective 11/3/95; WSR 93-12-071, § 4-25-710, filed 5/27/93, effective 7/1/93.]

WAC 4-30-062 How do I apply to take the CPA examination? (1) Application process and due dates: Your application to take the CPA examination must be submitted to the board's examination administrator. Applicants must submit all required information, documents, and fees to complete their application within sixty days of the date their application is submitted to the board's examination administrator. Your application is not considered complete until all of the following are provided:

- Complete application information and requested documents;

- Fee(s).

(2) **Fee refund and forfeiture:** Upon submission of your application to the examination administrator, no portion of the board's administrative fee is refundable. Upon the examination administrator's authorization to test, no portion of the total exam fee (both administrative fee and section fee(s)) is refundable. If you fail to meet the board's scheduling or admission requirements, you forfeit all of the exam fee(s) and you must reapply to take the section(s) of the exam.

(3) **Notice of admittance to the examination or denial of your application:** You must contact the approved test provider to schedule the time and location for your examination. The notice of eligibility to take the examination is called a Notice to Schedule (NTS), the NTS will be valid for one taking of the examination within the six months following the date of the NTS.

Notice of a denial of your application, or notice of your eligibility to take the examination will be sent to you by the examination administrator.

(4) **Examination content and grading:** 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. The board may accept the advisory grading services of the American Institute of Certified Public Accountants.

(5) **Examination process:**

(a) **Conditions for examinations held prior to January 1, 2004:** Contact a customer service representative at customerservice@acb.wa.gov or by phone at 360-753-2586.

(b) **For examinations taken 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 satisfy the examination requirement for a license you must have achieved a score of seventy-five on all four sections of the examination within a rolling eighteen-month period.

(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 successfully passed any particular section of the examination.

(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. A section is considered

passed on the date that you took the exam section and not the date that your grade 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 examination 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 any expired section.

[Statutory Authority: RCW 18.04.055. WSR 18-21-034, § 4-30-062, filed 10/8/18, effective 11/8/18. Statutory Authority: RCW 18.04.055, 18.04.105. WSR 16-10-019, § 4-30-062, filed 4/22/16, effective 5/23/16. Statutory Authority: RCW 18.04.105(2). WSR 10-24-009, amended and recodified as § 4-30-062, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-720, filed 12/16/04, effective 1/31/05; WSR 03-17-041, § 4-25-720, filed 8/15/03, effective 9/30/03. Statutory Authority: RCW 18.04.055(5) and 18.04.105(2). WSR 02-04-064, § 4-25-720, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055. WSR 93-12-070, § 4-25-720, filed 5/27/93, effective 7/1/93.]

WAC 4-30-064 What does the board consider to be cheating on the CPA examination, what testing consequences or board actions can result if cheating is suspected or observed? (1) Cheating includes, but is not limited to:

(a) Unauthorized communication with others inside or outside of the examination room while the examination is in progress;

(b) Substitution by a candidate of another person to sit in the test site and take the examination on behalf of the candidate;

(c) Referencing crib sheets, text books, or other unauthorized material or electronic media inside or outside the examination room while the examination is in progress;

(d) Copying or attempting to copy another candidate's answers;

(e) Disclosing or attempting to disclose examination questions and/or answers to others;

(f) Bringing unauthorized prohibited items into the examination site or possessing unauthorized prohibited items in the examination site;

(g) Retaking or attempting to retake a section by an individual who holds a license or who has unexpired credit for passing the section, unless the individual has been expressly authorized by the board to participate in a "secret shopper" program.

(2) Cheating on the CPA examination is dishonesty directly related to the professional responsibilities of a CPA and demonstrates a lack of good character. When determining appropriate sanctions for cheating, the board may impose one or more of the following penalties:

(a) Enter a failing grade for any or all parts of the candidate's examination;

(b) Bar a candidate from taking future examinations;

(c) Notify other jurisdictions of the board's conclusions and order;

(d) Fine up to thirty thousand dollars;

(e) Recovery of investigative and legal costs; or

(f) Referral to the appropriate law enforcement agency(ies) for prosecution.

(3) If a candidate is suspected of cheating, the board or its representative(s) may expel the candidate from the examination or move the candidate suspected of cheating to a position in the test center that is away from other examinees or where the candidate may be more closely observed. The board or its representatives may require a candidate suspected of cheating, or a candidate who may have observed cheating, to respond to board inquiry. The board may schedule a hearing to determine the validity of the charge of cheating.

[Statutory Authority: RCW 18.04.105(2). WSR 10-24-009, amended and recodified as § 4-30-064, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-721, filed 12/16/04, effective 1/31/05; WSR 03-17-042, § 4-25-721, filed 8/15/03, effective 9/30/03. Statutory Authority: RCW 18.04.055. WSR 02-04-064, § 4-25-721, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(11). WSR 01-11-127, § 4-25-721, filed 5/22/01, effective 6/30/01. Statutory Authority: RCW 18.04.055. WSR 93-12-069, § 4-25-721, filed 5/27/93, effective 7/1/93.]

INDIVIDUAL EXPERIENCE AND VERIFICATION

WAC 4-30-070 What are the experience requirements in order to obtain a CPA license? (1) Qualifying experience may be obtained through the practice of public accounting and/or employment in industry or government. In certain situations, employment in academia may also provide experience to obtain some or all of the competency requirements. Qualifying experience may be obtained through one or more employers, with or without compensation, and may consist of a combination of full-time and part-time employment.

(2) Employment experience should demonstrate that it occurred in a work environment and included tasks sufficient to have provided an opportunity to obtain the competencies defined by subsection (3) of this section and:

- (a) Covered a minimum twelve-month period (this time period does not need to be consecutive);
- (b) Consisted of a minimum of two thousand hours;
- (c) Provided the opportunity to utilize the skills generally used in business and accounting and auditing including, but not limited to, accounting for transactions, budgeting, data analysis, internal auditing, preparation of reports to taxing authorities, controllership functions, financial analysis, performance auditing and similar skills;
- (d) Be verified by a licensed CPA as meeting the requirements identified in subsection (5) of this section; and
- (e) Be obtained no more than eight years prior to the date the board receives your complete license application.

(3) **Competencies:** The experience should demonstrate that the work environment and tasks performed provided the applicant an opportunity to obtain the following competencies:

- (a) Assess the achievement of an entity's objectives;
- (b) Develop documentation and sufficient data to support analysis and conclusions;
- (c) Understand transaction streams and information systems;
- (d) Assess risk and design appropriate procedures;
- (e) Make decisions, solve problems, and think critically in the context of analysis; and

(f) Communicate scope of work, findings and conclusions effectively.

(4) **The applicant's responsibilities:** The applicant for a license requesting verification is responsible for:

(a) Providing information and evidence to support the applicant's assertion that their job experience could have reasonably provided the opportunity to obtain the specific competencies, included on the applicant's Experience Affidavit form presented for the verifying CPA's evaluation;

(b) Producing that documentation and the completed Experience Affidavit form to a qualified verifying CPA of their choice;

(c) Determining that the verifying CPA meets the requirements of subsection (5) of this section; and

(d) Maintaining this documentation for a minimum of three years.

(5) **Qualification of a verifying CPA:** A verifying CPA must have held a valid CPA license to practice public accounting in the state of Washington or be qualified for practice privileges as defined in RCW 18.04.350(2) for a minimum of five years prior to verifying the candidate's experience, including the date that the applicant's experience is verified. The five years do not need to be consecutive.

[Statutory Authority: RCW 18.04.055 (7), (14), and 18.04.215(5). WSR 13-22-001, § 4-30-070, filed 10/23/13, effective 1/1/14. Statutory Authority: RCW 18.04.055(11), 18.04.105 (1)(d). WSR 10-24-009, amended and recodified as § 4-30-070, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-730, filed 12/16/04, effective 1/31/05. Statutory Authority: RCW 18.04.055(11) and 18.04.105 (1)(d). WSR 02-04-064, § 4-25-730, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.215. WSR 01-03-011, § 4-25-730, filed 1/5/01, effective 6/30/01. Statutory Authority: RCW 18.04.055 and 18.04.215 (1)(a). WSR 99-18-113, § 4-25-730, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055. WSR 93-12-068, § 4-25-730, filed 5/27/93, effective 7/1/93.]

WAC 4-30-072 What are the responsibilities of a verifying CPA? The verifying CPA is expected to:

(1) Obtain the applicant's completed Experience Affidavit form and supporting documentation to support the jobs the applicant held which provided the experience supporting the applicant's assertion that by performing the specific job functions, she/he was provided the opportunity to obtain each specific competency (this expectation may be met if the applicant is employed by the verifying CPA's firm or organization);

(2) Verify the applicant's relevant employment history;

(3) Interview the candidate or otherwise obtain or possess knowledge sufficient to understand the skill sets applied, tasks performed, and time spent in the applicant's represented job functions;

(4) Assess whether the skill sets applied, tasks performed, and time spent would likely provide an opportunity to obtain each specific competency, excluding knowledge of the Washington state Public Accountancy Act and related board rules;

(5) Determine, by interview or course completion certificate, etc., that the applicant is knowledgeable of the Public Accountancy Act and related board rules applicable to individuals licensed in the state of Washington;

(6) Document this process and the basis for the conclusions reached by the verifying CPA relative to each specific

competency, and maintain this documentation for a minimum of three years.

[Statutory Authority: RCW 18.04.055, WSR 18-17-033, § 4-30-072, filed 8/7/18, effective 9/7/18. Statutory Authority: RCW 18.04.055(11), 18.04.-105 (1)(d), WSR 10-24-009, § 4-30-072, filed 11/18/10, effective 12/19/10.]

WASHINGTON RESIDENT INDIVIDUAL LICENSING

WAC 4-30-080 How do I apply for an initial individual CPA license? (1) To qualify to apply for an initial license you must meet the following criteria and requirements:

- (a) Good character requirements of RCW 18.04.105 (1)(a);
- (b) Education requirements of WAC 4-30-060;
- (c) Examination requirements of WAC 4-30-062;
- (d) Experience requirements of WAC 4-30-070;
- (e) Achieve and document a passing grade of ninety percent or better on a course covering the complete content of the AICPA Code of Professional Conduct;
- (f) Achieve and document a passing grade of ninety percent or better on a board-approved initial course covering the Washington State Public Accountancy Act, related board rules, and board policies.

