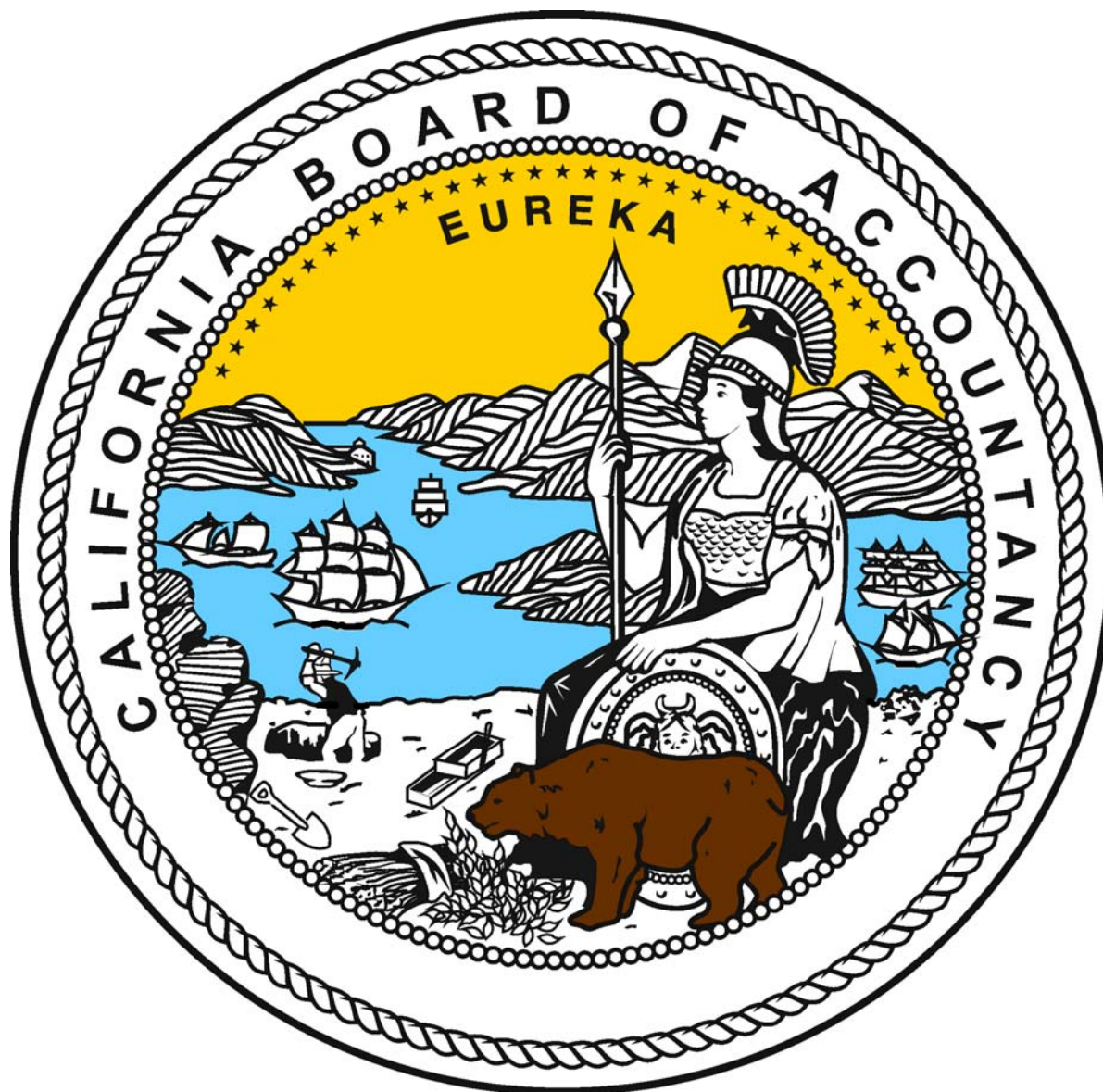


## CPA LICENSEE HANDBOOK



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## TABLE OF CONTENTS

<b>CALIFORNIA BOARD OF ACCOUNTANCY -----</b>	<b>1</b>
Mission.....	1
Authority.....	1
<b>LICENSE INFORMATION -----</b>	<b>1</b>
CPA Standards .....	1
Conflict of Interest .....	1
Contingent Fees.....	2
Commissions .....	2
<b>RENEWAL INFORMATION -----</b>	<b>3</b>
Renewal Form.....	3
New Licensees .....	4
New Licensee Continuing Education (CE).....	4
Birth Month Renewal System .....	4
Initial License Fee .....	5
Biennial Renewal Fee .....	5
Renewal Options .....	5
Active Renewal = 80 Hours CE.....	5
Self-study Courses.....	5
Qualifying CE.....	6
50/50 CE Requirement .....	6
Miscellaneous CE Information .....	7
Accounting & Auditing (A&A) CE .....	7
Government CE .....	8
Fraud CE .....	9
Professional Conduct & Ethics (PC&E).....	9
Satisfying the Attest Experience Requirement.....	10
Provider Information.....	10
CE Exemption/Extension Request .....	10
Inactive Renewal .....	11
License Status Conversion .....	11
Delinquent License .....	12
License Cancellation .....	12
License Reissuance .....	12
Retired Accountants .....	12
Accountancy Corporations .....	13
Accountancy Partnerships .....	13

