

Title 3 WAC

ACADEMIC ACHIEVEMENT AND ACCOUNTABILITY COMMISSION

Chapters 3-20

Performance improvement goals.

Chapter 3-20 WAC

PERFORMANCE IMPROVEMENT GOALS

WAC

3-20-100

Reading and mathematics.

WAC 3-20-100 Reading and mathematics. (1) Each school district board of directors shall:

(a) By December 15, 2001, establish three-year district-wide goals to increase the percentage of students who meet or exceed the standard on the Washington assessment of student learning for elementary school reading, elementary school mathematics, middle or junior high school reading, middle or junior high school mathematics, high school reading and high school mathematics. The baseline for all the performance improvement goals required under this section shall be the results obtained on the Washington assessment of student learning administered in the spring of 2001. The three-year percentage increase goals shall not be less than the district's total percentage of students who did not meet the baseline standard for the relevant subject and grade level multiplied by twenty-five percent; and

(b) Direct each school in the district that administers the Washington assessment of student learning for grade four, seven, or ten to establish three-year goals relating to the percentage of students meeting the standard for its fourth, seventh or tenth grade students in reading and mathematics, subject to approval by the board. The aggregate of the school-level goals for any given subject and grade must meet or exceed the districtwide goals established by the board for that given subject and grade. Each school level goal shall not be less than the school's total percentage of students who did not meet the baseline standard for the relevant subject and grade level multiplied by twenty-five percent, unless the office of the superintendent of public instruction grants a waiver.

(2) Schools and school districts that meet or exceed the level of performance stipulated under the three-year goal on the assessment administered in the spring of 2002 or 2003 may be considered to have exceeded the goal and may be recognized for having exceeded the goal early, but ultimately shall not be deemed to have met the three-year goal unless the school or school district also meets the goal on the assessment administered in the spring of 2004.

(3) Schools and school districts in which ten or fewer students are eligible to be assessed in a grade level on the 2001 Washington assessment of student learning are not required to establish numerical improvement goals. Schools and school districts in which ten or fewer students are eligible to be assessed in a grade level on the assessment in 2002 or in

a subsequent year are not required to establish performance relative to the goals.

(4) For state level accountability purposes:

(a) A school district shall be deemed to have met the performance improvement goals established pursuant to this chapter if the district achieves the minimum improvement level required under subsection (1)(a) of this section, even if the district does not achieve the performance improvement goals adopted by its board of directors; and

(b) A school shall be deemed to have met the performance improvement goals established pursuant to this chapter if the school achieves the minimum improvement level required under subsection (1)(b) of this section, even if the school does not achieve the performance improvement goals adopted by its board of directors.

[Statutory Authority: RCW 28A.655.030 (1)(a), 01-11-035, § 3-20-100, filed 5/8/01, effective 9/1/01.]

Title 4 WAC

ACCOUNTANCY, BOARD OF

Chapters 4-25

General provisions.

Chapter 4-25 WAC

GENERAL PROVISIONS

WAC

4-25-400

What is the authority for and the purpose of the board's rules?

4-25-410

Definitions.

4-25-510

What is the board's meeting schedule and how are officers elected?

4-25-520

What public records does the board maintain?

4-25-521

How can I contact the board?

4-25-530

Fees.

4-25-550

Do I need to notify the board if I change my address?

4-25-551

Must I respond to inquiries from the board?

4-25-600

Repealed.

4-25-626

What restrictions govern commissions, referral, and contingent fees?

4-25-650

What acts are considered discreditable?

4-25-661

What are the limitations regarding firm names?

4-25-721

What does the board consider to be cheating on the CPA examination, what actions may the board take if cheating is suspected, and what sanctions may the board impose if cheating occurs?

4-25-722

Repealed.

4-25-730

What are the experience requirements in order to obtain a CPA license?

4-25-755

Repealed.

4-25-781

What are the rules governing reciprocity for accountants from foreign countries?

4-25-782

How do I apply for an initial Washington state license through foreign reciprocity?

4-25-831

What are the program standards for CPE?

4-25-832

How do I report my CPE to the board?

4-25-833

What documentation must I retain to support my eligibility for CPE credits?