(2) If more than four years have lapsed since you passed the examination, you must meet the CPE requirements of WAC 4-30-134 (2)(a) within the thirty-six month period immediately preceding submission of your license application. That CPE must include CPE hours in ethics and regulation meeting the requirements of WAC 4-30-134(6). This regulatory ethics portion of the combined one hundred twenty-hour CPE requirement must be completed within the six month period immediately preceding submission of your license application.

(3) You must provide the required information, documents, and fees to the board either by making application through the board's online application system or on a form provided upon request. You must provide all requested information, documents and fees to the board before the application will be evaluated.

(4) Upon assessment of your qualifications and approval of your application, your licensed status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

(5) Your initial license will expire on June 30 of the third calendar year following initial licensure.

(6) You may not use the title CPA until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.

[Statutory Authority: RCW 18.04.055 (7), (14), and 18.04.215(5). WSR 13-22-001, § 4-30-080, filed 10/23/13, effective 1/1/14. Statutory Authority: RCW 18.04.055, 18.04.105(1), 18.04.215(1). WSR 10-24-009, amended and recodified as § 4-30-080, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-745, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-745, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-745, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055, 18.04.105 and 18.04.215. WSR 99-18-115, § 4-25-745, filed 9/1/99, effective 1/1/00.]

(10/8/18)

WAC 4-30-082 How does a CPA-Inactive certificate holder apply for licensure? CPA-Inactive certificate holders are individuals who held a valid certificate on June 30, 2001, but did not hold a valid Washington state license to practice public accounting on that date. Individuals who did not hold a valid certificate on June 30, 2001 and current licensees are not eligible for CPA-Inactive certificate holder status.

(1) To qualify for licensure a CPA-Inactive certificate holder must meet the:

- (a) Good character requirements of RCW 18.04.105 (1)(a);
- (b) Experience requirements of WAC 4-30-070 within the eight-year period immediately preceding your application; and
- (c) CPE requirements of WAC 4-30-134(5).

(2) To apply for a license, you must also submit to the board a certification that you meet the requirements of subsection (1) of this section and:

- (a) Have not held out in public practice during the time in which you were a CPA-Inactive certificate holder; and
- (b) Other required documentation or information deemed necessary by the board.

(3) You must provide the required information, documents, and fees (if applicable) to the board either by making application through the board's online application system or on a form provided upon request.

(4) You must submit all requested information, documents, and fees (if applicable) to the board before the application will be evaluated.

(5) Upon assessment of your qualifications and approval of your application, your license status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

(6) Your CPE reporting period and your renewal cycle will remain the same.

(7) You may not use the title "CPA" or "Certified Public Accountant" until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.

[Statutory Authority: RCW 18.04.055(12), 18.04.105(4). WSR 10-24-009, amended and recodified as § 4-30-082, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-735, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-735, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-735, filed 1/31/02, effective 3/15/02.]

WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-inactive certificateholder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?

(1) **Definitions.** For purposes of this rule:

- (a) "Active military duty" means:
 - (i) Deployed upon order of the President of the United States, the U.S. Secretary of Defense or Homeland Security in the case of a member of the armed forces or armed force reserves; or
 - (ii) Deployed upon order of the governor of this state in the case of the National Guard.

[Ch. 4-30 WAC p. 17]

(b) "Armed forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard and reserves of each branch of the armed forces.

(c) "Active duty" means full-time employment in the armed forces of the United States. Such term does not include National Guard duty.

(d) "Military individual" means a living human being serving full time in the United States armed forces.

(e) "Military spouse" means the husband, wife, or registered domestic partner of a military individual.

(2) Active military duty.

(a) An individual fully employed on active duty in the armed forces of the United States applying for an initial license in this state shall receive priority processing of the application for initial licensing.

(b) A military applicant who obtains an initial license or a military individual holding a current license issued by this board, will be classified as "military" if the services provided to the armed forces include services within the definition of the practice of public accounting.

(c) An individual in the armed forces, reserves or National Guard and called to "active military duty" while holding an active license or CPA-Inactive certificate issued by this board may apply for a waiver of renewal fees and continuing professional education (CPE):

(i) The request for waiver of renewal fees and continuing professional education may be made through the board's online application and payment system or on a form provided by the board upon request;

(ii) The request for waiver must be supported by submitting documentation to substantiate the military individual's "active military duty" status;

(iii) Upon approval the waiver will serve to classify the individual as "military inactive";

(iv) The CPE reporting period and renewal year will not be affected by this reclassification of status;

(v) The waiver will continue to maintain an individual's military inactive status without fee or CPE until the individual is released from active military duty or discharged from the armed forces, reserves, or National Guard;

(vi) The board must be notified within six months after the date of release from active military duty or discharge from the armed forces. The board must be notified within six months of the date of release from a treatment facility if the individual is or has been in a treatment facility and a discharge was the result of injury or other reasons.

(3) Return to previously held status after release from "active military duty" or discharge from the armed forces.

(a) If a military individual desires to return to a previously held status after release from active military duty or discharge from the armed forces, all required information, documents, and fees must be submitted to the board before the application will be evaluated. An application for return to previously held status may be made through the board's online application and payment system or on a form provided by the board upon request and must include the following:

(i) Documentation to substantiate:

- Release from "active military duty"; or
- Type of discharge from the armed forces.

(ii) Documentation to substantiate completion of the following qualified CPE:

- If the application is submitted in the last year of the previous CPE reporting period the individual must have completed four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of ninety percent on the board prepared examination available on the board's web site. The renewal fee is waived in this circumstance;

- If the application is submitted in the second year of the previous CPE reporting period the individual must have completed forty CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of ninety percent on the board prepared examination available on the board's web site;

- If the application is submitted in the first year of the previous CPE reporting period the individual must have completed eighty CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of ninety percent on the board prepared examination available on the board's web site.

(iii) A military individual may receive an expedited license while completing any specific requirements that are not related to CPE or other board rules.

(b) The previously held status will not become effective until the status has been posted to the board's database and, therefore, made available to the general public.

(4) Military spouses.

(a) A military spouse or state registered domestic partner of an individual in the military may receive an expedited license while completing any specific additional requirements that are not related to training or practice standards for the profession, provided the military spouse or state registered domestic partner:

(i) Holds an unrestricted, active license in another state that has substantially equivalent licensing standards for the same profession to those in Washington; and

(ii) Is not subject to any pending investigation, charges, or disciplinary action by the regulatory body of another state or jurisdiction of the United States.

(b) To receive expedited license treatment, the military spouse or state registered domestic partner of an individual in the military must provide all required information, documents, and fees to the board either by making application through the board's online application and payment system or on a form provided by the board upon request before the application will be evaluated.

(c) The application for expedited licensing will not be processed until the applicant submits copies to the board of the military individual's orders and official documents to establish the applicant's relationship to the military individual, such as one or more following documents:

(i) The military issued identification card showing the individual's military information and the applicant's relationship to that individual;

(ii) A marriage license; or

(iii) Documentation verifying a state registered domestic partnership.

(d) A military spouse or state registered domestic partner may only use a restricted title and practice public accounting under another state's license without an expedited license

issued by this board for ninety days from the date the spouse entered this state for temporary residency during the military individual's transfer to this state.

[Statutory Authority: RCW 18.04.055, 14.04.105(1) [18.04.105(1)], and 18.04.215(1). WSR 14-22-033, § 4-30-088, filed 10/28/14, effective 11/28/14.]

INDIVIDUAL LICENSING BY INTERSTATE RECIPROCITY

WAC 4-30-090 Must an out-of-state individual holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state? No. Out-of-state individuals holding valid licenses to practice public accounting issued by a substantially equivalent state, may hold out and practice within Washington state and/or provide public accounting services in person, by mail, telephone, or electronic means to clients residing in Washington state without notice or payment of a fee. An individual who qualifies for practice privileges under RCW 18.04.350(2), and who performs any attest service described in RCW 18.04.010(1) may only do so through a firm that has obtained a license under RCW 18.04.195 and 18.04.215 or that meets the requirements for an exception from the firm licensure requirements under RCW 18.04.195 (1)(a)(iii)(A) through (D) or (b).

As a condition of this privilege, the out-of-state individual is deemed to have consented to:

(1) The personal and subject matter jurisdiction and disciplinary authority of this state's board;

(2) Comply with the Public Accountancy Act of this state, chapter 18.04 RCW, and this board's rules contained in Title 4 WAC;

(3) The appointment of the state board which issued the certificate or license as their agent upon whom process may be served in any action or proceeding by this state's board against the certificate holder or licensee;

(4) Not render any professional services in this state unless the out-of-state individual is licensed to render such services in the state of licensure upon which the privilege is contingent;

(5) Cease offering or performing professional services in this state, individually and/or on behalf of a firm, if the license from the state of the out-of-state individual's principal place of business is no longer valid; and

(6) Cease offering or performing specific professional services in this state, individually and/or on behalf of a firm, if the license from the state of the out-of-state individual's principal place of business is restricted from offering or performing such specific professional services.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-090, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.350 (2), (3), (4), (5). WSR 11-07-070, § 4-30-090, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-090, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-747, filed 8/25/08, effective 9/25/08.]

WAC 4-30-092 How do I apply for a Washington state CPA license if I hold a valid CPA license in another state? (1) To qualify to apply for an individual Washington state license by reciprocity you must:

(a) Hold a license to practice public accounting issued by a state that makes a similar provision for holders of a license issued by this state;

(b) Meet the good character requirements of RCW 18.04.105 (1)(a);

(c) Meet the CPE requirements in WAC 4-30-134; and
(d) You must have:

(i) Passed the examination required for issuance of your certificate or license in the other state with grades that would have been passing grades at that time in this state and:

(ii) Met all current requirements for licensure at the time you apply; or

(iii) Met, at the time of the issuance of your license in the other state, all the requirements applicable at that time to obtain a license in this state; or

(iv) Had five years of experience in the practice of public accounting within the ten years immediately preceding your filing an application for licensure in this state; or

(v) Had three years of experience in the practice of public accounting within the five years immediately preceding your filing an application for licensure in this state; or

(2) The board may accept NASBA's designation of the applicant as substantially equivalent to national standards as meeting the requirements of subsection (1)(d) of this section.

