

Burgos, Alexander N

Subject: FW: [External] Updated Rules
Attachments: 21 NCAC 08A .0301.docx; 21 NCAC 08J .0106.docx; 21 NCAC 08J .0113.docx
Importance: High

From: David Nance <DavidNance@nccpaboard.gov>
Sent: Wednesday, May 6, 2026 10:17 AM
To: Ascher, Seth M <seth.ascher@oah.nc.gov>; Rules, Oah <oah.rules@oah.nc.gov>
Cc: Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Burgos, Alexander N <alexander.burgos@oah.nc.gov>; Frank Trainor <FrankTrainor@nccpaboard.gov>
Subject: RE: [External] Updated Rules
Importance: High

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Please find attached the updated rules as discussed in the email below. Based on the comments from the Rules Commission initial review, it was noted that the Board should add a definition of “good moral character” to its rules as well as ensure consistency in use of that phrase throughout its rules. Based on that recommendation, the Board added the following to Board rule 21 NCAC 08A .0301 Definitions:

(20) "Good moral character" means a personal history of honesty, trustworthiness, fairness, a good reputation for fair dealings, and respect for the rights of others and for state and federal laws, subject to the requirements of N.C. Gen. Stat. §93B-8.1(b).

This definition is based upon the legislature’s previously adopted definition in N.C. Gen. Stat. §58-89A-5 for Professional Employer Organizations for good moral character. The reference to N.C. Gen. Stat. §93B-8.1(b) was added as a qualifier since that requirement limits how occupational licensing boards may deny licensure on the grounds of criminal convictions. Let me know if you have any questions related to this definition.

For Board rule 21 NCAC 08J .0106 Forfeiture of Certificate and Reissuance, the word “good” was added in two places before the previously used term of “moral character” to provide consistency to the definition.

For Board rule 21 NCAC 08J .0113 License Renewal Form, the work “good” was added in one place before the previously used term of “moral character” to provide consistency to the definition.

We believe that the rule updates address the issues identified through the initial Rules Commission review. Please let me know if there is anything else that the Board needs to address as we move forward with finalizing the readoption of the Board’s rules at the May 28, 2026, meeting of the Rules Commission. Thank you for all of your assistance through this process.

David R. Nance, CPA

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NC State Board of CPA Examiners
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1 21 NCAC 08A .0301 is readopted with changes as published in 40:12 NCR 1011-1013 as follows:

2
3 **21 NCAC 08A .0301 DEFINITIONS**

4 (a) The definitions set out in G.S. 93-1(a) apply when those defined terms are used in this Chapter.

5 (b) In addition to the definitions set out in G.S. 93-1(a), the following definitions apply when these terms are used in
6 this Chapter:

7 (1) "Active," when used to refer to the status of a person, describes a person who possesses a North
8 Carolina certificate of qualification and who has not otherwise been granted inactive or CPA-retired
9 status;

10 (2) "Agreed-upon procedures" means a professional service whereby a CPA is engaged to issue a report
11 of findings based on specific procedures performed on identified subject matter;

12 (3) "AICPA" means the American Institute of Certified Public Accountants;

13 (4) "Applicant" means a person who has applied to take the CPA examination or applied for a certificate
14 of qualification;

15 (5) "Attest service" means a professional service whereby a CPA in the practice of public accounting is
16 engaged to issue or does issue:

17 (A) any audit or engagement to be performed in accordance with the Statements on Auditing
18 Standards, Statements on Generally Accepted Governmental Auditing Standards, Public
19 Company Accounting Oversight Board Auditing Standards, and International Standards on
20 Auditing;

21 (B) any review engagement to be performed in accordance with the Statements on Standards
22 for Accounting and Review Services;

23 (C) any compilation engagement to be performed in accordance with the Statements on
24 Standards for Accounting and Review Services; or

25 (D) any engagement to be performed in accordance with the Statements on Standards for
26 Attestation Engagements;

27 (6) "Audit" means a professional service whereby a CPA is engaged to examine financial statements,
28 items, accounts, or elements of a financial statement prepared by management, in order to express
29 an opinion on whether the financial statements, items, accounts, or elements of a financial statement
30 are presented in conformity with an applicable reporting framework, that enhances the degree of
31 confidence that intended users can place on the financial statements, items, accounts, or elements of
32 a financial statement;

33 (7) "Calendar year" means the 12 months beginning January 1 and ending December 31;

34 (8) "Candidate" means a person whose application to take the CPA examination has been accepted by
35 the Board and who may sit for the CPA examination;