<b>ENFORCEMENT INFORMATION</b> .....	<b>14</b>
Board Requests .....	14
Reportable Events .....	14
Cite and Fine .....	16
<b>MISCELLANEOUS INFORMATION</b> .....	<b>16</b>
Address of Record .....	16
Address Change .....	16
Name Change .....	17
Fictitious Names .....	17
Attest Certificate of Experience/General Certificate of Experience .....	17
Transfer of License Status from California to Another State .....	17
Board Web Site .....	17
Public Information .....	18
Public Information List .....	18
Web License Lookup .....	18
Forms .....	19
<b>FREQUENTLY ASKED QUESTIONS</b> .....	<b>20</b>
Renewal .....	20
Partnership and Corporation .....	21
<b>CONTACT INFORMATION</b> .....	<b>22</b>

# **CALIFORNIA BOARD OF ACCOUNTANCY**

## **Mission**

The mission of the California Board of Accountancy (Board) is to protect the public welfare, particularly consumers, by ensuring that only qualified persons and firms are licensed to practice public accountancy and that appropriate standards of competency and practice, including ethics, objectivity, and independence are established and enforced.

The Board:

- Examines applicants and sets educational and experience requirements for California Certified Public Accountants (CPAs) and Public Accountants (PAs).
- Licenses the practice of public accountancy and may deny licensure, revoke, suspend, or refuse to renew any license, permit, or certificate for violation of the California Accountancy Act or Accountancy Regulations.
- By regulation, prescribes, amends, or repeals the rules of professional conduct appropriate to the establishment and maintenance of a high standard of integrity and competency in the profession.

## **Authority**

The Board derives its authority from the Business and Professions Code, Division 3, Chapter 1, Article 1 through Article 10 (California Accountancy Act) and the California Code of Regulations, Title 16, Division 1, Article 1 through Article 13 (Accountancy Regulations). A copy of the California Accountancy Act and Accountancy Regulations is available on the Board's Web site at [www.dca.ca.gov](http://www.dca.ca.gov).

## **LICENSE INFORMATION**

### **CPA Standards**

If you engage in the practice of public accountancy, you must comply with all applicable professional standards related to the services performed.

### **Conflict of Interest**

In accordance with Section 57 of the Accountancy Regulations, you cannot concurrently engage in the practice of public accountancy and in any other business or occupation that impairs your independence, objectivity, or creates a conflict of interest in providing professional services.

## **Contingent Fees**

As specified in Section 62 of the Accountancy Regulations, you shall not:

- Perform for a contingent fee any professional services for a client for whom you or your firm performs:
  - an audit or review of a financial statement; or
  - a compilation of a financial statement when you expect or reasonably should expect that a third party will use the financial statement and your compilation report does not disclose a lack of independence; or
  - an examination of prospective financial information; or
  - any other attest engagement when you expect or reasonably should expect that a third party will use the related attestation report; or
  - any other services requiring independence.
- Prepare an original tax return for a contingent fee.
- Prepare an amended tax return, claim for tax refund, or perform other similar tax services for a contingent fee.
- Perform an engagement as a testifying expert for a contingent fee.

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 specific finding or result is attained.

Fees are not contingent if fixed by courts or governmental entities acting in a judicial or regulatory capacity.

## **Commissions**

You may accept commissions in limited situations. Per Section 5061 of the California Accountancy Act, you may accept commission-based compensation for defined services - as long as the fees are disclosed in writing and various prohibited services are not performed.

However, you still are prohibited from accepting any fee or commission solely for referral of a client to a third party.

This provision is similar to the American Institute of Certified Public Accountants' (AICPA) Rule 503, but has significant exceptions. California's disclosure rules are more stringent for consumer protection and must be in detailed written form. The disclosure must:

- Be in writing and be clear and conspicuous.
- Be signed by the recipient of the product of service.
- State the amount of the commission or the basis on which it is computed.
- Identify the source of the payment.
- Identify the relationship between the source and the person receiving the payment.

- Be presented to the client at or prior to the time the recommendation of the product or service is made.

## **RENEWAL INFORMATION**

Your license expires at midnight on the license expiration date shown on your pocket certificate and in Part B of your license renewal form. You may also locate your expiration date on our Web License Lookup feature. If the completed renewal form with the appropriate renewal fee is not postmarked by the license expiration date, you cannot practice public accountancy until the license is renewed. Renewal forms not postmarked by the license expiration date will be subject to a delinquency fee of 50 percent of the renewal fee. There is no grace period to renew your license after the expiration date. If the license expiration date falls on a weekend, the renewal form must be postmarked the following business day. Meter marks are not acceptable proof of timely mailing. The Board does not have the statutory authority to waive the delinquency fee.

### **Renewal Form**

A renewal form will be mailed to your address of record approximately two months prior to the license expiration date. The CE Report is on the reverse of the renewal form. You are required to self-certify on the renewal form the completion of the required number of CE hours and list the courses completed. Renewal information and instructions are included with the renewal form. The *CE Report and Renewal Information & Instructions* are also available on the Board's Web site on our Forms/Publications Page. If you do not receive a renewal form, to obtain a duplicate renewal notice, contact the Board's Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702.

Because Board Renewal staff will be unable to respond to your inquiries immediately, please do not wait until your license expiration date to contact the Renewal Unit for a duplicate renewal notice. Regardless of whether you receive a courtesy renewal notice, you are responsible for the timely renewal of your license. Nonreceipt of your renewal notice does not qualify for a waiver of the delinquency fee.