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

4-25-600

Rules of professional conduct—Preamble. [Statutory Authority: RCW 18.40.055, 93-22-046, § 4-25-600, filed 10/28/93, effective 11/28/93.] Repealed by 01-22-

- 036, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055(2).
- 4-25-722 CPA examination—Content. [Statutory Authority: RCW 18.04.055 and 18.04.105. 96-12-062, § 4-25-722, filed 5/31/96, effective 7/1/96. Statutory Authority: RCW 18.04.055. 93-22-047, § 4-25-722, filed 10/28/93, effective 11/28/93.] Repealed by 01-11-128, filed 5/22/01, effective 6/30/01. Statutory Authority: RCW 18.04.055(11).
- 4-25-755 Temporary permits. [Statutory Authority: RCW 18.04.055(11). 93-12-066, § 4-25-755, filed 5/27/93, effective 7/1/93.] Repealed by 01-22-036, filed 10/30/01, effective 12/1/01.

WAC 4-25-400 What is 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 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;
- 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 chapter 4-25 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. 01-22-036, § 4-25-400, filed 10/30/01, effective 12/1/01; 00-11-067, § 4-25-400, filed 5/15/00, effective 6/30/00; 93-12-063, § 4-25-400, filed 5/27/93, effective 7/1/93.]

WAC 4-25-410 Definitions. For purposes of these rules the following terms have the meanings indicated:

(1) "**Act**" means the Public Accountancy Act codified as chapter 18.04 RCW.

(2) "**Attest services**" are services performed by a licensee in accordance with:

(a) Statements on Auditing Standards and related Auditing Interpretations issued by the American Institute of Certified Public Accountants (AICPA) including subsequent amendments;

(b) Statements on Standards for Accounting and Review Services and related Accounting and Review Services Interpretations issued by the AICPA including subsequent amendments; and

(c) Statements on Standards for Attestation Engagements and related Attestation Engagements Interpretations issued by the AICPA including subsequent amendments.

(3) "**Audit**," "**review**," and "**compilation**" are terms reserved for use by licensees under the act.

(4) "**Board**" means the board of accountancy created by RCW 18.04.035.

(5) "**Certificate**" means a certificate as a certified public accountant issued under the act, or a corresponding certificate issued by another state or foreign jurisdiction that is recognized in accordance with the reciprocity provisions of the act.

(6) "**Client**" means the person or entity that retains a certified public accountant (CPA), or the CPA's firm or organization, through other than an employer/employee relationship.

(7) "**Commissions and referral fees**" are compensation arrangements where:

(a) The primary contractual relationship for the product or service is not between the client and the CPA;

(b) The CPA is not primarily responsible to the client for the performance or reliability of the product or service;

(c) The CPA adds no significant value to the product or service; or

(d) A third party instead of the client pays the CPA for the products or services.

(8) "**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.

(9) "**CPA**" or "**certified public accountant**" means a person holding a certificate under this act.

(10) "**CPE**" means continuing professional education (see also "Interactive CPE").

(11) "**Enterprise**" means any person or entity, whether organized for profit or not, with respect to which a CPA performs professional services.

(12) "**Firm**" means an entity licensed under the provisions of this chapter.

(13) "**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.

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

(15) "**Holding out**" means any representation to the public by the use of restricted titles as set forth in the act by a person or firm that the person or firm is a certified public accountant and that the person or firm offers to perform any professional services to the public as a certified public accountant. "Holding out" shall not affect or limit a person not required to hold a certificate under this chapter or a per-

son or firm not required to hold a license under this chapter from engaging in practices identified in the act.

(16) **"Interactive self-study program"** means a CPE program designed to use learning methodologies that simulate a classroom learning process by employing software or administrative systems that provide significant ongoing interactive feedback to learners regarding their learning progress.

(17) **"Licensee"** means the holder of a valid license issued under the provisions of this act.

(18) **"Public practice"** or the **"practice of public accounting"** means performing or offering to perform by a person or firm holding out to the public as a licensee, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "audit reports," "review reports," "compilation reports," or "attestation reports" on financial statements, 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.

(19) **"Quality assurance review"** (QAR) is the process, established by and conducted at the direction of the board, of study, appraisal, or review of one or more aspects of the professional work of a licensee or firm, by a licensee(s) who is not affiliated with the licensee or firm being reviewed.

(20) **"Quality review"** means a study, appraisal, or review of one or more aspects of the professional work of a licensee or firm, by a licensee(s) who is not affiliated with the licensee 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 a "quality assurance review."