36 (9) "Client" means a person or an entity who orally or in writing agrees with a licensee to receive any
37 professional services performed or delivered;

- 1 (10) "Commission" means compensation, except a referral fee, for recommending or referring any
2 product or service to be supplied by another person;
- 3 (11) "Compilation" means a professional service whereby a CPA is engaged to present, in the form of
4 financial statements, information that is the representation of management without ~~undertaking to~~
5 ~~express~~ expressing any assurance on the statements;
- 6 (12) "Contingent fee" means a fee established for the performance of any service pursuant to an
7 arrangement in which no fee will be charged unless a specified finding or result is attained, or in
8 which the amount of the fee is otherwise dependent upon the finding or result of such service;
- 9 (13) "CPA" means certified public accountant;
- 10 (14) "CPA firm" means ~~a sole proprietorship, a partnership, a professional corporation, a professional~~
11 ~~limited liability company, or a registered limited liability partnership that uses certified public~~
12 ~~accountant(s) or CPA(s) in or with its name or offers to or renders any attest services in the public~~
13 ~~practice of accountancy; an entity that is registered with the Board pursuant to Rule 08J .0108 of~~
14 ~~this Chapter or practices in the State by exercising the practice privilege as set forth by G.S. 93-10;~~
- 15 (15) "CPE" means continuing professional education;
- 16 (16) "Disciplinary action" means revocation, suspension of, or refusal to grant a certificate, or the
17 imposition of a reprimand, probation, constructive comment, or any other penalty or condition;
- 18 (17) "FASB" means the Financial Accounting Standards Board;
- 19 (18) "Firm network" means an association of entities that includes one or more firms that cooperate for
20 the purpose of enhancing the firms' capabilities to provide professional services and share one or
21 more of the following characteristics:
- 22 (A) the use of a common brand name, including initials, as part of the firm name;
- 23 (B) common control among the firms through ownership, management, or other means;
- 24 (C) profits or costs, excluding costs of operating the association; costs of developing audit
25 methodologies, manuals, and training courses; and other costs that are immaterial to the
26 firm;
- 27 (D) common business strategy that involves ongoing collaboration amongst the firms whereby
28 the firms are responsible for implementing the association's strategy and are accountable
29 for performance pursuant to that strategy;
- 30 (E) significant part of professional resources; or
- 31 (F) common quality control policies and procedures that firms are required to implement and
32 that are monitored by the association;
- 33 (19) "GASB" means the Governmental Accounting Standards Board;
- 34 (20) "Good moral character" means a personal history of honesty, trustworthiness, fairness, a good
35 reputation for fair dealings, and respect for the rights of others and for state and federal laws, subject
36 to the requirements of N.C. Gen. Stat. §93B-8.1(b).
- 37

1 ~~(21)~~ ~~(20)~~ "Inactive," when used to refer to the status of a person, describes a person who has requested inactive
2 status and has been approved by the Board and who does not use the title certified public accountant,
3 nor does he or she allow anyone to refer to him or her as a certified public accountant, and neither
4 he nor she nor anyone else refers to him or her in any representation as described in Rule .0308(b)
5 of this Section;

6 ~~(22)~~ ~~(21)~~ "IRS" means the Internal Revenue Service;

7 ~~(23)~~ ~~(22)~~ "Jurisdiction" means any state or territory of the United States or the District of Columbia;

8 ~~(24)~~ ~~(23)~~ "License year" means the 12 months beginning July 1 and ending June 30;

9 ~~(25)~~ ~~(24)~~ "Member of a CPA firm" means any CPA who has an equity ownership interest in a CPA firm;

10 ~~(26)~~ ~~(25)~~ "NASBA" means the National Association of State Boards of Accountancy;

11 ~~(27)~~ ~~(26)~~ "NCACPA" means the North Carolina Association of Certified Public Accountants;

12 ~~(28)~~ ~~(27)~~ "North Carolina office" means any office physically located in North Carolina;

13 ~~(29)~~ ~~(28)~~ "Person" means any natural person, corporation, partnership, professional limited liability company,
14 registered limited liability partnership, unincorporated association, or other entity;

15 ~~(30)~~ ~~(29)~~ "Professional" means arising out of or related to the particular knowledge or skills associated with
16 CPAs;

17 ~~(31)~~ ~~(30)~~ "Referral fee" means compensation for recommending or referring any service of a CPA to any
18 person;

19 ~~(32)~~ ~~(31)~~ "Revenue Department" means the North Carolina Department of Revenue;