If your renewal form is not completed, mailed, and postmarked by the license expiration date, your practice rights cease until all deficiencies are corrected, and your license is renewed by the Board. Mail the renewal fee with your completed form to:

Department of Consumer Affairs  
P.O. Box 942501  
Sacramento, CA 94258-0501

You may pay your license renewal by money order, cashier's check, or a personal check (drawn on a U.S. bank). Currently, the Board does not accept credit card payments.

Please allow six to eight weeks for the Board to process your renewal. An incomplete or inaccurately completed renewal form may result in your license renewal being placed on hold and the temporary loss of practice rights. The Board will notify you in writing of any deficiencies.

If you do not receive your new pocket certificate within eight weeks of mailing your renewal form, please contact the Board's Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702.

### **New Licensees**

After the Board receives your initial license fee and the personal information data card, you will receive a pocket certificate informing you of the right to practice public accounting and noting the date of the first license expiration (first license renewal).

### **New Licensee Continuing Education (CE)**

To renew in active status, you are required to complete 20 hours of CE for each full six-month interval from the date the license was issued to the license expiration date. If you are required to complete governmental or accounting and auditing (A&A) CE, you need six hours of CE in the appropriate subject matter as part of each 20 hours of general CE. Meeting the governmental CE requirement is deemed to have met the A&A CE requirement. Meeting the A&A requirement is not deemed to have met the government CE requirement.

This method is used to calculate the total CE hours; it does not mean that 20 hours of CE must be completed within each six-month period.

### **Birth Month Renewal System**

#### *Even/Odd Biennial Renewal*

The regular license renewal cycle is every two years. The expiration date is midnight on the last day of your birth month. The year of expiration is based upon your birth year. If you were born in an even year, your license will expire each even year. If you were born in an odd year, it will expire each odd year.

However, your initial license may be issued for less than two full years to merge your renewal date into the even/odd renewal cycle.

If your initial license is issued for less than a full year, your initial license fee will be prorated as follows:

### Initial License Fee

<u>Initial License Period</u>	<u>Initial License Fee</u>
1 - 2 full months	\$0
3 - 12 full months	\$100
13 - 24 full months	\$200

### Biennial Renewal Fee

<u>License Renewal</u>	<u>Fee</u>
Individuals, Partnerships and Corporations	\$200
Delinquent	\$100 + renewal fee

### Renewal Options

You may:

- Complete your required CE by the renewal date and renew as **active**.
- Renew as inactive – submit the renewal form with fee without CE; however, you cannot practice public accounting while your license is in **inactive** status.
- Request an **extension** of time to complete CE or an **exemption** from CE if you meet certain criteria (see Table of Contents for additional information regarding requesting an extension of time to complete CE or an exemption from CE).
- Allow your license to expire, if you do not intend to practice public accountancy. An expired license may be renewed up to five years after its expiration date.

### Active Renewal = 80 hours CE

You must complete 80 hours of CE in the two-year period immediately preceding your license expiration date.

You cannot carry over CE hours from one renewal period to another. If you renew early and complete additional CE before your license expiration date in the current renewal period, you cannot count it toward the 80 hours of CE required for your next renewal period.

### Self-study Courses

Beginning January 23, 2004, revisions to Section 88.2 of the Accountancy Regulations established new requirements for self-study courses that make the Board's CE requirements consistent with the Statement on Standards for Continuing Education

issued by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA).

Non-interactive self-study courses will no longer qualify as acceptable CE if they are completed after December 31, 2004. This does not mean that you will no longer be able to complete paper-text courses. This means that all paper-text courses must have an interactive format to qualify for CE. A paper-text interactive format will allow you to claim full credit based on a 50-minute hour.

A paper-text interactive course:

- Requires frequent participant response to questions that test for understanding of the material presented.
- Provides evaluated feedback to incorrectly answered questions.
- Provides reinforcement feedback to correctly answered questions.

Evaluated feedback means a response specific to each incorrect answer of the study questions that explains why the particular answer is wrong, as each one is incorrect for a different reason. Reinforcement feedback means a response to the correct answer of the study questions that restates and explains why the answer selected was correct.

### **Qualifying CE**

Acceptable CE must be a formal program of learning that contributes directly to the professional competence of the licensee.

It is your responsibility to select acceptable CE courses. The following subjects are not acceptable CE:

- Foreign languages and cultures.
- Personal growth, self-realization, spirituality.
- Personal health and/or fitness, sports and recreation.
- Other subjects that do not contribute directly to the licensee's professional competence.

### **50/50 CE Requirement**

Licensees renewing in active status must meet a "50/50" CE requirement. You must complete a *minimum of 50 percent* of the total required CE hours in the following technical subjects:

- Accounting and auditing.
- Computer and information technology (excluding word processing).
- Consulting.
- Detecting and/or reporting of fraud in financial statements (Fraud CE).
- Financial planning.
- Professional conduct and ethics.
- Taxation.

- Specialized industry or government practices to maintain or enhance public accounting skills and knowledge.

You may claim a *maximum of 50 percent* of the total CE hours in the following non-technical subjects:

- Communication skills, negotiation skills, and motivational techniques.
- Marketing and sales.
- Office management, practice management, and personnel management.
- Word processing.