(21) **"Reciprocity"** means board recognition of licenses, certificates or other professional accounting credentials that the board will rely upon in full or partial satisfaction of CPA certification or licensing requirements.

(22) **"Referral fees"** see definition of "commissions and referral fees" in subsection (7) of this section.

(23) **"Reports on financial statements"** means any reports or opinions prepared by licensees, based on services performed in accordance with generally accepted auditing standards, standards for attestation engagements, or standards for accounting and review services, as to whether the presentation 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, conforms with generally accepted accounting principles or other comprehensive bases of accounting. The term does not include incidental financial data included in management advisory services reports to support recommendations to a client.

(24) **"Rules of professional conduct"** means principles and rules adopted by the board to govern the conduct of CPAs while representing themselves to others as CPAs. The rules apply to all persons using the CPA title.

(25) **"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.

(26) **"Statements on standards for attestation engagements"** 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(11), 01-11-124, § 4-25-410, filed 5/22/01, effective 6/30/01; 98-12-020, § 4-25-410, filed 5/27/98, effective 6/27/98; 94-23-071, § 4-25-410, filed 11/15/94, effective 12/16/94.]

WAC 4-25-510 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, July and October. The board holds an annual meeting beginning at 9:00 a.m. on the second Friday of December.

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 at the conclusion of the meeting and serve a term of one year. Officers can be reelected for one additional term.

Either the chair or a quorum of the board has the authority to call meetings of the board. The 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 4-25-521 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 and 42.30.070, 01-22-036, § 4-25-510, filed 10/30/01, effective 12/1/01; 00-11-068, § 4-25-510, filed 5/15/00, effective 6/30/00; 99-18-111, § 4-25-510, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055, 93-12-077, § 4-25-510, filed 5/27/93, effective 7/1/93.]

WAC 4-25-520 What public records does the board maintain? The board maintains the following public records:

- (1) A data base of Washington CPAs;
- (2) A data base of CPA examination candidates;
- (3) A data base of CPA firms;
- (4) Board orders;
- (5) Board meeting minutes;
- (6) Board policies;
- (7) Board rules files; and
- (8) Documents dealing with the regulatory, supervisory, and enforcement responsibilities of the board.

In order to obtain a list of individuals under the provisions of RCW 42.17.260(9), educational and professional organizations must use the form provided by the board and apply for and receive recognition by the board. Fees for lists must be paid in advance.

[Statutory Authority: RCW 18.04.055 and 42.17.260, 01-11-125, § 4-25-520, filed 5/22/01, effective 6/30/01; 98-12-021, § 4-25-520, filed 5/27/98, effective 6/27/98. Statutory Authority: Chapter 42.17 RCW, 93-14-050, § 4-25-520, filed 6/29/93, effective 7/30/93.]

WAC 4-25-521 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:

- P.O. Box 9131, Olympia, Washington 98507-9131 (mailing address);
- 360/753-2586 (telephone);
- 360/664-9190 (fax);
- 800/833-6388 (TT service);
- 800/833-6385 (Telebraille services);
- webmaster@cpaboard.wa.gov (e-mail address); and
- www.cpaboard.wa.gov (website address).

[Statutory Authority: RCW 18.04.055 and 42.17.250. 01-11-126, § 4-25-521, filed 5/22/01, effective 6/30/01. Statutory Authority: RCW 18.04.055(1). 94-02-068, § 4-25-521, filed 1/4/94, effective 2/4/94.]

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

(1)	CPA examination applications:	
(a)	First-time	\$264
(b)	Reexamination, four sections	\$239
(c)	Reexamination, two sections	\$172
(d)	Reexamination, one section	\$149
(e)	Administration of examination for out-of-state applicants	\$90
(2)	Application for individual license, permit to practice, individual license through reciprocity, or registration as a resident nonlicensee firm owner	\$300
(3)	Renewal of license, certificate, permit to practice, or registration as a resident nonlicensee firm owner	\$200
(4)	CPA firm license and renewal fee (sole proprietorships with no employees are exempt)	\$200
(5)	Amendment to firm license	\$25
(6)	Copies of records, per page exceeding fifty pages	\$0.50
(7)	Printed listing of CPA exam candidates	\$75
(8)	Computer diskette listing of licensees, certificateholders, permitholders, and registered resident nonlicensee firm owners and CPA exam candidates	\$75
(9)	Applications for reinstatement of license, permit to practice, certificate, or registration as a resident nonlicensee owner	\$450
(10)	Replacement CPA certificates	\$50
(11)	Quality assurance review program fee (includes monitoring reviews for up to two years)	\$400
(12)	Late fee	\$100
(13)	Dishonored check fee (including, but not limited to, insufficient funds or closed accounts)	\$35