(3) You must provide all required information, documents, and fees to the board either by making application through the board's online application system or on a form provided by the board upon request. You must provide all requested information, documents, and fees to the board before the application will be evaluated, including a certification that you have not held out in public practice during any time prior to submitting your application unless expressly permitted by then existing board rule.

(4) Provided no sanctions or investigations by other jurisdictions are in process and you have met the requirements for applying for licensure through interstate reciprocity, you may use the CPA title in Washington state upon submission of a complete application to the board.

(5) Upon evaluation of your qualifications and approval of your application your licensed status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

(6) Your reciprocal license will expire on June 30 of the third calendar year following the date of licensure.

(7) You must notify the board within thirty days if your license or certificate issued by the other jurisdiction has lapsed or otherwise become invalid.

[Statutory Authority: RCW 18.04.180, 18.04.215(6). WSR 10-24-009, amended and recodified as § 4-30-092, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-746, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-746, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-746, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055, 18.04.180 and 18.04.215(3). WSR 99-18-116, § 4-25-746, filed 9/1/99, effective 1/1/00.]

WAC 4-30-094 How do I renew my individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner? A licensee may not renew as a CPA-Inactive certificate holder.

To renew your individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner, you

must by April 30th of the year of expiration make application through the board's online application system or on a form provided by the board upon request and provide the board with:

(1) Complete renewal information including:

(a) Your certification that you have complied with the CPE requirements of WAC 4-30-134(1) and the supporting documentation requirements of WAC 4-30-138; and

(b) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, certificate, or permit to practice;

(2) All required documentation, required information, and other documentation deemed necessary by the board; and

(3) All applicable fees.

A renewal application is not complete and cannot be processed until all required information, documents, and all applicable fees are submitted to the board.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

An individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner renewal expires on June 30 of the third calendar year following the calendar year of renewal.

Late renewal application: Failure to file a complete application for renewal of an individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner 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 including, but not limited to, financial hardship, critical illness, or active military deployment.

Failure to file a renewal application: If you fail to file a complete application for renewal of an individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner by June 30 of the year of renewal, your individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner will lapse.

Failure to complete CPE: If you did not complete the credit hours of continuing professional education (CPE) required to renew your credential or did not submit a timely extension request and/or was not granted an extension of time for reasonable cause within which to complete the deficiency, your individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner will lapse on June 30th of the year of renewal.

Lapsed credentials: A lapsed credential is subject to reinstatement.

If your individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner has lapsed, you may not use the restricted title(s) or exercise other privileges that are dependent upon the renewal of your credential.

[Statutory Authority: RCW 18.04.215 (2) and (4). WSR 10-24-009, amended and recodified as § 4-30-094, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-790, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-790, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.105 and 18.04.215. WSR 99-18-120, § 4-25-790, filed 9/1/99, effective 1/1/00.]

INDIVIDUAL LICENSING BY INTERNATIONAL RECIPROcity

WAC 4-30-100 What are the rules governing reciprocity for accountants from foreign countries? (1) Under the authority provided by RCW 18.04.183, the board may rely on the National Association of State Boards of Accountancy, the American Institute of Certified Public Accountants, or other professional bodies for evaluation of foreign accounting credential equivalency.

(2) Your foreign accounting credential may be accepted in partial satisfaction of licensing requirements if:

(a) You met the foreign issuing body's education, examination, and ethical requirements used to qualify its domestic candidates;

(b) Your foreign accounting credential is valid and in good standing at the time you apply for a Washington state license; and

(c) The foreign issuing body granting your foreign accounting credential permits Washington CPAs an equivalent opportunity to receive the foreign accounting credential by reciprocity.

(d) You demonstrate satisfactory experience within the eight years prior to submitting your application in public accounting or other experience meeting the requirements of RCW 18.04.105 (1)(d).

The board will, by policy, identify acceptable foreign accounting credentials and acknowledge reciprocal agreements with bodies granting foreign accounting credentials.

(3) The board may require a qualifying examination(s) to determine if you possess adequate knowledge of U.S. practice standards and the board's regulations. The board will, by policy, specify the form of qualifying examination(s) and passing grade(s).

(4) You must:

(a) Meet the CPE requirements of WAC 4-30-134 for subsequent renewal of an initial license issued pursuant to the board's authority; and

(b) Achieve and document a passing grade of ninety percent or better on a course covering the complete content of the AICPA Code of Professional Conduct.

(5) If you hold a Washington state CPA license or certificate issued through the foreign reciprocity provisions of the act, you must notify the board of any investigations undertaken, or sanctions imposed, by a foreign credentialing body against your foreign credential within thirty days of your receiving notice that an investigation has begun or a sanction was imposed.

(6) If you hold a Washington state license or certificate issued through the foreign reciprocity provisions of the act, you must notify the board within thirty days if your foreign license, permit, or certificate has lapsed or otherwise becomes invalid.

[Statutory Authority: RCW 18.04.183. WSR 10-24-009, amended and recodified as § 4-30-100, filed 11/18/10, effective 12/19/10; WSR 01-22-036, § 4-25-781, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.183. WSR 00-11-076, § 4-25-781, filed 5/15/00, effective 6/30/00.]

WAC 4-30-102 How do I apply for an initial Washington state license through foreign reciprocity? To apply for an initial Washington state CPA license through foreign reciprocity, you must provide all required information, documents, and fees to the board either by making application through the board's online application system or on a form provided by the board upon request.

You must provide all requested information, documents, and fees to the board before the application will be evaluated.

Upon assessment of your qualifications and approval of your application, your license status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

Your Washington state CPA license will expire on June 30 of the third calendar year following the calendar year of initial licensure.

You may not use the title CPA until your status has been posted to the board's licensee database and, therefore, made available to the public.

[Statutory Authority: RCW 18.04.183, WSR 10-24-009, amended and recodified as § 4-30-102, filed 11/18/10, effective 12/19/10; WSR 09-01-166, § 4-25-782, filed 12/23/08, effective 1/23/09; WSR 05-01-135, § 4-25-782, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-782, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.183, WSR 00-11-076, § 4-25-782, filed 5/15/00, effective 6/30/00.]

WAC 4-30-104 How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity? You must provide all required information, documents, and fees to the board either by making application through the board's online application system or on a form provided by the board upon request.

To renew your individual license or CPA-Inactive certificate originally granted through foreign reciprocity, you must provide the board by April 30th of the year of expiration a renewal application including:

(1) Your certification that you have complied with the CPE requirements of WAC 4-30-134(1) and the supporting documentation requirements of WAC 4-30-138;

(2) All requested documentation; and

(3) All applicable fees.

You must provide all requested information, documents, and fees to the board before the application will be evaluated.

Upon assessment of your continued qualifications and approval of your application, your renewed status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

An individual license or CPA-Inactive certificate renewal expires on June 30 of the third calendar year following the calendar year of renewal.

Failure to file a complete application for an individual license or CPA-Inactive certificate 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 individual license or CPA-Inactive certificate renewal by June 30 of the year of expiration, your individual license or CPA-Inactive certificate will lapse.

If you are a CPA-Inactive certificate holder and are renewing your CPA-Inactive certificate, as a CPA-Inactive you are prohibited from using the title CPA or certified public accountant. You are prohibited from practicing public accountancy. You must use the title CPA-Inactive and print or display the word "Inactive" immediately following the title CPA or certified public accountant whenever the initials CPA or certified public accountant is printed on a business card, letterhead, or other document including documents published or transmitted through electronic media, in exactly the same font and font size as the title CPA or certified public accountant.

If your individual license or CPA-Inactive certificate has lapsed, you may not use the title CPA or CPA-Inactive.

[Statutory Authority: RCW 18.04.183, 18.04.215(2), WSR 10-24-009, amended and recodified as § 4-30-104, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-783, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-783, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055 and 18.04.183, WSR 00-11-076, § 4-25-783, filed 5/15/00, effective 6/30/00.]

CPA FIRM ORGANIZATION AND OWNERSHIP

WAC 4-30-110 What are the allowable legal forms of organization and ownership requirements for a CPA firm? (1) Permitted forms of organization. A CPA firm may be organized as:

- (a) A proprietorship;
- (b) A partnership;
- (c) A professional corporation (PC) or professional service corporation (PS);
- (d) A limited liability company (LLC);
- (e) A limited liability partnership (LLP); or
- (f) Any other form of legal entity authorized by Washington state statute for use by a CPA firm.

(2) What happens when a CPA firm alters its legal form? A mere change in the legal form of an existing firm constitutes a new firm for licensing purposes. Accordingly, the new entity must first obtain a CPA firm license from the board and then dissolve the former firm unless the owners desire to maintain more than one licensed firm. Affiliated entities using a restricted title or offering or performing restricted services are subject to board rules.

(3) What are the ownership requirements for a CPA firm?

- (a) All owners of a licensed CPA firm are required to:
 - (i) Fully comply with the provisions of chapter 18.04 RCW; and
 - (ii) Be subject to discipline by the board for violations of chapter 18.04 RCW and this board's rules contained in Title 4 WAC;
 - (b) A simple majority of the ownership of the licensed firm in terms of financial interests and voting rights of all partners, owners, or shareholders must be:
 - (i) Licensees in this state or holders of a valid license to practice public accountancy issued by another state;
 - (ii) Entitled to practice public accounting in Washington state; and
 - (iii) Principally employed by the firm or actively engaged in its business.

(c) At least one general partner of a partnership, one shareholder of a corporation, and one member of a limited liability company must be a licensee.

(d) Each CPA proprietor, partner, shareholder or member who is either a resident or is entering the state and practicing public accountancy in this state must hold a valid Washington state license or practice privileges.