You may claim up to 50 percent of the required CE hours as an instructor or discussion leader. For each hour of presentation, you may also claim up to two additional hours of actual preparation time.

You may not claim credit for repeated presentations, unless you can demonstrate that the program content substantially changed and required significant additional study or research.

You may also claim up to 25 percent of the CE requirement by writing published articles or books (if the publisher is not under the control of the licensee), instructional materials for any qualifying CE program, and/or questions for the Uniform CPA Examination.

CE credit for writing exam questions/answers will be issued at one-half hour credit for each multiple-choice question/answer with distracters, and/or five hours credit for each essay question/answer or other objective question/problem. Licensees interested in exam writing are encouraged to contact Linda Mills at the AICPA at (201) 938-3196 or by e-mail at [lmills@aicpa.org](mailto:lmills@aicpa.org).

### **Miscellaneous CE Information**

- A live presentation is measured in 50-minute class hours. For programs with individual segments of less than 50 minutes, the sum of the segments (in increments of at least 25 minutes) may be added together to equal a full class hour.
- For courses taken from colleges or universities, each semester unit is equal to 15 hours of CE, and each quarter unit is equal to 10 hours of CE.
- You must retain CE certificates of completion for four years after renewal, except PC&E certificates must be retained for six years. A random sample of licensees' CE will be verified. If selected for verification, you will be contacted by mail and required to submit documentation of course completion to the Board.

### **Accounting & Auditing (A&A) CE**

If you plan, direct, approve, perform a substantial portion of the work, or report on an audit, review, compilation, or attestation service on a nongovernmental entity, you must complete 24 of the required 80 hours of CE in courses related to the following:

- Financial statement preparation and/or reporting.
- Audit, review, and/or compilation.
- Industry accounting.
- Attestation or assurance services.

This CE must be completed in the same two-year period as you perform the work.

Accounting and auditing includes accounting or financial reporting subjects, the body of knowledge dealing with recent pronouncements of authoritative accounting principles issued by the standard-setting bodies, and other related subjects generally classified within the accounting discipline.

In planning fieldwork, an auditor defines what is material to the financial statements being audited. “Substantial portions of field work” is defined as those portions of fieldwork that are material to reach conclusions or opinions related to that part of the audit.

If you prepare and report on at least one financial statement, you are performing substantial portions of the work – even if “the computer did most of the work” or another person reviews and signs the report. When another person is responsible for signing, both the preparer and signer must meet the A&A requirement.

Teaching or learning how to use accounting software does not qualify as A&A, although it may qualify as CE in another category.

**A&A extension:** If you are planning to renew in active status and have completed 80 hours of CE, but have not completed 24 hours of A&A CE because you became subject to the requirement during the last six months of a two-year renewal period, you qualify for a six-month extension. To request an extension, check the appropriate box on the renewal form. The A&A CE hours completed within the extension period may be used as part of the 80 hours of CE required for your next renewal. However, if you are again subject to the same requirement, another 24 hours of A&A CE must be completed to meet the next renewal requirements.

### **Government CE**

If you plan, direct, conduct substantial portions of field work, or report on financial or compliance audits of a governmental agency, you must complete 24 of the required 80 hours of CE in the following government audit-related courses:

- Governmental operations.
- Government laws, regulations, or reports.
- Special requirements of governmental agencies.
- Subjects related to the specific or unique environment of the audited entity.
- Other auditing subjects appropriate to government auditing engagements.

This CE must be completed in the same two-year period as you perform the work.

A governmental agency is defined as any department, office, commission, authority, Board, government-owned corporation, or other independent establishment of any branch of federal, state, or local government. Under the California definition, this does not include a non-profit organization or any organization receiving funds through federal financial assistance. However, licensees performing audits of non-profit organizations, organizations receiving federal financial assistance funds, or government agencies must comply with the Federal Government Auditing Standards.

A licensee who meets the government CE requirement is considered to have satisfied the accounting and auditing requirement.

**Government CE extension:** If you are planning to renew in active status and have completed 80 hours of CE, but have not completed 24 hours of government CE because you became subject to the requirement during the last six months of a two-year renewal period, you qualify for a six-month extension. To request an extension, check the appropriate box on the renewal form. The government CE hours completed within the extension period may be used as part of the 80 hours of CE required for your next renewal. However, if you are again subject to the same requirement, another 24 hours of government CE must be completed to meet the next renewal requirements.

### **Fraud CE Requirement**

Beginning July 1, 2005, a licensee subject to the A&A or government CE requirement will need to complete an additional eight hours of fraud CE specifically related to the detection and/or reporting of fraud in financial statements. The fraud CE requirement is part of the 80 hours of CE required for license renewal but is not part of the 24-hour A&A or government CE requirement.

### **Professional Conduct & Ethics (PC&E)**

The Board requires licensees to complete a Board-approved PC&E course every six years. This course provides information on the provisions of the current Accountancy Act, the Accountancy Regulations, and other rules of professional conduct.

The course must be a minimum of eight hours and be completed **within the six years preceding the license expiration date**. This means the licensee only has to complete one course in three renewal cycles (or every six years). The eight-hour course is included as part of the 80-hour CE requirement. The date by which you must meet the requirement next is provided on Parts A and B of your license renewal form.

A licensee may choose to take the PC&E course before the date on the license renewal form. If a licensee chooses to complete the PC&E course before the due date, the next due date is six years (three renewal cycles) from the renewal period in which the PC&E course was taken.

