

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

AGENCY: Board of Certified Public Accountant Examiners

RULE CITATION: 21 NCAC 08F .0103

DEADLINE FOR RECEIPT: August 11, 2023

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:

Applicable to all rules: *The introductory statements need to be corrected to include information about publication in the register. See the examples for publication in the administrative code here: <https://www.oah.nc.gov/rule-format-examples#RuleFormatExamplesforPublicationintheNCAdministrativeCode-6063>*

What is included in the “actual costs of examination services” on lines 5 and 6?

On page 1, line 22, “and satisfaction of degree requirements”

On page 2, line 11, “photograph [~~2x2~~] two by two inches”. This is per 26 NCAC 02c .0108(9).

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: August 3, 2023

21 NCAC 08F .0103 is proposed for amendment as follows:

21 NCAC 08F .0103 FILING OF EXAMINATION APPLICATIONS AND FEES

(a) All applications for CPA examinations shall be filed with the Board and accompanied by the examination fee. The Board sets the fee for each examination at the amount that enables the Board to recover its actual costs of examination services. If a check or credit card authorization fails to clear the bank, the application shall be deemed incomplete and returned. CPA ~~Exam~~ examination applications and fee information are on the Board's website at ~~www.nccpaboard.gov~~ nccpaboard.gov and may be requested from the Board.

(b) The initial application filed to take the examination shall include supporting documentation demonstrating that all legal requirements have been met, including:

- (1) minimum legal age;
- (2) education; and
- (3) good moral character.

(c) ~~Any~~ In addition, any person born outside the United States shall furnish to the Board ~~office evidence of citizenship; evidence of resident alien status; or office:~~

- (1) evidence of citizenship; or
- (2) evidence of resident alien status; or
- ~~(1)(3)~~ (4) other bona fide evidence that the applicant is legally allowed to remain in the United States; or
- ~~(2)(4)~~ (5) a notarized affidavit of intention to become a U.S. citizen; or
- ~~(3)(5)~~ evidence that the applicant is a citizen of a foreign jurisdiction that extends to citizens of this State like or similar privileges to be examined.

(d) ~~Official transcripts (originals, not photocopies)~~ Education and degree requirements shall be proven by submission of either original official transcripts, not photocopies, signed by the college registrar and bearing the college seal are required to prove education and degree requirements, or by electronic delivery of official transcripts directly from the college registrar or through the institution's chosen provider. A letter from the college registrar of the school may be filed as documentation that the applicant has met the graduation requirements if the degree has not been awarded and posted to the transcript. No examination grades shall be released until an official transcript is filed with the Board confirming the education requirement as stated in the college registrar's letter.

(e) Applicants for re-examination shall not re-submit official transcripts, additional statements, or affidavits regarding education.

(f) To document good moral character as required by G.S. 93-12(5), three persons not related by blood or marriage to the applicant shall sign the application certifying the good moral character of the applicant and the Board shall conduct a background check of the applicant including a check of criminal records.

(g) An applicant shall include as part of any application for the CPA examination a statement of explanation and a certified copy of the final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense. An applicant shall not be required to disclose any arrest, charge, or conviction that has been expunged by ~~the court.~~ a court.

1 (h) If an applicant has been denied any license by any state or federal agency, the applicant shall include as part of
2 the application for the CPA examination a statement explaining such denial. An applicant shall include a statement of
3 explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by
4 a state or federal agency and has been disciplined by that agency.

5 (i) ~~Two identical photographs shall accompany~~ An applicant shall submit one photograph or digital image as part of
6 the application for the CPA examination. The photograph or digital image shall be of the applicant
7 alone, 2x2 inches in size, front view, full face, taken in normal street attire without a hat or dark glasses, printed on
8 paper with a plain light background background, and taken within the last six months. Photographs The photograph
9 or digital image may be in black and white or in color. Retouched photographs or digital images shall not be accepted.
10 If submitting a photograph, Applicants applicants shall write their names on the back of their photographs. photograph,
11 with the photograph 2x2 inches in size.

12 (j) If an applicant's name has legally changed and is different from the name on any transcript or other document
13 supplied to the Board, the applicant shall furnish copies of the documents legally authorizing the name change.

14 (k) Candidates shall file initial and re-exam applications to sit for the CPA ~~Examination~~ examination on forms
15 provided by the Board.

16 (l) Examination fees are valid for a six-month period from the date of the applicant's notice to schedule for the
17 examination from the examination vendor.

18 (m) No application for examination shall be considered while the applicant is serving a sentence for any criminal
19 offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally
20 suspended sentence, any of which are imposed as a result of having been convicted or having pled to a criminal charge.

21
22 *History Note: Authority G.S. 93-2; ~~93-9(12)~~; 93-10; 93-12(3); 93-12(4); 93-12(5); 93-12(7);*

23 *Eff. February 1, 1976;*

24 *Readopted Eff. September 26, 1977;*

25 *Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; August 1,*
26 *1998; February 1, 1996; April 1, 1994; March 1, 1990; May 1, 1989;*

27 *Readopted Eff. February 1, 2016;*

28 *Amended Eff. September 1, 2023; February 1, 2018.*

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

AGENCY: Board of Certified Public Accountant Examiners

RULE CITATION: 21 NCAC 08F .0105

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

On lines 17 and 20, "vendor(s)" can't be underlined and struckthrough. If these changes were included in publication, remove the underline. If these changes were made post-publication, remove the underline and highlight.