(e) A principal owner and any individual having authority over issuing reports must be a licensee under the act or holder of a valid license to practice public accountancy issued by another state and must be entitled to practice public accounting in this state.

(f) A nonresident CPA owner must be licensed to practice public accountancy in at least one state.

(g) A nonlicensee owner must:

(i) Be an individual;

(ii) Meet the good character requirements of RCW 18.04.105 (1)(a);

(iii) Comply with the act and board rules; and

(iv) Be an active individual participant in the licensed firm or affiliated entities as these terms are defined in WAC 4-30-010; and

(h) A resident nonlicensee firm owner must meet the requirements of WAC 4-30-116 and register with the board concurrent with submission of the firm license application, or submission of an amendment to the firm license status, to the board.

(4) What are the requirements for the firm's main office and a branch office? A firm's main office located in this state must be under the direct supervision of a resident licensee.

A branch office is an office of a licensed CPA firm which is physically separated from the main office. A branch office operates under the license of the main office.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-110, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(8), 18.04.195, 18.04.205. WSR 11-07-070, § 4-30-110, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified § 4-30-110, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-750, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-750, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-750, filed 11/25/03, effective 12/31/03; WSR 02-04-064, § 4-25-750, filed 1/31/02, effective 3/15/02; WSR 00-11-074, § 4-25-750, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(8) and 18.04.205(3). WSR 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. WSR 96-12-061, § 4-25-750, filed 5/31/96, effective 7/1/96. Statutory Authority: RCW 18.04.055. WSR 93-22-089, § 4-25-750, filed 11/2/93, effective 12/3/93.]

FIRM LICENSING REQUIREMENTS

WAC 4-30-112 Must a firm holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state? (1) A firm license must be obtained from the board if any of the following criteria apply:

(a) The firm has an office in this state and performs attest or compilation services for clients in this state; or

(b) The firm has an office in this state and, by any means, represents the firm to the public that the firm is a firm of certified public accountants.

(2) A firm license is not required for a firm that does not have an office in this state but offers or renders attest services

described in RCW 18.04.025(1), and meets the requirements listed in RCW 18.04.195 (1)(a)(iii)(A) through (D).

(3) A firm license is not required to perform other professional services in this state, including compilation, review and other services for which reporting requirements are provided in professional standards, if the firm complies with the following:

(a) The firm performs such services through individuals with practice privileges under RCW 18.04.350(2) and WAC 4-30-090 or reciprocal license under RCW 18.04.180 and 18.04.183 and board rules;

(b) The firm is licensed to perform such services in the state in which the individuals with practice privileges have their principal place of business; and

(c) The firm meets the board's quality assurance program requirements, when applicable.

(4) As a condition of this privilege, any nonresident firm meeting the requirement of subsection (2) or (3) of this section is deemed to have consented to:

(a) The personal and subject matter jurisdiction and disciplinary authority of this state's board;

(b) Comply with the Public Accountancy Act of this state, chapter 18.04 RCW, and this board's rules contained in Title 4 WAC;

(c) Cease offering or rendering professional services in this state through a specific individual or individuals if the license(s) of the individual(s) through whom the services are offered or rendered becomes invalid;

(d) Cease offering or rendering specific professional services in this state through an individual or individuals if the license(s) from the state(s) of the principal place of business of such individual(s) is restricted from offering or performing such specific professional services;

(e) The appointment of the state board which issued the firm license as their agent upon whom process may be served in any action or proceeding by this state's board against firm licensee;

(f) Not render those services described in subsection (1)(c) of this section for a client with a home office in this state unless the firm that has obtained a license from this state (RCW 18.04.195 and 18.04.295) and this section; and

(g) Not render any professional services in this state through out-of-state individual(s) who are not licensed to render such services by the state(s) in which the principal place of business of such individual(s) is (are) located.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-112, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(8), 18.04.195. WSR 11-07-070, § 4-30-112, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-112, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-753, filed 8/25/08, effective 9/25/08.]

WAC 4-30-114 How do I apply for and maintain a firm license? (1) **How does a firm apply for an initial firm license?** To apply for an initial firm license an owner, or designee, or, in the case of an out-of-state firm, that does not meet the requirements to operate under firm mobility per RCW 18.04.195 (1)(a)(iii)(A) through (D), and is required to be licensed in this state, an individual qualified for practice privileges in this state under RCW 18.04.350(2) who has been authorized by the applicant firm to make the application must submit the following information to the board:

- (a) The firm name;
- (b) Address and telephone number of the main office and any branch offices of the firm;
- (c) Name of the managing licensee of the main office located and maintained in this state;
- (d) Resident licensee owners' names;
- (e) Name(s) of all resident nonlicensee owners; and
- (f) Type of legal organization under which the firm operates.

The required information must be submitted to the board either by making application through the board's online application system or on a form provided by the board upon request. All requested information, documents and fees must be submitted to the board before the application will be evaluated.

Upon approval of the firm's application the firm's licensed status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of the firm license can be provided upon request.

The initial CPA firm license will expire on June 30th of the third calendar year following initial licensure.

(2) How do I renew a CPA firm license? To renew a CPA firm license an owner or designee or, in the case of an out-of-state firm that does not meet the requirements to operate under firm mobility per RCW 18.04.195 (1)(a)(iii)(A) through (D), an individual qualified for practice privileges in this state under RCW 18.04.350(2) who has been authorized by the applicant firm to make the application, must submit the information described in subsection (1) of this section that is current at the date the renewal application is submitted to the board. A renewal application is not complete and cannot be processed until all required information, requested documents, and all fees are submitted to the board.

An individual authorized by the firm must provide the required information to the board either by making application through the board's online application system or on a form provided by the board upon request. All requested information, documents and fees must be submitted to the board before the application will be evaluated.

On the date the renewal application is approved, the firm's license will be included in the board's licensee database and, therefore, made publicly available for confirmation. Confirmation of the renewed status can be provided upon request.

The CPA firm license will expire on June 30th of the third calendar year following the calendar year of renewal.

(3) When and how must the firm notify the board of changes in the licensed firm? An individual authorized by the firm must provide the board written notification and other documentation deemed necessary by the board within ninety days of any or all of the following occurrences:

- (a) Dissolution of the firm;
- (b) The occurrence of any event that would cause the firm to be in violation of RCW 18.04.195 or this section, including the retirement, lapse, revocation or suspension of the license of a sole proprietor or sole owner of another legal form of organization, for example, a limited liability company (LLC) or professional service corporation (PS) owned by a single person, licensed by the board for the practice of public accounting, and holding out to the public for the prac-

tice of public accounting and/or offering or performing professional services restricted to licensees; or

(c) An event that requires an amendment to a firm license.

(4) What events require a firm amendment? An individual authorized by the firm must provide written notification to the board, by submitting the following information and the appropriate amendment fee, within ninety days of the following:

- (a) Admission or withdrawal of a resident licensee owner;
- (b) Any change in the name of the firm; or
- (c) Change in the resident managing licensee of the firm's main office in this state; or
- (d) Change in the resident managing licensee of any branch office of the firm.

(5) How long do I have to correct noncompliance with licensure requirements due to a change in ownership or an owner's credentials? The board must be notified in writing within ninety days of the first date the firm is not in compliance with the firm's licensure requirements due to changes in firm ownership and propose a time period in which the firm will achieve compliance. The board may grant a reasonable period of time for a firm to become compliant. The board may revoke, suspend, or impose conditions on the firm's license for failure to bring the firm into compliance within the approved time period.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-114, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(8), 18.04.195, 18.04.205. WSR 10-24-009, § 4-30-114, filed 11/18/10, effective 12/19/10.]

WAC 4-30-116 How do I initially register to be a resident nonlicensee owner of a licensed firm and with which rules must a nonlicensee firm owner comply? To qualify as a nonlicensee owner of a licensed firm, you must:

- (1) Be an individual;
- (2) Meet the good character requirements of RCW 18.04.105 (1)(a);
- (3) Be an active individual participant in the licensed firm or affiliated entities as these terms are defined in WAC 4-30-010; and
- (4) If you are a resident of Washington state, you must:
 - (a) Provide all required information, documents, and fees to the board either by registering through the board's online application system or on a form provided upon request; and

(b) Achieve and document a passing grade of ninety percent or better on a course covering the complete content of the AICPA Code of Professional Conduct.

(c) Submit your registration concurrent with or prior to submission of the firm license application or firm license amendment by the firm with which you are associated.

An initial registration is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

If you are a Washington state resident, you may not hold ownership interest in a CPA firm licensed in Washington state until you receive written notice from the board of your Washington state registration number. On the date the registration is approved, your registration number will be included in the board's licensee database and, therefore, made publicly

available for confirmation. A hard copy of your registration can be provided upon request.

Your initial registration will expire on June 30 of the third calendar year following initial issuance of the registration.

If you withdraw as a nonlicensee owner of a CPA firm, the firm must notify the board. Your registration as a nonlicensee firm owner will lapse and be subject to reinstatement.

All nonlicensee firm owners are subject to discipline for violation of the act or board rules.

[Statutory Authority: RCW 18.04.055(13), 18.04.195 (11) and (12). WSR 10-24-009, amended and recodified as § 4-30-116, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-752, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055(13) and 18.04.195(8). WSR 02-04-064, § 4-25-752, filed 1/31/02, effective 3/15/02.]

CONVERSIONS, RETIREMENTS AND REINSTATEMENTS

WAC 4-30-120 I am a CPA-Inactive certificate holder—Prior to July 1, 2001, I held a license—How do I apply to return to my previous status as a licensee? CPA-Inactive certificate holders who held a license at any time prior to July 1, 2001, may apply to return to their previous status as a licensee. If you are a CPA-Inactive certificate holder, you may not use the title "CPA" or "Certified Public Accountant" until you return to your previous status as a licensee.

If you hold a valid CPA-Inactive certificate, you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, required documentation, fees, and other documentation deemed necessary by the board are submitted to the board.