The list of approved providers is available on the Board's Web site on our Forms/Publications Page or from the Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702, and will be mailed with your license renewal form.

### **Satisfying the Attest Experience Requirement**

If you initially obtained your CPA license without satisfying the attest experience requirement, you may subsequently obtain certification of attest experience by:

- Completing a minimum of 500 hours of attest experience, to the satisfaction of the board, under the supervision of a licensee who holds a valid license or comparable authority to provide attest services. An Attest Certificate of Experience must be completed and submitted directly to the Board office. The Attest Certificate of Experience form is available on the Board's Web site on our Forms/Publications Page or from the Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701.
- Completing the Request for Board's Acknowledgement of Licensee's Completion of Attest Experience. The form is available on the Board's Web site on our Forms/Publications Page or from the Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701.
- Submitting a \$25 fee.

Applicants submitting attest experience may be required to appear before the Qualifications Committee to present audit work papers or other evidence substantiating their experience meets the requirements of Section 5095 of the California Accountancy Act.

### **Provider Information**

The California Board of Accountancy does not pre-approve or register providers of continuing education courses other than the Professional Conduct and Ethics Course. It is your responsibility to select qualifying courses for CE credit. To qualify as CE, the course must be a formal program of learning which contributes directly to the professional competence of a licensee. Additionally, the provider or sponsor must comply with the requirements prescribed in Sections 88 to 89 of the Accountancy Regulations.

### **Continuing Education Exemption/Extension Request**

An extension of time to complete CE or an exemption from CE may be granted, upon request, for the following reasons:

1. Reasons of health preventing compliance, which must be certified on the doctor's office letterhead. The doctor's letter must include:
    - Your name.
    - Nature of medical condition.
    - Beginning and ending time period of the condition.
    - Signed statement explaining the effect of the condition and how it renders you incapable of completing CE, including self-study courses.
  2. Active duty with the Armed Forces of the United States.
  3. Other good cause, such as a natural disaster or death of a spouse or other immediate family member, supported by a copy of the death certificate or obituary.
- The *CE Extension/Exemption Form* is available on the Board's Web site on our Forms/Publications Page or contact the Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702.

No extension or exemption will be granted solely because of age or workload constraints.

### **Inactive Renewal**

If, after your license expiration date, you do not intend to practice public accounting, you may renew as **inactive** without completing CE. To renew as inactive, submit the renewal form with the renewal fee, which is the same as the active renewal fee. You may not practice public accounting while your license is in inactive status.

An inactive license may be converted to active status at the next renewal date, or by meeting the license status conversion requirements before the next license expiration date.

### **License Status Conversion**

You may convert an inactive license to active status before the next expiration date by:

- Completing 80 hours of qualifying CE, including a Board-approved professional conduct and ethics course, within 24 months prior to converting to active status.
- Completing 24 hours of CE (as part of the 80 hours) in accounting and auditing or government CE, if you are subject to the requirement.

Once converted to active status, you must complete 20 hours of CE for each full six-month period from the date of license status conversion to the license expiration date. If you are required to complete the governmental or A&A CE, you need to complete six hours of CE in the appropriate subject matter as part of each 20 hours of CE. This is the method to calculate the total CE hours required for active renewal. You do not have to complete 20 hours of CE during each six-month period.

The *Status Conversion Form* is available on the Board's Web site on our Forms/Publication Page, or contact the Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702.

### **Delinquent License**

If, after the license expiration date, you do not intend to practice public accounting, you may allow your license to expire. You may renew your expired license any time up to five years after the license expiration date. The Board will send one delinquent renewal form approximately 30 days after the license expiration date. However, no subsequent renewal forms will be sent, unless requested.

To renew a delinquent/expired license, you must pay all past renewal fees and the most recent delinquent fee. To renew as active, you must also complete the CE requirements for the current period.

### **License Cancellation**

An expired license may be renewed up to five years after its expiration date. A license not renewed within five years is cancelled and cannot be renewed, restored, or reinstated. Approximately six months before a license is cancelled, the Board sends a cancellation notification letter to the licensee's last address of record.

If your license is cancelled, you must contact the Board and reapply for licensure as a new applicant. For license reissuance information, the Type D Application is available on the Board's Web site on our Forms/Publications Page or contact our Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701. You are not required to retain an attorney to assist you in the reissuance process. It is your choice whether or not you wish to be represented by an attorney.

### **License Reissuance**

If your license has been cancelled, and you wish to practice public accounting, you must reapply as a new applicant and meet the current requirements for licensure. Upon approval, a new CPA license number will be issued. Cancelled PA licenses cannot be reissued.

If your license is cancelled, you must contact the Board and reapply for licensure as a new applicant. For license reissuance information, the Type D Application is available on the Board's Web site on our Forms/Publications Page or contact our Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701. You are not required to retain an attorney to assist you in the reissuance process. It is your choice whether or not you wish to be represented by an attorney.

### **Retired Accountants**

The Board does not issue a license with retired status. If you are retired and do not intend to practice public accounting, you may simply allow your license to expire. You

may continue to display your CPA or PA certificate and may use the CPA or PA designation in a social context. However, with an expired license, you may not use the designation of CPA, PA, retired CPA, or retired PA to solicit clients or perform any activities defined as the practice of public accountancy in Section 5051 of the California Accountancy Act.