20 ~~(33)~~ ~~(32)~~ "Review" means a professional service whereby a CPA is engaged to perform procedures, limited
21 to analytical procedures and inquiries, to obtain a reasonable basis for expressing limited assurance
22 on whether any material modifications should be made to the financial statements for them to be in
23 conformity with generally accepted accounting principles or other comprehensive basis of
24 accounting;

25 ~~(34)~~ ~~(33)~~ "Reviewer" means a member of a review team including the review team captain;

26 ~~(35)~~ ~~(34)~~ "Suspension" means a revocation of a certificate for a specified period of time. A CPA may be
27 reinstated after a specific period of time if the CPA has met all conditions imposed by the Board at
28 the time of suspension;

29 ~~(35)~~ — "Trade name" means a name used to designate a business enterprise;

30 ~~(36)~~ ~~(36)~~ ~~[(35)]~~ "Work papers" mean the CPA's records of the procedures applied, the tests performed, the
31 information obtained, and the conclusions reached in attest services, tax services, consulting
32 services, special report services, or other engagements. Work papers include programs used to
33 perform professional services, analyses, memoranda, letters of confirmation and representation,
34 checklists, copies or abstracts of company documents, and schedules of commentaries prepared or
35 obtained by the CPA. The forms include handwritten, typed, printed, word processed, photocopied,
36 photographed, and computerized data, or in any other form of letters, words, pictures, sounds, or
37 symbols; and

1 ~~(37) "Work product" means the end result of the engagement for the client that may include a tax return,~~
2 ~~attest or assurance report, consulting report, or financial plan. The forms include handwritten, typed,~~
3 ~~printed, word processed, photocopied, photographed, and computerized data, or in any other form~~
4 ~~of letters, words, pictures, sounds, or symbols.~~

5 (c) Any requirement to comply by a specific date to the Board that falls on a weekend or federal holiday shall be
6 received as in compliance if postmarked by U.S. Postal Service cancellation by that date, if received by a private
7 delivery service by that date, or received in the Board office on the next business day.

8
9 *History Note: Authority G.S. 93-1; 93-12; 93-12(3);*

10 *Eff. February 1, 1976;*

11 *Readopted Eff. September 26, 1977;*

12 *Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; April 1, 1999;*

13 *August 1, 1998; February 1, 1996; April 1, 1994; September 1, 1992;*

14 *Readopted Eff. February 1, 2016;*

15 *Amended Eff. May 1, ~~2017~~; 2017;*

16 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08J .0106 is readopted with changes as published in 40:12 NCR 1024 as follows:

2
3 **21 NCAC 08J .0106 FORFEITURE OF CERTIFICATE AND REISSUANCE**

4 (a) A person who has forfeited a certificate is no longer a CPA and thus is not subject to the renewal fee or CPE
5 requirements contained in these Rules.

6 (b) A person who requests reissuance of a forfeited certificate shall make application and provide the following to the
7 Board:

8 (1) payment of the ~~current certificate application fee; fee of \$100. This fee does not exceed the~~
9 ~~maximum as set forth in G.S. 93-12(7a);~~ \$100;

10 (2) ~~three certificates of moral character provided by the Board and completed by CPAs; and submitting~~
11 ~~a reissuance application in accordance with the requirements as set forth in 21 NCAC 08F .0502(b)~~
12 ~~through (c); and~~

13 (3) evidence of satisfactory completion of the CPE requirement described in Rule .0105(c)(2) of this
14 Section.

15 (c) The certificate may be reissued if determined by the Board that the person meets the requirements as listed in
16 Paragraph (b) of this Rule.

17 (d) The reissuance application form shall contain the following:

18 (1) The applicant's full name and CPA certificate number;

19 (2) The applicant's home address, telephone number, and email address;

20 (3) The applicant's business name, address, telephone number, email address, and job title;

21 (4) The applicant's occupation category, business concentration, and any membership associations;

22 (5) Three certificates of **good** moral character as per 21 NCAC 08F .0505;

23 (6) Affirmation to the licensee's **good** moral character as per 21 NCAC 08F .0505 and 21 NCAC 08N
24 .0204 and, if applicable, a statement providing the relevant explanation and documents for any yes
25 responses;

26 (7) Affirmation that the applicant has refrained from using the CPA title during the period of revocation
27 or forfeiture;

28 (8) Whether the applicant classifies as active-duty military or a military veteran;

29 (9) Whether the applicant has completed the accountancy law course within the 12-month period prior
30 to submission of the application;

31 (10) A report of the CPE credit minutes obtained by the applicant during the 12-month period prior to
32 submission of the application identifying attending at least 2,000 continuing education minutes of
33 courses in accordance with Section .0400 – CPE Requirements of these Rules;

34 (11) Whether the licensee has been subject to any investigation for employee misclassification since the
35 previous renewal application was submitted;

1 (12) The licensee's signature to certify that he or she has prepared the application and has read the
2 answers; that the information provided in the application is true; and that he or she has read the
3 Board's applicable statutes and rules; and

4 (13) The application fee, as prescribed by G.S. 93-12(7a). If the application fee is dishonored by the
5 licensee's drawee bank for any reason, the Board shall suspend the license until the renewal fees and
6 non-sufficient fund charges are paid.