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

- (1) Complete application information including your certification that you have:
 - (a) Not held out in public practice during the time in which you were a CPA-Inactive certificate holder; and
 - (b) Met the CPE requirements of WAC 4-30-134(5);
- (2) All other required information, documents, and all fees.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

You may not use the title CPA until your status as a licensee is posted in the board's licensee database.

[Statutory Authority: RCW 18.04.215 (2) and (4). WSR 10-24-009, amended and recodified as § 4-30-120, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.215(2). WSR 09-01-166, § 4-25-791, filed 12/23/08, effective 1/23/09. Statutory Authority: RCW 18.04.215 (2), (4). WSR 05-01-137, § 4-25-791, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-791, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(11) and 18.04.215 (2), (4). WSR 99-18-121, § 4-25-791, filed 9/1/99, effective 1/1/00.]

WAC 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or a CPA-Inactive certificate out of retirement? If you notify the board that you wish to retire your license or CPA-Inactive certificate prior to the end of your renewal cycle, pursuant to RCW 18.04.215, you may renew your license or CPA-Inactive certificate out of retirement at a later date and are not subject to the requirements of reinstatement; however, you may not use the title CPA or CPA-Inactive or exercise the privileges related to those titles until you renew out of retirement.

If you previously held a license and requested that the license be retired, you are not eligible to apply for CPA-Inactive certificate holder status.

To apply to renew a license or a CPA-Inactive certificate out of retirement, you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

To apply to renew out of retirement, you must submit to the board:

- (1) Complete application information including your certification that you have:
 - (a) Not used the title CPA or CPA-Inactive during the time in which your license or CPA-Inactive certificate was retired; and
 - (b) Met the CPE requirements to renew out of retirement in WAC 4-30-134(4); and
- (2) All applicable fees.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

Your license or CPA-Inactive certificate will expire on June 30th of the third calendar year following the calendar year of the renewal out of retirement. The CPE reporting period for your next renewal begins on January 1 of the calendar year in which the renewal of your retired license or CPA-Inactive certificate was approved by the board and ends on December 31 of the second calendar year following approval of the renewal out of retirement. CPE credit hours utilized to qualify for renewal of a retired license or CPA-Inactive certificate cannot be utilized for subsequent renewal of your credential renewed out of retirement.

You may not use the title CPA or CPA-Inactive until your renewal out of retirement application has been approved.

[Statutory Authority: RCW 18.04.215(7). WSR 10-24-009, amended and recodified as § 4-30-122, filed 11/18/10, effective 12/19/10; WSR 09-01-166, § 4-25-793, filed 12/23/08, effective 1/23/09; WSR 05-01-137, § 4-25-793, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-793, filed 1/31/02, effective 3/15/02.]

WAC 4-30-124 How do I reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner? If your individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner has lapsed, you may not use the

restricted title(s) until your individual credential has been reinstated by the board.

Individuals who held a valid license on June 30, 2001, and individuals obtaining a license after June 30, 2001, are not eligible to reinstate as CPA-Inactive certificate holders.

To reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a nonlicensee firm owner you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information and documents, and fees have been submitted to the board.

To reinstate, you must submit to the board:

(1) Complete reinstatement information including your certification that you have:

(a) *For those who wish to reinstate a license or CPA-Inactive certificate:* Not used the title CPA or CPA-Inactive during the time in which your individual license or CPA-Inactive certificate was lapsed; or

(b) *For those who wish to reinstate a registration as a resident nonlicensee firm owner:* Not participated as an owner in a CPA firm during the time in which your registration as a resident nonlicensee firm owner was suspended or revoked; and

(c) Met the CPE requirements for reinstatement in WAC 4-30-134(6); and

(d) Met the CPE supporting documentation requirements in WAC 4-30-138;

(2) Source documents as evidence of eligibility for CPE credit for all courses claimed in order to meet CPE requirements as defined by WAC 4-30-138;

(3) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, certificate, or practice privileges;

(4) Other required documents; and

(5) All applicable fees.

Upon approval of your reinstatement application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

Your license, CPA-Inactive certificate, or registration as a nonlicensee firm owner will expire on June 30th of the third calendar year following approval of the reinstatement. The CPE reporting period for your next renewal begins on January 1 of the calendar year in which the reinstatement of your license, CPA-Inactive certificate, or registration as a nonlicensee firm owner was approved by the board and ends on December 31 of the second calendar year following approval of the reinstatement. CPE credit hours utilized to qualify for reinstatement cannot be utilized for subsequent renewal of your reinstated credential.

You may not use the restricted title(s) until your reinstatement application has been approved and posted to the board's database.

[Statutory Authority: RCW 18.04.215 (2) and (4). WSR 10-24-009, amended and recodified as § 4-30-124, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.215(2). WSR 09-01-166, § 4-25-792, filed 12/23/08, effective 1/23/09. Statutory Authority: RCW 18.04.215 (2), (4). WSR 05-01-137, § 4-25-792, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-792, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW

(10/8/18)

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

WAC 4-30-126 How do I reinstate a revoked or suspended license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner? If your license or CPA-Inactive certificate was revoked or suspended by the board pursuant to the act, you may not use the title CPA or CPA-Inactive until your license or CPA-Inactive certificate is reinstated by the board.

If your registration as a resident nonlicensee firm owner was revoked or suspended by the board pursuant to the act, you may not be a firm owner until your registration is reinstated by the board.

You may request that the board modify the suspension or revocation after three years have elapsed from the effective date of the board's order revoking or suspending your license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner unless the board sets some other period by order. However, if you made a previous request with respect to the same order, no additional request will be considered before the lapse of an additional three years following the board's decision on the last such previous application for reinstatement.

To request reinstatement of a revoked or suspended license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner you must provide the board with certain information either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

To request reinstatement, you must submit to the board:

(1) Complete information including your certification that you have:

(a) *For those who wish to reinstate a license or CPA-Inactive certificate:* Not used the title CPA during the time in which your license or CPA-Inactive certificate was suspended or revoked; or

(b) *For those who wish to reinstate a registration as a resident nonlicensee firm owner:* Not participated as an owner in a CPA firm during the time in which your registration as a resident nonlicensee firm owner was suspended or revoked; and

(c) Met the CPE requirements for reinstatement in WAC 4-30-134(6), by submitting the documentation to support the CPE claimed;

(2) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, CPA-Inactive certificate, permit, or practice privilege under substantial equivalence;

(3) All applicable fees;

(4) Written substantiation of the reasons constituting good cause for the reinstatement; and

(5) Two supporting recommendations from licensees who have personal knowledge of your activities since the suspension or revocation was imposed.

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

(a) The offense for which you were disciplined;

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(b) Your activities since the disciplinary penalty was imposed;

(c) Your activities during the time the license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner was in good standing;

(d) Your rehabilitative efforts;

(e) Restitution to damaged parties in the matter for which the penalty was imposed; and

(f) Your general reputation for integrity, objectivity, and ethical commitment.

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 a request for reinstatement while you are under sentence for any criminal offense, including any period during which you are on court-imposed probation or parole.

If the board approves your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your reinstated credential can be provided upon request.

Your reinstated license, CPA-Inactive certificate, or registration will expire on June 30th of the third calendar year following approval of the reinstatement. The CPE reporting period for your next renewal begins on January 1 of the calendar year in which the reinstatement of your license, CPA-Inactive certificate, or registration was approved by the board and ends on December 31 of the second calendar year following approval of the reinstatement. CPE credit hours utilized to qualify for reinstatement of a license, CPA-Inactive certificate, or registration cannot be utilized for subsequent renewal of your credential.

You may not use the title CPA or CPA-Inactive or hold an interest in a licensed CPA firm as a resident nonlicensee firm owner until your reinstatement application has been approved.

[Statutory Authority: RCW 18.04.215(2), 18.04.335, 34.05.220. WSR 10-24-009, amended and recodified as § 4-30-126, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.215(2), 18.04.335. WSR 09-01-166, § 4-25-795, filed 12/23/08, effective 1/23/09. Statutory Authority: RCW 18.04.215(2), 18.04.335, and 34.05.220. WSR 05-01-137, § 4-25-795, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-795, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(11), 18.04.335 and 34.05.220. WSR 99-18-123, § 4-25-795, filed 9/1/99, effective 1/1/00.]

CONTINUING COMPETENCY

WAC 4-30-130 What are the quality assurance review (QAR) requirements for licensed CPA firms? (1) Purpose. The Washington state board of accountancy is charged with protection of the public interest and ensuring the dependability of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private or governmental. The purpose of the QAR program is to monitor licensees' compliance with

audit, compilation, review, and other attestation standards. If the board becomes aware that a firm's performance and/or reporting practices for audit, review, compilation, and other engagements covered by statements on standards for attestation engagements may not be in accordance with applicable professional standards, the board will take appropriate action to protect the public interest.

(2) **Peer review.** Generally, all firms licensed in Washington state offering and/or performing attest services as defined by WAC 4-30-010(5), compilation services, as defined by WAC 4-30-010(12), or other professional services for which a report expressing assurance is prescribed by professional standards, are required to participate in a board-approved peer review program as a condition of renewing each CPA firm license under RCW 18.04.215 and WAC 4-30-114. However, certain exemptions are listed in subsection (11) of this section. Board-approved peer review programs include:

(a) The inspection processes of the Public Company Accounting Oversight Board (PCAOB);

(b) Peer review programs administered by the American Institute of CPAs (AICPA);

(c) Peer review programs administered by the Washington Society of CPAs (WSCPAs); and

(d) Other programs recognized and approved by the board.

(3) **Enrollment in peer review:** A licensed firm must enroll in a board-approved peer review program **before** issuing a report for each of the following types of service or any other service the board determines:

(a) Compilation on historical financial statements;

(b) Review on historical financial statements;

(c) Audit report on financial statements, performance audit reports, or examination reports on internal controls for nonpublic enterprises;

(d) Other professional services subject to Statements on Standards for Attestation Engagements.

The schedule for the firm's peer review shall be established according to the peer review program's standards. The board does not require any licensee to become a member of any organization administering a peer review program.