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

[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). 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). 99-18-112, § 4-25-530, filed 9/11/99, effective 1/1/00. Statutory Authority: RCW 18.04.055, 18.04.065 and 18.04.195(b). 99-02-009, § 4-25-530, filed 12/24/98, effective 5/7/99. Statutory Authority: RCW 18.04.055, 18.04.065 and 18.04.195(6). 96-12-060, § 4-25-530, filed 5/31/96, effective 7/1/96.]

Statutory Authority: RCW 18.04.055. 93-12-075, § 4-25-530, filed 5/27/93, effective 7/1/93.]

WAC 4-25-550 Do I need to notify the board if I change my address? Yes. All CPAs, firms licensed with the board, and individuals registered with the board as resident nonlicensee firm owners must notify the board **in writing** within thirty days of any change of address.

[Statutory Authority: RCW 18.04.055(16). 01-22-036, § 4-25-550, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. 98-12-023, § 4-25-550, filed 5/27/98, effective 6/27/98; 93-12-073, § 4-25-550, filed 5/27/93, effective 7/1/93.]

WAC 4-25-551 Must I respond to inquiries from the board? Yes. All CPAs, firms licensed with the board, and individuals registered with the board as resident nonlicensee firm owners 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(16). 01-22-036, § 4-25-551, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. 98-12-047, § 4-25-551, filed 5/29/98, effective 6/29/98; 93-12-072, § 4-25-551, filed 5/27/93, effective 7/1/93.]

WAC 4-25-600 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-626 What restrictions govern commissions, referral, and contingent fees? (1) A CPA shall 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 the CPA also performs attest services for that client.

This prohibition applies during the period in which the CPA is engaged to perform the attest services and the period covered by any historical financial statements involved in the attest services.

(2) A CPA who is not prohibited by this section from performing services for or receiving a commission and who is paid or expects to be paid a commission shall disclose, consistent with the requirements set forth in subsection (7) of this section, that fact to any person or entity to whom the CPA recommends or refers a product or service to which the commission relates.

(3) Any CPA who accepts a referral fee for recommending or referring any service of a CPA to any person or entity or who pays a referral fee to obtain a client shall disclose, consistent with the requirements set forth in subsection (7) of this section, such acceptance or payment to the client.

(4) A CPA shall not:

(a) Perform for a contingent fee any professional services for, or receive such a fee from a client for whom the CPA or the CPA's firm performs attest services; or

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

(5) The prohibition in subsection (4)(a) of this section applies during the period in which the CPA is engaged to per-

form the attest services and the period covered by any historical financial statements involved in the attest services.

(6) Except as stated in the next sentence, a contingent fee is a fee 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. Solely for purposes of this section, fees are not regarded as being 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. A CPA's fees may vary depending, for example, on the complexity of services rendered.

(7) All CPAs who accept commission, referral and contingent fee arrangements must:

- (a) Disclose the arrangement in writing and in advance of client acceptance;
- (b) Disclose the method of calculating the fee or amount of fee; and
- (c) Specify the CPA's role as the client's advisor.

[Statutory Authority: RCW 18.04.055(2). 01-03-012, § 4-25-626, filed 1/5/01, effective 2/5/01; 98-12-055, § 4-25-626, filed 5/29/98, effective 6/29/98.]

WAC 4-25-650 What acts are considered discreditable? CPAs, CPA firms, and firm owners must not:

- Commit, or allow others to commit in their name, any act that reflects adversely on their fitness to represent themselves as a CPA, CPA firm, or a firm owner;
- Seek to obtain clients by the use of coercion, intimidation or harassing conduct; or
- 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). 01-22-036, § 4-25-650, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. 93-22-090, § 4-25-650, filed 11/2/93, effective 12/3/93.]

WAC 4-25-661 What are the limitations regarding 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.