If your license is cancelled, you must contact the Board and reapply for licensure as a new applicant. For license reissuance information, the Type D Application is available on the Board's Web site on our Forms/Publications Page or contact our Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701. You are not required to retain an attorney to assist you in the reissuance process. It is your choice whether or not you wish to be represented by an attorney.

### **Accountancy Corporations**

An accountancy corporation must have at least one shareholder with an active license and obtain a Certificate of Registration from the Board before it can hold out and practice as an accountancy corporation.

#### Corporation Renewal Cycle

A corporation license must be renewed every two years to remain in good standing. The expiration date is based on the month and year the Board originally approved the application. If approved in an even year, the license will expire each even year on the last day of the month in which it was originally approved. If approved in an odd year, the license will expire each odd year on the last day of the month in which it was originally approved.

Failure to renew within five years of expiration will result in cancellation of a corporation's license. A cancelled license cannot be renewed, reinstated, or restored.

If a corporation license has been cancelled, the shareholder(s) must reapply for a Certificate of Registration.

### **Accountancy Partnerships**

An accountancy partnership must have at least two partners with active licenses to practice. An accountancy partnership with a non-licensee owner must have a partner with an active license to practice. A partnership must obtain a Certificate of Registration from the Board before it can hold out and practice as a partnership.

#### Partnership Renewal Cycle

A partnership license must renew every two years to remain in good standing. The expiration date is based on the month and year the Board originally approved the application. If approved in an even year, the license will expire each even year on the

last day of the month in which it was originally approved. If approved in an odd year, the license will expire each odd year on the last day of the month in which it was originally approved.

Failure to renew within five years of expiration will result in cancellation of a partnership's license. A cancelled license cannot be renewed, reinstated, or restored.

If a partnership license has been cancelled, the partners must reapply for a Certificate of Registration.

## **ENFORCEMENT**

The Board's Enforcement Division:

- Obtains information and evidence relating to matters involving the conduct of PAs and CPAs as well as any alleged violation of the California Accountancy Act and Accountancy Regulations.
- Receives and investigates complaints.
- Initiates and conducts investigations or hearings.

The California Accountancy Act and Accountancy Regulations provide the basis for the Board's disciplinary actions. The Board has developed disciplinary guidelines for Administrative Law Judges, attorneys, CPA/PA licensees, and others involved in the Board's disciplinary process. The guidelines for specific offenses are referenced to the statutory or regulatory provision violated. You may print the Disciplinary Guidelines Manual from the Board's Web site, or telephone the Board's Enforcement Division at (916) 561-1729 to request a copy.

## **Board Requests**

You must respond to any written requests from the Board within 30 days of the letter's postmarked date under Board Regulation 52. Failure to respond within 30 days is a violation of Section 5100(f) of the California Accountancy Act – willful violation of the California Accountancy Act or Accountancy Regulations.

## **Reportable Events**

Section 5063(a) of the Accountancy Act requires licensees to report to the Board certain events related to the practice of public accountancy, including:

- Conviction of:
  - A felony.
  - Any crime related to the qualifications, functions or duties of a CPA or PA or acts or activities within the scope of the practice of public accounting.
  - Any crime involving theft, embezzlement, misappropriation of funds or property, breach of fiduciary responsibility, or the preparation, publication, or dissemination

of false, fraudulent or materially misleading financial statements, reports, or information.

- Cancellation, revocation or suspension of a CPA/PA certificate or other authority to practice as a CPA or PA, or refusal to renew a certificate by any other state or foreign country.
- Cancellation, revocation or suspension of the rights to practice as a CPA/PA before any government body or agency.

Effective January 1, 2003, Section 5063(b) requires licensees to report to the Board in writing the occurrence of any of the following events occurring on or after January 1, 2003, within 30 days of the date the licensee has knowledge of the events:

- Any restatement of a financial statement and related disclosures by a client audited by a licensee.
- Any civil action settlement or arbitration award relating to the practice of public accountancy in which the amount of the settlement or award is \$30,000 or greater and when the licensee is not insured for the full amount.
- Any notice of the opening or initiation of a formal investigation of the licensee or a request for a Wells submission from the Securities and Exchange Commission (SEC).
- Any notice of the opening or initiation of an investigation by the Public Company Accounting Oversight Board (PCAOB) as or its designee, as defined pursuant to subdivision (g).

Effective January 1, 2003, Section 5063(c) requires licensees to report to the Board in writing, within 30 days of the entry of the judgment, any judgment entered on or after January 1, 2003, against the licensee in any civil action alleging any of the following:

- Dishonesty, fraud, negligence.
- Breach of fiduciary responsibility.
- Preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.
- Embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses, or other errors or omissions.
- Any actionable conduct by the licensee in the practice of public accountancy, the performance of bookkeeping operations, or other professional practice.

You must report the event in writing to the Chief of Enforcement. If the event involves the action of an administrative agency or court, provide the title of the matter, court or agency name, docket number, and dates of the event's occurrence. Additionally, you are required to answer any Board inquiries concerning a reportable event. The *Licensee Reporting Form* is available on the Board's Web site on our Forms/Publications Page or from the Enforcement Division at [enforcementinfo@cba.ca.gov](mailto:enforcementinfo@cba.ca.gov) or telephone (916) 561-1729.

## **Cite and Fine**

The Board may issue a citation, which may contain an administrative fine, for violation of any provision of the California Accountancy Act or Accountancy Regulations.