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: August 3, 2023

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

21 NCAC 08F .0105 CONDITIONING REQUIREMENTS

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

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

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

- (1) a candidate shall ~~obtain~~ earn a passing grade on all sections of the examination within an 18-month period;
- (2) a candidate may sit for any section of the examination ~~individually;~~ individually and in any order;
- (3) a candidate may retake the same section of the examination as many times during a one-year period as determined by the examination ~~vendor(s)~~ vendors but shall not retake a failed test section until the candidate has been notified of the score of the most recent attempt of that failed section; ~~and~~
- (4) credit awarded by the Board for passage of a section of the examination ~~is~~ shall be valid for an 18-month period ~~beginning on the date the section is taken.~~ from the date the passing scores are released by the examination vendor(s) vendors;
- (5) the 18-month period begins on the date the first passing score is released to the candidate and concludes with the sit date of the final passed examination section, regardless of when the score is released by the examination vendor(s) vendors for the final passed section. A candidate, after earning credit for the initial passed section, must complete the remaining test sections of the examination by the last day of the 18-month period. If all four sections of the examination are not passed within the 18-month period, credit for any test section passed outside of the 18-month period shall expire; and
- (6) notwithstanding subparagraphs (c)(1), (c)(4), and (c)(5) of this Rule, the period of time in which to pass all test sections of the examination may be extended by the Board upon a showing that the credit was lost by reason of circumstances beyond the testing candidate's control.

History Note: Authority G.S. 93-12(3); 93-12(4); 93-12(5);

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. February 1, 2011; January 1, 2006; January 1, 2004; August 1, 1998; April 1, 1994;

April 1, 1991; March 1, 1990;

Readopted Eff. February 1, 2016;

Amended Eff. September 1, 2023; January 1, 2020.

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

AGENCY: Board of Certified Public Accountant Examiners

RULE CITATION: 21 NCAC 08F .0410

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

Regarding the list of “fields of study” in (a)(2), is the board relying on an applicant’s transcript to identify the field of study?

On line 8, “~~eight~~ 8 of the following”. This is per 26 NCAC 02c .0108(9).

On line 21, “~~Paragraph~~ Subparagraph (a)(2)”.

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: August 3, 2023

21 NCAC 08F .0410 is proposed for amendment as follows:

21 NCAC 08F .0410 EDUCATION REQUIRED OF CANDIDATES FOR CPA CERTIFICATION

(a) ~~G.S. 93-12(5)~~ G.S. 93-12(5)(a) sets forth the education required of candidates applying for CPA certification.

The 150 semester hours required ~~include~~ include:

(1) a concentration in accounting, as defined by 21 NCAC 08A .0309; and

~~(b)~~ (2) 24 semester hours of coursework that ~~include~~ includes one three semester hour course from at least eight of the following 10 fields of study:

———~~(1)~~ (A) communications;

———~~(2)~~ (B) computer technology;

———~~(3)~~ (C) economics;

———~~(4)~~ (D) ethics;

———~~(5)~~ (E) finance;

———~~(6)~~ (F) humanities or social science;

———~~(7)~~ (G) international environment;

———~~(8)~~ (H) law;

———~~(9)~~ (I) management; or

———~~(10)~~ (J) statistics.

~~(e)~~ (b) Anyone applying for CPA certification who holds a Master's or more advanced degree in accounting, tax law, economics, finance, business administration, or a law degree from an accredited college or university is in compliance with Paragraph ~~(b)~~ (a)(2) of this Rule.

History Note: Authority G.S. 93-12(5);

Eff. January 1, 2001;

Amended Eff. February 1, 2011; January 1, 2006;

Readopted Eff. February 1, ~~2016~~ 2016;

Amended Eff. September 1, 2023.

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

AGENCY: Board of Certified Public Accountant Examiners

RULE CITATION: 21 NCAC 08J .0112

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

Is subparagraph d meant to be how an individual on inactive status can change to active status? If so, there is a typo on line 21.

If not, why do (a) and (d) provide two separate options for inactive CPAs to become retired?

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: August 3, 2023

21 NCAC 08J .0112 is proposed for adoption as follows:

21 NCAC 08J .0112 RETIRED STATUS - CHANGE OF STATUS

(a) A CPA on active or inactive status may apply to the Board for a change to CPA-retired status if that CPA completes an application provided by the Board confirming the following:

(1) they will not perform any of the services listed in 21 NCAC 08A .0307(2) except that:

(A) they may prepare tax returns for themselves and their immediate family members without compensation. Immediate family is defined as spouse, domestic partner, parent, child, sibling, stepparent, parent-in-law, stepchild, child-in-law, grandparent, grandchild, sibling-in-law, or legal dependent; and

(B) they may prepare tax returns through public service programs without compensation, such as the Volunteer Income Tax Assistance program.

(2) they will not hold themselves out to the public as a certified public accountant while they remain on CPA-retired status except that they may use the designation "CPA-retired".

(3) they consent to the continued regulatory authority of the Board.

(b) Individuals on CPA-retired status may receive compensation for any services that are not listed in 21 NCAC 08A .0307(2).

(c) Individuals on CPA-retired status must renew their certificate annually as set forth in 21 NCAC 08J .0101. However, individuals on CPA-retired status are exempt from the Board's annual CPE requirements.

(d) An individual on inactive status may change to CPA-retired status by submitting an application consistent with 21 NCAC 08F .0502. However, they are not required to provide the Board with an experience affidavit or three certificates of good moral character.

(e) An individual on CPA-retired status may change to active status by:

(1) furnishing the Board with evidence of satisfactory completion of 40 hours of CPE courses during the 12-month period immediately preceding the application for change of status. Eight of the required hours shall be credits derived from a course or examination in North Carolina accountancy statutes and rules (including the Code of Professional Ethics and Conduct as set forth in 21 NCAC 08N contained therein) as set forth in 21 NCAC 08F .0504; and

(2) submitting three certificates of good moral character completed by CPAs on active status.

History Note: Authority G.S. 93-12(3); 93-12(8); 93-12(8b);

Eff. September 1, 2023.