(4) **Participation in peer review.** Every firm that is required to participate in a peer review program shall have a peer review in accordance with the peer review program standards.

(a) It is the responsibility of the firm to anticipate its needs for review services in sufficient time to enable the reviewer to complete the review by the assigned review date.

(b) Any firm that is dropped or terminated by a peer review program for any reason shall have twenty-one days to provide written notice to the board of such termination or drop and to request authorization from the board to enroll in another board-approved peer review program.

(c) In the event a firm is merged, otherwise combined, dissolved or separated, the peer review program shall determine which firm is considered the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.

(d) A firm choosing to change to another peer review program may do so only if there is not an open active peer review and if the peer review is performed in accordance with

the minimum standards for performing and reporting on peer reviews.

(5) **Reporting requirements.** Every firm must provide the following information, along with the appropriate fees, with every application for renewal of a firm license by April 30th of the renewal year:

(a) Certify whether the firm does or does not perform attest services or compilation services as defined by WAC 4-30-010 (5), (12), or other professional services for which a report expressing assurance is prescribed by professional standards in Washington state;

(b) If the firm is subject to the peer review requirements, provide the name of the approved peer review program in which the firm is enrolled, and the period covered by the firm's most recent peer review;

(c) Certify the result of the firm's most recent peer review.

Failure to timely submit complete information and the related fee by the April 30th due date can result in the assessment of late fees. The board may waive late fees based on individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

(6) A firm must notify the board within thirty days of the date the peer reviewer or a team captain advises the firm that a grade of pass with deficiencies or fail will be recommended. The notification must include the details of any required corrective action plan being recommended by the peer reviewer or team captain, and the planned date (or time period within which) the firm would intend to complete such remedial action or actions if the proposed corrective action plan is approved by the appropriate peer review acceptance committee.

Notwithstanding any extensions of time by the peer review program administrator, failure by the firm to meet its planned schedule for completing its specific corrective action plan required by the peer review program and/or timely pay for the peer review services can result in board action.

(7) **Documents required.** A firm that has opted out of participating in the AICPA Facilitated State Board Access (FSBA) program shall provide to the board copies of the following documents related to the peer review report:

- (a) Peer review report issued;
- (b) Firm's letter of response, if any;
- (c) Letter of acceptance from peer review program;
- (d) Recommended action letter from the peer review program, if any;

(e) A letter from the firm to the board describing corrective actions taken by the firm that relate to recommendations of the peer review program;

(f) Other information the firm deems important for the board's understanding of the information submitted; and

(g) Other information the board deems important for the understanding of the information submitted.

(8) **Document retention.** RCW 18.04.390(4) and WAC 4-30-051(10) require a firm to retain audit and review records and documentation for a period of seven years after the firm concludes an audit or review of a client's financial statements.

(9) **Extensions.** The board may grant an extension of time for submission of the peer review report to the board. Extensions will be determined by the board on a case-by-case basis.

(10) **Verification.** The board may verify the certifications of peer review reports that firms provide.

(11) **Exemption from peer review.**

(a) Out-of-state firms that do not have a physical location in this state, but perform attest or compilation services in this state, and are otherwise qualified for practice privileges under RCW 18.04.195 (1)(a)(iii)(A) through (D) or (b) are not required to participate in the board's program if the out-of-state firm participates in a board-approved peer review program or similar program approved or sponsored by another state's board of accountancy.

(b) Firms that do not perform attest services as defined by WAC 4-30-010(5), compilation services, as defined by WAC 4-30-010(12), or other professional services for which a report expressing assurance is prescribed by professional standards are not required to participate in a peer review program, and shall request exemption on each firm license renewal application.

(c) Firms that prepare financial statements **which do not require reports** under Statements on Standards for Accounting and Review Services (management use only compilation reports) and that perform no other attest or compilation services, are not required to participate in a peer review program; however, any such engagements performed by a firm that is otherwise required to participate in a peer review program shall be included in the selection of engagements subject to peer review.

(12) **Quality assurance oversight.**

(a) The board will:

(i) Annually appoint a compliance assurance oversight committee, and such other committees as the board, in its discretion deems necessary, to provide oversight of the administration of approved peer review programs in order to provide reasonable assurance that peer reviews are being conducted and reported on in accordance with the minimum standards for performing and reporting on peer reviews;

(ii) Consider reports from the compliance assurance oversight committee;

(iii) Direct the evaluation of peer review reports and related documents submitted by firms;

(iv) Determine the appropriate action for firms that have unresolved matters relating to the peer review process or that have not complied with, or acted in disregard of the peer review requirements;

(v) Determine appropriate action for firms when issues with a peer review report may warrant further action; and

(vi) Take appropriate actions the board, in its discretion, deems appropriate to carry out the functions of the quality assurance review program and achieve the purpose of the peer review requirement.

(b) The **compliance assurance oversight committee** shall conduct oversight of approved peer review programs at least semiannually to provide reasonable assurance that such programs are in compliance with the minimum standards for performing and reporting on peer reviews.

(i) The compliance assurance oversight committee's oversight procedures may consist of, but are not limited to:

(A) Attending the peer review program's report acceptance body (RAB) meetings during consideration of peer review documents;

(B) Observing the peer review program administrator's internal review of program and quality control compliance;

(C) Observing the peer review program's review of the administrator's process.

(ii) The compliance oversight assurance committee shall report to the board any modifications to approved peer review programs and shall make recommendations regarding the continued approval of peer review programs.

(13) **Remedies.** The board will take appropriate action to protect the public's interest if the board determines through the peer review process or otherwise that a firm's performance and/or reporting practices are not or may not be in accordance with applicable professional standards, the firm does not comply with peer review program requirements, or the firm does not comply with all or some of the reporting, remedial action, and/or fee payment requirements of subsection (5) of this section. The board's actions may include, but are not limited to:

(a) Require the firm to develop quality control procedures to provide reasonable assurance that similar occurrences will not occur in the future;

(b) Require any individual licensee who had responsibility for, or who substantially participated in the engagement(s), to successfully complete specific courses or types of continuing education as specified by the board;

(c) Require that the reviewed firm responsible for engagement(s) submit all or specified categories of its compilation or attest working papers and reports to a preissuance evaluation performed by a board-approved licensee in a manner and for a duration prescribed by the board. Prior to the firm issuing the reports on the engagements reviewed, the board-approved licensee shall submit to the board for board acceptance a report of the findings, including the nature and frequency of recommended actions to the firm. The cost of the board-approved preissuance evaluation will be at the firm's expense;

(d) Require the reviewed firm to engage a board-approved licensee to conduct a board-prescribed on-site field review of the firm's work product and practices or perform other investigative procedures to assess the degree or pervasiveness of nonconforming work product. The board-approved licensee engaged by the firm shall submit a report of the findings to the board within thirty days of the completion of the services. The cost of the board-prescribed on-site review or other board-prescribed procedures will be at the firm's expense; or

(e) Initiate an investigation pursuant to RCW 18.04.295, 18.04.305, and/or 18.04.320.

(f) Absent an investigation the specific rating of a single peer review report is not a sufficient basis to warrant disciplinary action.

(14) The board may solicit and review licensee reports and/or other information covered by the reports from clients, public agencies, banks, and other users of such information.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-130, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(9). WSR 14-16-102, § 4-30-130, filed 8/5/14, effective 9/5/14; WSR 12-17-054, § 4-30-130, filed 8/10/12, effective 9/10/12. WSR 10-24-009, amended and recodified as § 4-30-130, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-820, filed 8/25/08, effective 9/25/08; WSR 07-14-036, § 4-25-820, filed 6/26/07, effective 7/27/07; WSR 05-01-135, § 4-25-820, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-820, filed 1/31/02, effective

3/15/02. Statutory Authority: RCW 18.04.055. WSR 94-02-071, § 4-25-820, filed 1/4/94, effective 2/4/94.]

WAC 4-30-132 What are the program standards for CPE? (1) Qualifying program: A program qualifies as acceptable CPE for purposes of RCW 18.04.215(5) if it is a formal program of learning which contributes to the CPA's professional knowledge and competence. 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) **CPE credit hours for volunteer service on the board and its committees and volunteer service on board approved peer review committees:** You may receive up to sixty-four hours of technical CPE credit each calendar year for actual time spent on board, board committee, or board approved peer review committee activities including actual time you spend preparing for committee meetings.

(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 4-30-134(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; and
 - (xxi) Negotiation or dispute resolution courses;

(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; and
- (vii) Speed reading and memory building.

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 contributes to your professional competency.

(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 in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW. Credit is not allowed for programs taken to prepare an applicant for the ethics examination as a requirement for initial licensure. CPE credit is given in half-hour increments only after the first full CPE credit hour has been earned. A minimum of fifty minutes constitutes one CPE credit hour and, after the first fifty-minute segment has been earned, twenty-five minutes constitutes one-half CPE credit hour. For example:

- Twenty-five minutes of continuous instruction counts as zero CPE credit hour if that instruction is the first CPE course taken;
- Fifty minutes of continuous instruction counts as one CPE credit hour; and
- Seventy-five minutes of continuous instruction counts as one and one-half CPE credit hours.

Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time unless the attendee is the discussion leader for the particular CPE segment or program.

(8) Self-study programs: Credit for self-study programs is allowed for reporting purposes on the date you completed the program as established by the evidence of completion provided by the program sponsor.

(a) Interactive self-study programs: Interactive means electronic or other delivery formats for delivery of CPE in which feedback is provided during the study of the material in a manner to validate the individual's understanding of the

material. The amount of credit allowed for interactive self-study is that which is recommended 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. Self-study CPE courses registered with the National Association of State Boards of Accountancy (NASBA) as a Quality Assurance Service (QAS) sponsor may be accepted as interactive.

(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 seventy-two 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 thirty 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 CPE reporting period cannot be carried forward to the next period.

(12) Carry-back: As specified in WAC 4-30-134(8), CPE credit hours you complete during one CPE reporting period can be carried back to the previous reporting period only after the board has approved your extension request or has required the carry-back as part of sanctions for failure to complete required CPE.