[Statutory Authority: RCW 18.04.055(8). 01-22-036, § 4-25-661, filed 10/30/01, effective 12/1/01; 00-11-073, § 4-25-661, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.40.055. 93-22-046, § 4-25-661, filed 10/28/93, effective 11/28/93.]

WAC 4-25-721 What does the board consider to be cheating on the CPA examination, what actions may the board take if cheating is suspected, and what sanctions may the board impose if cheating occurs? (1) Cheating includes, but is not limited to:

- (a) Communication between candidates inside or outside of the examination room during the examination;
- (b) Unauthorized communication with others outside of the examination room during the examination;
- (c) Substitution by a candidate of another person to write one or more of the examination papers for him/her;
- (d) Referencing crib sheets, text books, or other material inside or outside the examination room during the examination;
- (e) Copying or attempting to copy another candidate's answers;

(f) Taking, removing, copying, transmitting, attempting to take, attempting to remove, attempting to copy, or attempting to transmit an examination booklet or paper, answer sheet, essay question paper, or notes from the examination site;

- (g) Disclosing or attempting to disclose examination questions and/or answers to others;
- (h) Bringing unauthorized prohibited items into the examination site; or
- (i) Possessing unauthorized prohibited items in the examination site.

(2) Cheating on the CPA examination is dishonesty directly related to the professional responsibilities of a CPA. All candidates involved in cheating may be subject to penalties, although not necessarily of the same severity. 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 writing future examinations;
- (c) Impose a fine up to one thousand dollars and recovery of investigative and legal costs;
- (d) Notify other jurisdictions of the board's conclusions and order.

(3) If a candidate is suspected of cheating, a board representative may expel the candidate from the examination, move the candidate suspected of cheating away from other candidates and/or confiscate unauthorized prohibited items. The board 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 18.04.055(11). 01-11-127, § 4-25-721, filed 5/22/01, effective 6/30/01. Statutory Authority: RCW 18.04.055. 93-12-069, § 4-25-721, filed 5/27/93, effective 7/1/93.]

WAC 4-25-722 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-730 What are the experience requirements in order to obtain a CPA license? Qualifying experience may be obtained through:

- The practice of public accounting in a CPA firm that participates in a board approved peer or quality review program;
- Other employment provided you obtain the competencies defined by subsection (2)(a) of this section; or
- A combination of the two alternatives listed above provided you obtain the competencies defined by subsection (2)(a) of this section.

For both full-time and part-time employment, your experience must:

- Cover a minimum twelve-month period;
- Consist of at least two thousand hours; and
- Be obtained no more than eight years prior to applying for an initial license.

Your 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.

(1) **Public accounting experience:** You may obtain all or a portion of your qualifying experience through employment in a licensed CPA firm that participates in a board approved peer or quality review program. Your experience must be:

(a) Obtained through performing services that meet the definition of the practice of public accounting as defined by RCW 18.04.025(5); and

(b) Under the supervision of a member of the firm who holds a valid CPA license and is actively engaged in the practice of public accounting.

(2) **Experience equivalent to public accounting:** You may obtain all or a portion of your qualifying experience in an entity other than a CPA firm participating in a board approved peer or quality review program. However, to qualify this experience must support your attainment of the competencies identified in (a) of this subsection and your attainment of these competencies must be supervised and verified by a licensed CPA meeting the requirements identified in (b) of this subsection.

(a) **Competencies:** The competencies that must be obtained to meet the experience requirements of this subsection are as follows. The candidate must demonstrate the ability to:

- (i) Understand the profession's code of conduct;
- (ii) Assess the achievement of an entity's objectives;
- (iii) Prepare working papers that contain sufficient data to support analysis and conclusions;
- (iv) Understand transaction streams and information systems;
- (v) Assess risk and design appropriate procedures;
- (vi) Make decisions, solve problems, and think critically in the context of analysis; and
- (vii) Communicate scope of work, findings and conclusions effectively.

(b) **Supervising CPA:** To supervise and verify a candidate's attainment of the competencies, you must have held a valid CPA license in Washington or another state for:

- (i) A minimum of five years prior to supervising the candidate's experience; and

(ii) During the entire period of supervision.

(3) **Experience affidavit:** Your qualifying experience must be verified by the licensed CPA supervising your experience on the appropriate form(s) provided by the board.

