

REQUEST FOR CHANGES PURSUANT TO G.S. 150B-21.10

AGENCY: Board of Certified Public Accountant Examiners

RULE CITATION: 21 NCAC 08F .0105, .0401

DEADLINE FOR RECEIPT: March 15, 2024

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

The introduction language on line 1 in both rules needs to include the citation for the publication of the rule in the register. I.e. "21 NCAC 08F .0401 is adopted as published in XX:XX NCR XXX-XXX as follows:" Examples are also available here: <https://www.oah.nc.gov/rule-format-examples#RuleFormatExamplesforPublicationintheNCAdministrativeCode-6063>

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Seth Ascher
Commission Counsel
Date submitted to agency: March 4, 2024

1 21 NCAC 08F .0105 is proposed for amendment as follows:

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3 **21 NCAC 08F .0105 CONDITIONING REQUIREMENTS**

4 (a) Passing Grades. A candidate shall pass all sections of the examination with a grade of 75 or higher on each section.

5 (b) Military Service. A candidate who is on active military service shall not have the time on active military service
6 counted against Subparagraph (c)(1) of this Rule unless the candidate applies to take the examination during the active
7 military service, in which case each month a candidate sits shall be counted toward Subparagraph (c)(1) of this Rule.

8 (c) A candidate is subject to the following conditioning requirements:

9 (1) a candidate shall earn a passing grade on all sections of the examination within ~~an 18-month~~ a 30-
10 month period;

11 (2) a candidate may sit for any section of the examination individually and in any order;

12 (3) a candidate may retake the same section of the examination as many times during a one-year period
13 as determined by the examination vendors but shall not retake a failed test section until the candidate
14 has been notified of the score of the most recent attempt of that failed section;

15 (4) credit awarded by the Board for passage of a section of the examination shall be valid for ~~an 18-~~
16 ~~month~~ a 30-month period from the date the passing scores are released by the examination vendors;

17 (5) the ~~18-month~~ 30-month period begins on the date the first passing score is released to the candidate
18 and concludes with the sit date of the final passed examination section, regardless of when the score
19 is released by the examination vendors for the final passed section. A candidate, after earning credit
20 for the initial passed section, must complete the remaining test sections of the examination by the
21 last day of the ~~18-month~~ 30-month period. If all four sections of the examination are not passed
22 within the ~~18-month~~ 30-month period, credit for any test section passed outside of the ~~18-month~~ 30-
23 month period shall expire; and

24 (6) notwithstanding subparagraphs (c)(1), (c)(4), and (c)(5) of this Rule, the period of time in which to
25 pass all test sections of the examination may be extended by the Board upon a showing that the
26 credit was lost by reason of circumstances beyond the testing candidate's control.

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28 *History Note: Authority G.S. 93-12(3); 93-12(4); 93-12(5);*
29 *Eff. February 1, 1976;*
30 *Readopted Eff. September 26, 1977;*
31 *Amended Eff. February 1, 2011; January 1, 2006; January 1, 2004; August 1, 1998; April 1, 1994;*
32 *April 1, 1991; March 1, 1990;*
33 *Readopted Eff. February 1, 2016;*
34 *Amended Eff. April 1, 2024; September 1, 2023; January 1, 2020.*

1 21 NCAC 08F .0401 is proposed for amendment as follows:

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3 **21 NCAC 08F .0401 WORK EXPERIENCE REQUIRED OF CANDIDATES FOR CPA**
4 **CERTIFICATION**

5 (a) G.S. 93-12(5)(c) sets forth work experience alternatives, one of which is required of candidates applying for CPA
6 certification. In connection with those requirements, the following provisions apply:

- 7 (1) the work experience shall be acquired prior to the date a candidate applies for certification; and
8 (2) all experience that is required to be under the direct supervision of a CPA shall be under the direct
9 supervision of a licensed CPA on active status in one of the U.S. states or jurisdictions.

10 (b) The following provisions apply to all candidates seeking to meet the work experience requirement of G.S. 93-
11 12(5)(c)(3) by working in the field of accounting:

- 12 (1) One year of work experience is 52 weeks of full-time employment. The candidate is employed full-
13 time when the candidate is expected by the employer to work for the employer at least 30 hours each
14 week. Any other work is working part-time.
15 (2) All weeks of actual full-time employment are added to all full-time equivalent weeks in order to
16 calculate how much work experience a candidate has acquired. Dividing that number by 52 results
17 in the years of work experience the candidate has acquired.
18 (3) Full-time-equivalent weeks are determined by the number of actual part-time hours the candidate
19 has worked. Actual part-time hours do not include hours paid for sick leave, vacation leave,
20 attending continuing education courses, or other time not spent directly performing accounting
21 services. For each calendar week during which the candidate worked actual part-time hours of 30
22 hours or more, the candidate receives one full-time-equivalent week. The actual part-time hours
23 worked in the remaining calendar weeks are added together and divided by 30. The resulting
24 number is the additional number of full-time-equivalent weeks to which the candidate is entitled.
25 (4) The candidate shall submit experience affidavits on a form provided by the Board from all of the
26 relevant employers; provided that when such experience was not acquired while employed with a
27 CPA firm, the candidate shall also submit details of the work experience and supervision on a form
28 provided by the Board. Experience affidavits for part-time work shall contain a record of the actual
29 part-time hours the candidate has worked for each week of part-time employment. Both the
30 experience affidavit and the form for additional detail shall be certified by the employer's office
31 supervisor or an owner of the firm who is a certificate holder.

32 (c) Rule .0409 of this Section applies to teaching experience acquired pursuant to G.S. 93-12(5)(c)(2) and (4).

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34 *History Note: Authority G.S. 93-12(3); 93-12(5);*
35 *Eff. February 1, 1976;*
36 *Readopted Eff. September 26, 1977;*
37 *Temporary Amendment Eff. June 17, 1982 for a period of 120 days to expire on October 12, 1982;*

1 *Legislative Objection Lodged Eff. July 20, 1982;*
2 *Amended Eff. February 1, 2011; January 1, 2006; August 1, 1998; March 1, 1990; July 1, 1989;*
3 *December 1, 1988; September 1, 1988;*
4 *Readopted Eff. February 1, 2016;*
5 *Amended Eff. April 1, 2024; September 1, 2023.*