(13) Credential examination: CPE credit may not be claimed for CPA examination review courses. You may not claim CPE credit for preparing for or taking a credential examination unless you complete a formal review course and receive a certificate of completion meeting the requirements of WAC 4-30-138. CPE credit may not be claimed for CPA examination review courses.

[Statutory Authority: RCW 18.04.055(7) and 18.04.215(5). WSR 12-17-053, § 4-30-132, filed 8/10/12, effective 9/10/12. WSR 10-24-009, amended and recodified as § 4-30-132, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. WSR 09-17-044, § 4-25-831, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 05-01-137, § 4-25-831, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-831, filed 10/30/01, effective 12/1/01.

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

WAC 4-30-134 What are the continuing professional education (CPE) requirements for individuals? (1) Qualifying continuing professional education (CPE) must:

(a) Contribute to the professional competency in the individual's area(s) of professional practice or relative to the individual's current work place job functions;

(b) Maintain knowledge of current ethical and other regulatory requirements; and

(c) Be completed by individuals during any board specified CPE reporting period. A CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31st of the subsequent third calendar year; for example, if your license was issued any time during calendar year one (2013), the CPE reporting period ends on December 31st of calendar year three (2015).

(2) General CPE requirements for renewal of valid credentials:

(a) A licensee must complete a total of 120 CPE hours, including four CPE credit hours in ethics meeting the requirements of subsection (6) of this section. The total 120 CPE hour requirement is limited to no more than 24 CPE credit hours in nontechnical subject areas.

(b) A CPA-Inactive certificate holder or a resident nonlicensee firm owner must complete four CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(c) Individuals eligible to exercise practice privileges are exempt from the CPE requirements of this section.

(3) Exceptions to the general CPE requirements: CPE requirements for the initial CPE renewal period **after conversion of a CPA-Inactive certificate to a Washington state license:**

(a) If your license was issued during the first calendar year of your CPE reporting period, you must have completed 80 CPE credit hours which is limited to 16 CPE credit hours in nontechnical subject areas and must include four CPE credit hours in ethics meeting the requirements of subsection (6) of this section prior to December 31st of the calendar year following the calendar year in which your license was initially issued.

(b) If your license was issued during the second calendar year of your CPE reporting period, you must have completed 40 CPE credit hours which is limited to 8 CPE credit hours in nontechnical subject areas and must include four CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(c) If your license was issued during the third calendar year of your CPE reporting period, you must have completed four CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(4) For the following circumstances, you must have completed the requirements of subsection (2)(a) of this section within the thirty-six-month period immediately preceding the date an application is submitted to the board; however, the four CPE hours in ethics meeting the requirements of subsection (6) of this section must be completed within the

six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

(a) You are applying to reactivate a license out of retirement; or

(b) You are a CPA-Inactive certificate holder applying for a license; or

(c) You want to return to your previously held status as a licensee; or

(d) You are applying for reinstatement of a lapsed, suspended, or revoked license.

(5) For the following circumstances, you must have completed the four CPE hours in ethics meeting the requirements of subsection (6) of this section within the six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

(a) You are applying to reactivate a CPA-Inactive certificate out of retirement; or

(b) You are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate, or registration as a resident nonlicensee firm owner.

(6) CPE in ethics and regulation:

(a) During each CPE reporting period **after initial licensing** all individuals licensed in this state, including nonresident and individuals from foreign countries who received initial Washington state licenses by reciprocity, CPA-Inactive certificate holders, and individuals initially recognized as resident nonlicensee firm owners are required to complete four qualifying CPE credit hours in approved ethics and regulations in Washington state.

(b) The content of the course must be specific to the laws and rules applicable to the regulatory framework in Washington state including the administrative requirements for an individual's initial and continued use of restricted titles in this state.

(c) All CPE authors must submit course materials for this course to the executive director of the board for approval prior to delivery of the content for credit.

(d) The ethics and regulations course materials must cover all of the following topics, and instructors of approved courses must substantially address these topics in their presentations:

(i) General level information on the AICPA Code of Conduct.

(ii) General level information on the Public Accountancy Act, the board's rules, policies, including recent or pending changes therein, and the rule-making process.

(iii) Emphasis must be placed on key differences between Washington state law (chapter 18.04 RCW), this board's rules (Title 4 WAC), and the AICPA Code of Conduct.

(iv) Detailed information on the following:

(A) WAC 4-30-026 How can I contact the board?

(B) WAC 4-30-032 Do I need to notify the board if I change my address?

(C) WAC 4-30-034 Must I respond to inquiries from the board?

(D) WAC 4-30-040 through 4-30-058 Ethics and prohibited practices, including related board policies, if any.

(E) WAC 4-30-130 Series—Continuing competency, including related board policies, if any.

(F) WAC 4-30-142 What are the bases for the board to impose discipline?

(G) Other topics or information as defined by board policy.

(e) The course must also include case study scenarios demonstrating how to comply with the relevant provisions of the AICPA Code of Conduct and the board's statutory or regulatory framework when faced with ethical situations that might occur when offering or performing a specific type of professional service in the practice of public accounting or as a professionally regulated person not in the practice of public accounting.

(f) At least sixty percent of the course material content, presentation time, and commentary must include general level information on the Public Accountancy Act, the board's rules and policies, including recent or pending changes thereto, variances of key differences between Washington state law (chapter 18.04 RCW), the board's rules (Title 4 WAC), and the AICPA Code of Conduct, and scenarios demonstrating the different compliance outcomes that might result because the board's rules prevail when the board's rules vary from the AICPA Code of Professional Conduct and/or related official AICPA interpretations.

(7) CPE extension requests:

(a) In order to renew your license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner, you must complete the required CPE by December 31st of the calendar year preceding the calendar year of your renewal unless you can demonstrate your failure to meet the CPE requirements was due to reasonable cause.

(b) The board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment. You must request such an extension in writing by December 31st of the calendar year preceding the calendar year of your renewal. The request must include justification for the request and identify the specific CPE you plan to obtain to correct your CPE deficiency.

(c) A form useful for this purpose is available from the board's web site or will be provided to you upon request.

(8) Self-reported deficiencies:

(a) If you fail to file a timely request for extension but you self-report a CPE deficiency to the board during the renewal period January 1st through June 30th of the renewal year, you will be permitted to continue to use the restricted title during the renewal period provided you:

(i) Submit to the board, in writing, the specific CPE plan to obtain to correct the CPE deficiency on or before June 30th of the renewal year;

(ii) Timely complete the CPE sufficient to correct the deficiency;

(iii) Timely submit certificates of completion for the subject CPE taken to the board; and

(iv) Pay the fee for reinstatement of a lapsed credential on or before June 30th of the renewal year.

(b) CPE deficiencies taken by June 30th of the renewal year under this subsection will be carried back to the reporting period ending on December 31st of the preceding calendar year and be subject to CPE audit in the next renewal period to ensure that inadvertent double counting does not occur.

(10/8/18)

[Statutory Authority: RCW 18.04.065 and 18.04.215(5). WSR 14-04-086, § 4-30-134, filed 2/3/14, effective 3/6/14. Statutory Authority: RCW 18.04.055 (7), (14), 18.04.215(5). WSR 13-17-094, § 4-30-134, filed 8/20/13, effective 1/1/14. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 11-07-070, § 4-30-134, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-134, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. WSR 09-17-044, § 4-25-830, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 08-18-016, § 4-25-830, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-830, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-830, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(7), 18.04.104(8), 18.04.215(4). WSR 00-11-077, § 4-25-830, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(7), 18.04.215(4) and 18.04.105(8). WSR 99-23-045, § 4-25-830, filed 11/15/99, effective 1/1/00.]

WAC 4-30-136 How do I report my CPE to the board? In order to apply for renewal of your license, certificate, or registration as a resident nonlicensee firm owner, you must satisfy the board's CPE and supporting documentation requirements.

The reporting of compliance with CPE requirements is concurrent with filing your renewal application. When you complete your application for renewal, you are required to certify that you complied with the board's CPE requirements as defined in WAC 4-30-134 and supporting documentation requirements as defined in WAC 4-30-138.

The board audits, on a test basis, compliance with CPE and supporting documentation requirements as certified during the renewal application process. As part of this audit the board may require additional information to demonstrate your compliance with the board's rules.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 10-24-009, amended and recodified as § 4-30-136, filed 11/18/10, effective 12/19/10; WSR 01-22-036, § 4-25-832, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.105(8). WSR 99-23-047, § 4-25-832, filed 11/15/99, effective 1/1/00.]

WAC 4-30-138 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);
- (e) Attendee name; and
- (f) 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 renewal form.

(4) You must retain the supporting documentation for CPE credit claimed for three years after the end of the CPE reporting period in which the credit was claimed.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 10-24-009, recodified as § 4-30-138, filed 11/18/10, effective 12/19/10; WSR 01-22-036, § 4-25-833, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.105(8). WSR 99-23-048, § 4-25-833, filed 11/15/99, effective 1/1/00.]

INVESTIGATIONS, DISCIPLINE AND ENFORCEMENT

WAC 4-30-140 Disciplinary authority and process.

(1) Investigations are responsive to formal complaints received or indications of a potential violation of the Public Accountancy Act, chapter 18.04 RCW and in all proceedings under RCW 18.04.295 or Administrative Procedure Act, chapter 34.05 RCW.

(2) The board has delegated authority and responsibility for processing complaints, initiating and directing investigations, resolving certain cases and issuing charging documents to the executive director of the board RCW 18.04.045(7).

(3) The board has established policies and administrative rules to define the responsibilities, process, and procedures for performing the disciplinary process.

(4) The board's investigative team reviews all complaints received to determine if the allegations are within the board's authority. If the complaint is not within the board's jurisdiction, then the executive director may close the complaint without action.

(5) If an investigation produces sufficient evidence for the executive director to conclude that a respondent has violated chapter 18.04 RCW, the executive director will work with a consulting board member (CBM) to review the case and recommend a resolution strategy.

(6) If at any time, the executive director and CBM determines there is not sufficient evidence of a violation, then the executive director may close the complaint without action.