(4) **Applicants holding a certificate for four years or more:** If you held a certificate for more than four years prior to the date you file your application for license, you must also meet the continuing professional education requirements of RCW 18.04.215 (1)(a). You must obtain and submit proof of completion for one hundred twenty hours of continuing professional education within the three-year period immediately preceding the date you submit your application with the board.

(5) **Applicants who passed the CPA examination prior to May 1988:** If you passed the CPA examination prior to May 1988, you are not limited to experience obtained within the eight-year period prior to submitting your application. However, if you elect to utilize experience from a period more than eight years prior to your application, you must obtain and submit proof of completion for one hundred twenty hours of continuing professional education within the three-year period immediately preceding the date you submit your application with the board.

(6) **Supervision:** Supervision as used in this rule means that there is a definite relationship between the supervising CPA and the candidate being supervised. The supervising CPA must have frequent in-person meetings with the candidate and must be able to evaluate the candidate's work through:

- (a) Personal knowledge and review of the candidate's work and work environment;
- (b) Discussions with the candidate's work supervisor; and
- (c) Obtaining an in-depth understanding of the type and quality of the candidate's work.

(7) **Audit:** The board may audit compliance with these experience requirements.

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

WAC 4-25-755 Repealed. See Disposition Table at beginning of this chapter.

WAC 4-25-781 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 in a foreign or domestic professional accounting firm. The board will, by policy, specify experience standards for each foreign accounting credential accepted by the board.

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 meet the CPE requirements of WAC 4-25-830.

(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. 01-22-036, § 4-25-781, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.183. 00-11-076, § 4-25-781, filed 5/15/00, effective 6/30/00.]

WAC 4-25-782 How do I apply for an initial Washington state license through foreign reciprocity? Pursuant to RCW 18.04.183 the board may issue a license through foreign reciprocity provided you meet the requirements for application through foreign reciprocity established by the act, WAC 4-25-781 and 4-25-830.

To apply for an initial Washington state CPA license, you must use the foreign reciprocity application form(s) provided by the board.

You need to fully complete the form(s), and submit the form(s), all applicable fees, required information, required documentation, or other documentation deemed necessary by the board to the board's office.

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

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

You may not use the title CPA until you have received notice from the board that your Washington state license has

been approved. Attest services may only be offered or performed in a CPA firm licensed by the Washington state board of accountancy.

[Statutory Authority: RCW 18.04.183. 01-22-036, § 4-25-782, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.183. 00-11-076, § 4-25-782, filed 5/15/00, effective 6/30/00.]

WAC 4-25-831 What are the program standards for CPE? (1) **Qualifying program:** A program qualifies as acceptable CPE for purposes of RCW 18.04.215(5) if it is a formal program of learning which contributes to the growth in the professional knowledge and professional competence of an individual in the practice of the profession. A formal program means:

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

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

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

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

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

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

- (xx) General computer skills, computer software training, information technology planning and management; 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;
- (c) Professional ethics with specific application to the practice of public accounting in Washington state covers the following subjects: Revised Code of Washington chapter 18.04, Washington Administrative Code chapter 4-25, and the code of professional conduct promulgated by the American Institute of CPAs.

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

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

- (a) Professional education and development programs of national, state, and local accounting organizations;
- (b) Technical sessions at meetings of national, state, and local accounting organizations and their chapters;
- (c) Formal in-firm education programs;
- (d) Programs of other organizations (accounting, industrial, professional, etc.);
- (e) Dinner, luncheon, and breakfast meetings which are structured as formal educational programs;
- (f) Firm meetings for staff and/or management groups structured as formal education programs. Portions of such meetings devoted to communication and application of general professional policy or procedure may qualify, but portions devoted to firm administrative, financial and operating matters generally will not qualify.

(7) **CPE credit:** CPE credit is allowable only for those programs taken after the issuance of the CPA certificate. Credit is not allowed for programs taken to prepare an applicant for the ethics examination as a requirement for initial certification. CPE credit is given in half-hour increments only after the first full CPE credit hour has been earned. A minimum of fifty minutes constituting one CPE credit hour and, after the first fifty-minute segment has been earned, twenty-five minutes constitutes one-half hour. For example:

- Twenty-five minutes of continuous instruction counts as zero CPE credit hour;
- 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.