In the event the administrative fine remains outstanding and the license is scheduled for renewal, full payment of the outstanding fine must be made prior to the license being renewed. If less than full payment is received, the payment will be applied first to any outstanding fines, and the remaining amount will be applied to the renewal fee. A delinquent fee will be assessed, if the matter is resolved after the license expiration date.

## **MISCELLANEOUS INFORMATION**

### **Address of Record**

The Board sends all official correspondence to your address of record. Your address of record may be your primary place of employment, residence, post office box, or mail drop.

Your name and address of record is **public information** pursuant to Section 3, Notification of Change of Address, of the Accountancy Regulations, Section 5009 of the Business and Professions Code, and the California Public Records Act. Your name, address of record, and license status, as well as formal disciplinary actions, may be accessed at our Web site through the Web License Lookup feature.

You may use a post office box or mail drop as your address of record. However, if you use a post office box or mail drop, you must provide the street address of your primary place of employment or residence under "other address" on the Address Change Form. This "other address" will not be public information. The Address Change Form is available on the Board's Web site on our Forms/Publications Page or from the Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702.

### **Address Change**

Section 3 of the Accountancy Regulations requires each licensee to report in writing to the Board any change in your address of record within 30 days after the change. If the address of record is a post office box or mail drop, you shall also report the street address of either a primary place of employment or residence. Only the address of record is public information and will be posted on the Web License Lookup. To submit an address change, complete and sign the licensee Address Change Form, then mail or fax it to the Board at (916) 263-3672. The Address Change Form is available on the Board's Web site on our Forms/Publications Page or from the Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702.

## **Name Change**

- Individual – The Name Change or Wall Certificate/Pocket ID Replacement Request forms are available on the Board's Web site on our Forms/Publications Page or from the Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701.
- Accountancy Firm – The Accountancy Corporation and Partnership Name Change Applications are available on the Board's Web site on our Forms/Publications Page or from the Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701.

## **Fictitious Names**

You may not practice public accounting using a name other than the one printed on your certificate unless you have registered the other name with the Board. A registered fictitious name expires five years after issuance, unless it is renewed before the expiration date. The Fictitious Name Registration Application for Sole Practitioner is available on the Board's Web site on our Forms/Publications Page or from the Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701.

## **Attest Certificate of Experience/General Certificate of Experience**

If you are a public accounting employer, you may be asked to complete an Attest Certificate of Experience or General Certificate of Experience, on behalf of an applicant for licensure. Failure to complete these forms is a violation of Section 69 of the Accountancy Regulations.

## **Transfer of License Status from California to Another State**

For those California licensees interested in obtaining licensure in a state other than California, you are encouraged to first inquire about that state's licensure requirements prior to requesting a certification of record attesting to your status from this Board. If your state of choice does not have its own licensure transfer form, you may use the Board's Request for Certification of Board Records to transfer your grades from California to another state. Please complete your portion of the form, affix your signature and forward it to the Board office for completion. The Board charges a fee of \$25 for each certification request. The Request for Certification of Board Records is available on the Board's Web site on our Forms/Publications Page, by e-mailing the Licensing Unit at [licensinginfo@cba.ca.gov](mailto:licensinginfo@cba.ca.gov) or telephone (916) 561-1701.

## **Board Web Site**

The Board's Web site is located at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba). Important information for CPA/PA licensees, CPA exam applicants, and consumers is posted on this site. The

Web site is a valuable source of current information for users. It also contains information regarding Board meetings, accepting commissions, license renewal, continuing education, forms, and enforcement matters and issues. Additionally, the site provides the current California Accountancy Act, Accountancy Regulations, and *UPDATE* publications.

### **Public Information**

Pursuant to the Public Records Act (Government Code Sections 6250-6277), upon request, the Board discloses licensee information such as the following:

- Name.
- Address of record.
- Previous address of record.
- License number.
- License status.
- Original license issue date.
- Last renewal date.
- License expiration date.
- Disciplinary action.
- Filed accusations.
- Citations and compliance or noncompliance with citations.
- Copy of renewal forms.
- Copy of license application (excluding personal information, such as a home address, birth date, and social security number).
- Copy of Attest Certificate of Experience (Form E)/General Certificate of Experience (Form G) certifying licensure experience (excluding opinions of employers).

### **Public Information List**

The Department of Consumer Affairs compiles a Public Information List of licensee names, addresses, license type, and number that is available to the public upon request. This mailing list is available on CD-ROM, diskette, tape cartridge, e-mail file, computer printout (paper), or mailing labels. The list does not include telephone numbers, fax numbers or e-mail addresses.

If you do not wish to be included on the Public Information List, you may request removal of your name and address by submitting an Address Change Form and marking the applicable circle at the bottom of the page. The Address Change Form is available on the Board's Web site on our Forms/Publications Page or you may submit a signed request to have your name withheld from the public sales mailing list.

### **Web License Lookup**

License Lookup at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba) provides licensees and consumers with the following information about the CPA/PA or firm license: license type and number,

license status, experience completed (attest or general), license expiration date, original license issue date, and address of record.

Certain disciplinary information also is available, including: names of licensees for which accusations have been filed and are pending possible disciplinary action, summaries of decisions since July 1, 1993, for licenses revoked, surrendered, or placed on long-term probation; and summaries for all other disciplinary actions within the past seven years.