(7) In most cases, the first step in the resolution strategy is to enter into a settlement negotiation. Settlement may be reached at any time.

(8) At any time, the executive director may issue a statement of charges which begins the formal disciplinary process. The executive director may also issue a temporary cease and desist order when deemed necessary to protect public safety and welfare.

(9) The respondent has the opportunity to answer the statement of charges and request administrative review. The board may hold a formal administrative hearing, in accordance with chapter 34.05 RCW. The board may impose a final order as a result of an administrative review.

(10) Any final order issued by the board may be appealed as described in chapter 34.05 RCW.

(11) The disciplinary process shall proceed in a timely manner in keeping with the circumstances of the individual case. There is no specific or absolute timeline for the disciplinary process of a case.

(12) The board has the power and authority to recover investigative and legal costs whether through consent order or final administrative order.

[Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-140, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.045 (7) and (8), 14.04.055 [18.04.055], 18.04.295, and 18.04.350(6). WSR 14-22-034, § 4-30-140, filed 10/28/14, effective 11/28/14; WSR 10-24-009, § 4-30-140, filed 11/18/10, effective 12/19/10.]

WAC 4-30-142 What are the bases for the board to impose discipline? RCW 18.04.055, 18.04.295, 18.04.305, and 18.04.350 authorize the board to revoke, suspend, refuse to issue, renew, or reinstate an individual or firm license, CPA-Inactive certificate, the right to exercise practice privileges in this state, or registration as a resident nonlicensee firm owner; impose a fine not to exceed thirty thousand dollars; recover investigative and legal costs; impose full restitution to injured parties; impose remedial sanctions; impose conditions precedent to renew; or prohibit a resident nonlicensee from holding an ownership interest in a firm licensed in this state for the specific acts listed below.

The following are specific examples of prohibited acts that constitute grounds for discipline under RCW 18.04.295, 18.04.305, and 18.04.350. The board does not intend this listing to be all inclusive.

(1) Fraud or deceit in applying for the CPA examination, obtaining a license, registering as a resident nonlicensee firm owner, or in any filings with the board.

(2) Fraud or deceit in renewing or requesting reinstatement of a license, CPA-Inactive certificate, registration as a resident nonlicensee firm owner.

(3) Cheating on the CPA exam.

(4) Making a false or misleading statement in support of another person's application or request to:

(a) Take the national uniform CPA examination;

(b) Obtain a license or registration required by the act or board;

(c) Reinstate or modify the terms of a revoked or suspended license, certificate, or registration as a resident nonlicensee firm owner in this state;

(d) Reinstate revoked or suspended practice privileges of an individual or firm licensed in another state.

(5) Dishonesty, fraud, or negligence while representing oneself as a licensee, CPA-Inactive certificate holder, or a resident nonlicensee firm owner including, but not limited to:

(a) Practicing public accounting in Washington state prior to obtaining a license required per RCW 18.04.215, obtaining a firm license as required by RCW 18.04.195, or without qualifying to operate under firm mobility;

(b) Offering or rendering public accounting services in this state by an out-of-state individual not qualified for practice privileges under RCW 18.04.350(2);

(c) Offering or rendering public accounting services in this state by an out-of-state firm not qualified for practice privileges under firm mobility per RCW 18.04.195.

(d) Making misleading, deceptive, or untrue representations;

(e) Engaging in acts of fiscal dishonesty;

(f) Purposefully, knowingly, or negligently failing to file a report or record, or filing a false report or record, required by local, state, or federal law;

(g) Unlawfully selling unregistered securities;

(h) Unlawfully acting as an unregistered securities salesperson or broker-dealer;

(i) Discharging a trustee's duties in a negligent manner or breaching one's fiduciary duties, acting in a manner not in compliance with chapter 11.96A RCW; or

(j) Withdrawing or liquidating, as fees earned, funds received by a licensee, CPA-Inactive certificate holder, or a resident nonlicensee firm owner from a client as a deposit or retainer when the client contests the amount of fees earned, until such time as the dispute is resolved.

(6) The following shall be prima facie evidence that a licensee, as defined in WAC 4-30-010, CPA-Inactive certificate holder, a nonlicensee firm owner, or the employees of such persons has engaged in dishonesty, fraud, or negligence while representing oneself as a licensee, as defined in WAC 4-30-010, CPA-Inactive certificate holder, a nonlicensee firm owner, or an employee of such persons:

(a) An order of a court of competent jurisdiction finding that the person or persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent himself, herself, or itself as a licensee, as defined in WAC 4-30-010, CPA-Inactive certificate holder, or a nonlicensee firm owner;

(b) An order of a federal, state, local or foreign jurisdiction regulatory body, or a PCAOB, finding that the licensee, as defined in WAC 4-30-010, CPA-Inactive certificate holder, or nonlicensee firm owner, or employee of such persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent himself, herself, or itself as a licensee, as defined in WAC 4-30-010, a CPA-Inactive certificate holder, or a nonlicensee firm owner;

(c) Cancellation, revocation, suspension, or refusal to renew the right to practice as a licensee, certificate holder, or a nonlicensee firm owner by any other state for any cause other than failure to pay a fee or to meet the requirements of continuing education in the other state; or

(d) Suspension or revocation of the right to practice before any state agency, federal agency, or the PCAOB.

(7) Sanctions and orders entered by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee, CPA-Inactive certificate holder, or nonlicensee firm owner;

(8) Any state or federal criminal conviction or commission of any act constituting a crime under the laws of this state, or of another state, or of the United States.

(9) A conflict of interest such as:

(a) Self dealing as a trustee, including, but not limited to:

(i) Investing trust funds in entities controlled by or related to the trustee;

(ii) Borrowing from trust funds, with or without disclosure; and

(iii) Employing persons related to the trustee or entities in which the trust has a beneficial interest to provide services to the trust (unless specifically authorized by the trust creation document).

(b) Borrowing funds from a client unless the client is in the business of making loans of the type obtained by the licensee, as defined in WAC 4-30-010, CPA-Inactive certifi-

cate holder, or nonlicensee firm owner and the loan terms are not more favorable than loans extended to other persons of similar credit worthiness.

(10) A violation of the Public Accountancy Act or failure to comply with a board rule contained in Title 4 WAC, by a licensee, defined in WAC 4-30-010, CPA-Inactive certificate holder, or employees of such persons of this state or a licensee of another substantially equivalent state qualified for practice privileges, including but not limited to:

(a) An out-of-state individual exercising the practice privileges authorized by RCW 18.04.350(2) when not qualified;

(b) Submission of an application for firm license on behalf of a firm licensed in another state that does not meet the firm mobility requirements under RCW 18.04.195 (1)(a)(iii)(A) through (D) by an out-of-state individual not qualified under RCW 18.04.350(2) or authorized by the firm to make such application;

(c) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(2) to cease offering or performing professional services in this state, individually or on behalf of a firm, when the license from the state of the out-of-state individual's principal place of business is no longer valid;

(d) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(2) to cease offering or performing specific professional services in this state, individually or on behalf of a firm, when the license from the state of the out-of-state individual's principal place of business has been restricted from performing those specific services;

(e) Failure of an out-of-state firm operating under firm mobility per RCW 18.04.195 (1)(a)(iii), in this state to cease offering or performing professional services in this state through one or more out-of-state individuals whose license from the state of those individuals' principal place(s) of business is (are) no longer valid or is (are) otherwise restricted from performing the specific engagement services;

(f) Failure of a firm licensed in this state, or a firm operating under firm mobility to comply with the ownership requirements of RCW 18.04.195 within a reasonable time period, as determined by the board;

(g) Failure of a firm licensed in this state or another state to comply with the board's quality assurance program requirements, when applicable.

(11) Violation of one or more of the rules of professional conduct included in Title 4 WAC.

(12) Concealing another's violation of the Public Accountancy Act or board rules.

(13) Failure to cooperate with the board by failing to:

(a) Furnish any papers or documents requested or ordered to produce by the board;

(b) Furnish in writing a full and complete explanation related to a complaint as requested by the board;

(c) Respond to an inquiry of the board;

(d) Respond to subpoenas issued by the board, whether or not the recipient of the subpoena is the accused in the proceeding.

(14) Failure to comply with an order of the board.

(15) Adjudication of a licensee, as defined in WAC 4-30-010, CPA-Inactive certificate holder, or a nonlicensee

firm owner as mentally incompetent is prima facie evidence that the person lacks the professional competence required by the rules of professional conduct.

(16) Failure of a licensee, as defined by WAC 4-30-010, CPA-Inactive certificate holder, nonlicensee firm owner, or out-of-state person exercising practice privileges authorized by RCW 18.04.195 and 18.04.350 to timely notify the board, in the manner prescribed by the board, of any of the following:

(a) A sanction, order, suspension, revocation, or modification of a license, certificate, permit or practice rights by the SEC, PCAOB, IRS, or another state board of accountancy for any cause other than failure to pay a professional license fee by the due date or failure to meet the continuing professional education requirements of another state board of accountancy;

(b) Charges filed by the SEC, IRS, PCAOB, another state board of accountancy, or a federal or state taxing, insurance or securities regulatory body that the licensee, CPA-Inactive certificate holder, or nonlicensee firm owner committed a prohibited act that would be a violation of board ethical or technical standards;

(c) Sanctions or orders entered against such persons by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee, CPA-Inactive certificate holder, or nonlicensee firm owner.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-142, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(16), 18.04.-195 (11)(d), 18.04.295, 18.04.305, 18.04.350(2). WSR 11-07-070, § 4-30-142, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-142, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-910, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055(16), 18.04.295, and 18.04.305. WSR 05-01-137, § 4-25-910, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-910, filed 11/25/03, effective 12/31/03. Statutory Authority: RCW 18.04.055(11), 18.04.295, and 18.04.305. WSR 02-04-064, § 4-25-910, filed 1/31/02, effective 3/15/02; WSR 00-11-078, § 4-25-910, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055 and 18.04.295. WSR 94-23-070, § 4-25-910, filed 11/15/94, effective 12/16/94.]