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

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

(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 period cannot be carried forward to the next period.

(12) **Carry-back:** As specified in WAC 4-25-830(9), CPE credit hours you complete during one period can be carried back to the previous reporting period only after the board has approved your request to carry back CPE credit hours.

(13) **Credential examination:** 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 4-25-833. CPE credit may not be claimed for CPA examination review courses.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5), 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), 99-23-046, § 4-25-831, filed 11/15/99, effective 1/1/00.]

WAC 4-25-832 How do I report my CPE to the board? In order to apply for renewal of your 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 renewal form, you are required to sign a statement certifying under the penalty of perjury that you complied with the board's CPE requirements as defined in WAC 4-25-830 and supporting documentation requirements as defined in WAC 4-25-833.

The board audits, on a test basis, compliance with CPE and supporting documentation requirements as certified on the renewal form. 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), 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), 99-23-047, § 4-25-832, filed 11/15/99, effective 1/1/00.]

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

- (a) Program sponsor;
- (b) Title of program or description of content;
- (c) Date(s) attended;
- (d) Number of CPE credit hour(s);
- (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), 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), 99-23-048, § 4-25-833, filed 11/15/99, effective 1/1/00.]

Title 16 WAC

AGRICULTURE, DEPARTMENT OF

- Chapters**
- 16-143** **Red raspberry grades and standards.**
 - 16-156** **Organic producer and transitional producer certification.**

- 16-202** **Application of pesticides and plant nutrients through irrigation systems.**
- 16-238** **WSDA grain inspection program—Fee schedule.**
- 16-328** **Certification of strawberry planting stock.**
- 16-333** **Certification of caneberry planting stock.**
- 16-400** **Fruit and vegetable inspection fees.**
- 16-401** **Nursery inspection fees.**
- 16-403** **Standards for apples marketed within the state of Washington.**
- 16-470** **Quarantine—Agricultural pests.**
- 16-516** **Washington potatoes.**
- 16-550** **Blueberry.**
- 16-557** **Washington asparagus commission.**
- 16-602** **Apiaries.**
- 16-662** **Weights and measures—National handbooks.**
- 16-750** **State noxious weed list and schedule of monetary penalties.**

Chapter 16-143 WAC

RED RASPBERRY GRADES AND STANDARDS

WAC 16-143-005 through 16-143-110 Repealed.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 16-143-005 Chapter not effective for 2000 red raspberry harvest season. [Statutory Authority: Chapters 15.17 and 69.04 RCW. 01-03-049, § 16-143-005, filed 1/10/01, effective 2/10/01.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.
- 16-143-010 What is the purpose of this chapter? [Statutory Authority: Chapters 15.17 and 69.04 RCW. 00-11-123, § 16-143-010, filed 5/22/00, effective 6/22/00.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.
- 16-143-020 What definitions apply to this chapter? [Statutory Authority: Chapters 15.17 and 69.04 RCW. 00-11-123, § 16-143-020, filed 5/22/00, effective 6/22/00.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.
- 16-143-030 What are the Washington No. 1 processing grade standards for red raspberries? [Statutory Authority: Chapters 15.17 and 69.04 RCW. 00-11-123, § 16-143-030, filed 5/22/00, effective 6/22/00.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.
- 16-143-040 When are red raspberries considered "unclassified"? [Statutory Authority: Chapters 15.17 and 69.04 RCW. 00-11-123, § 16-143-040, filed 5/22/00, effective 6/22/00.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.
- 16-143-050 What type of markings will be acceptable on each container? [Statutory Authority: Chapters 15.17 and 69.04 RCW. 00-11-123, § 16-143-050, filed 5/22/00, effective 6/22/00.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.
- 16-143-060 How may Washington No. 1 processing grade red raspberries be used, processed or sold? [Statutory Authority: Chapters 15.17 and 69.04 RCW. 00-11-123, § 16-143-060, filed 5/22/00, effective 6/22/00.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.
- 16-143-070 What are the requirements of red raspberry puree stock? [Statutory Authority: Chapters 15.17 and 69.04 RCW. 00-11-123, § 16-143-070, filed 5/22/00, effective 6/22/00.] Repealed by 01-16-033, filed 7/23/01, effective 8/23/01. Statutory Authority: Chapters 69.04 and 15.17 RCW.