## Forms

The following forms are available on the Forms/Publication Page of this Web site:

- [Address Change Form & Instructions](#) (please see [Address Change](#) information)
- [CE Report & Renewal Information & Instructions](#) (please see [Renewal Form](#) information)
- [CPA/PA Name Change Form & Instructions](#) (please see [Name Change](#) information)
- [Information & Application for Extension or Exemption from Continuing Education Requirements](#) (please see [Continuing Education Exemption/Extension Request information](#))
- [Licensee Reporting Form – California Board of Accountancy Reportable Events](#) (please see [Reportable Events](#) information)
- [List of Board-approved Professional Conduct & Ethics Courses](#) (please see [Professional Conduct & Ethics](#) information)
- [Request for Certification of Board Record\(s\)](#) (please see [Transfer of License Status from California to Another State](#) information)
- [Request for the Board's Acknowledgement of Licensee's Completion of Attest Experience](#) (please see [Satisfying the Attest Experience Requirement](#) information)
- [Status Conversion Form from Inactive to Active License Status](#) (please see [License Status Conversion](#) information)
- [Wall Certificate/Pocket ID Replacement Request Form & Instructions](#) (please see [Name Change](#) information)

You may also request the above forms from the Board's Renewal Unit at [renewalinfo@cba.ca.gov](mailto:renewalinfo@cba.ca.gov) or telephone (916) 561-1702.

## FREQUENTLY ASKED QUESTIONS (FAQs)

### Renewal

#### *What is an active renewal?*

If you engage in the practice of public accountancy, you are required to hold a license in active status. Active renewal means that you completed the required hours of CE, submitted the required renewal information, and paid the license renewal fee and any applicable delinquency fee. As a condition of renewal in active status, you must complete at least 80 hours of required CE in the two-year period immediately preceding license expiration.

#### *What is an inactive renewal?*

If you are not practicing public accountancy, you may renew your license in inactive status without completing CE or PC&E. However, you must pay the renewal fee and submit a renewal form to maintain a current license.

An inactive license may be converted to active status prior to the next expiration date by applying for license conversion on the License Status Conversion Form from Inactive to Active License Status. The license will not become active until it has been processed and approved by the Board.

#### *Can I get another renewal form to record my CPE/CE hours?*

Yes, you may download a copy of the CE Reporting Worksheet (Side 2 of the Renewal Form) at the Board's Web site, or request a copy from the Renewal Unit.

#### *If I only do tax returns, can I renew my license in inactive status?*

If you use a CPA or PA designation soliciting, advertising for clients, or signing a tax return, you must have a current, active license.

Under Business and Professions Code Sections 22250-22258, tax preparers must meet special bonding and continuing education requirements as well as other requirements. With current active licenses, CPAs or PAs, enrolled agents, and attorneys are exempt from these special requirements. CPAs and PAs must instead meet the continuing education and other requirements of the Board.

#### *What types of courses qualify as CE?*

To qualify as acceptable CE, a program must contribute directly to your professional competence as a licensee in public practice.

Among the qualifying programs are:

- Professional development programs of national and state accounting organizations.
- Technical sessions at meetings of national and state accounting organizations and their chapters which are designed as formal educational programs.
- University or college courses.
- Other formal educational programs, provided the program meets the required standards.

*Can I do my CE by self-study?*

Yes, 100 percent of the CE requirements may be completed in qualifying self-study programs.

*What activities qualify as CE?*

The following activities qualify for CE, but you are only allowed to claim up to 25 percent of the required CE hours:

- Writing published articles and books, provided the publisher is not under the control of the licensee.
- Writing instructional materials for any continuing education program, which meets the requirements of Regulation Sections 88(a), 88.1, and 88.2.
- Writing questions for the Uniform Certified Public Accountant Examination.

### **Partnership and Corporation**

*Can a non-licensee's name be in the name style of the firm if he or she is a shareholder/partner?*

Yes. The firm must be registered with the Board and licensees must comprise the majority of owners except that firms with two owners may have one owner who is a non-licensee (refer to Section 5079 of the California Accountancy Act for additional information).

*Does the phrase "An Accountancy Corporation" or "A Professional Corporation" need to be in the name style of the corporation?*

No. An accountancy professional corporation is no longer required to include this information in its name style.

*Can I have a Corporation, Partnership, and Fictitious Name Permit with the same name, at the same time?*

Yes, you may have all three at the same time.

*How long does it take to process an application for licensure as a partnership, corporation or fictitious name?*

If the application is complete when submitted, processing time is eight to ten weeks.

**CALIFORNIA BOARD OF ACCOUNTANCY  
2000 Evergreen Street, Suite 250  
Sacramento, CA 95815-3832**

**INITIAL LICENSING**

Individuals

E-mail Address ..... *licensinginfo@cba.ca.gov*  
Telephone..... (916) 561-1701  
Fax ..... (916) 263-3676

Corporations/Partnerships/ Fictitious Names

E-mail Address ..... *firminfo@cba.ca.gov*  
Telephone..... (916) 561-1701  
Fax ..... (916) 263-3676

**LICENSE RENEWAL**

Individual's or Partnership/Corporations

E-mail Address ..... *renewalinfo@cba.ca.gov*  
Telephone..... (916) 561-1702  
Fax ..... (916) 263-3672

**ENFORCEMENT DIVISION**

E-mail Address ..... *enforcementinfo@cba.ca.gov*  
Telephone..... (916) 561-1729  
Fax ..... (916) 263-3673