7
8
9 *History Note: Authority G.S. 93-12(3); 93-12(5); 93-12(7a); ~~93-12(8a)~~; 93-12(8b);*
10 *Eff. October 1, 1984;*
11 *Amended Eff. January 1, 2014; July 1, 2010; August 1, 1998; February 1, 1996; April 1, 1994; May*
12 *1, 1989;*
13 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
14 *~~2014.~~ 2014;*
15 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08J .0113 is adopted with changes as published in 40:12 NCR 1027 as follows:

2

3 **21 NCAC 08J .0113 LICENSE RENEWAL FORM**

4 (a) To renew a CPA certificate, the licensee annually shall complete and submit to the Board a renewal application.
5 Failure to submit a completed renewal application by July 31 shall cause the licensee's license to be forfeited.

6 (b) The renewal form shall contain the following:

7 (1) The licensee's full name and license number;

8 (2) Whether the licensee is renewing an active or retired status pursuant per Rule .0112 of this Section;

9 (3) The licensee's job concentration area, occupation area, and job title;

10 (4) Whether the licensee has complied with the Board's continuing professional education rules;

11 (5) A report of the CPE credit minutes obtained by the licensee during the current reporting period
12 identifying attending at least 2,000 continuing education minutes of courses in accordance with
13 Section .0400 – CPE Requirements of these Rules since the previous renewal application was
14 submitted;

15 (6) Affirmation to the licensee's good moral character as per 21 NCAC 08F .0505 and 21 NCAC 08N
16 .0204 since the previous renewal application was submitted and, if so, a statement providing the
17 relevant explanation and documents for any no responses;

18 (7) Whether the licensee has been subject to any investigation for employee misclassification since the
19 previous renewal application was submitted;

20 (8) The licensee's signature to certify that he or she has prepared the application and has read the
21 answers; that the information provided in the application is true; and that he or she has read the NC
22 Industrial Commission Public Notice Statement; and

23 (9) The application fee, as prescribed by G.S. 93-12(8). If the application fee is dishonored by the
24 licensee's drawee bank for any reason, the Board shall suspend the license until the renewal fees and
25 non-sufficient fund charges are paid.

26

27 *History Note: Authority G.S. 93-12(8);*

28 *Eff. May 1, 2026.*

Burgos, Alexander N

Subject: FW: [External] Updated Rules

From: Ascher, Seth M <seth.ascher@oah.nc.gov>
Sent: Monday, April 27, 2026 2:34 PM
To: David Nance <DavidNance@nccpaboard.gov>
Cc: Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Burgos, Alexander N <alexander.burgos@oah.nc.gov>; Frank Trainor <FrankTrainor@nccpaboard.gov>
Subject: Re: [External] Updated Rules

Thanks David.

I will recommend that the Commission grant your request to extend review of these rules until May. I'm happy to discuss this with you more after the Commission meeting.

Seth Ascher

Counsel to the North Carolina Rules Review Commission
Office of Administrative Hearings
(984) 236-1934

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From: David Nance <DavidNance@nccpaboard.gov>
Sent: Monday, April 27, 2026 2:29 PM
To: Ascher, Seth M <seth.ascher@oah.nc.gov>
Cc: Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Burgos, Alexander N <alexander.burgos@oah.nc.gov>; Frank Trainor <FrankTrainor@nccpaboard.gov>
Subject: RE: [External] Updated Rules

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Seth:

Per your email below and conversations with Frank Trainor, the Board's staff attorney, we would request that our rules be placed on the May 2026 agenda to allow us sufficient time to address the items that you brought up below. Let me know if I need to do anything else in regard to this rescheduling. Thanks.

David R. Nance, CPA

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Burgos, Alexander N

Subject: FW: [External] Updated Rules

From: Ascher, Seth M <seth.ascher@oah.nc.gov>
Sent: Monday, April 27, 2026 1:26 PM
To: David Nance <DavidNance@nccpaboard.gov>
Cc: Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Burgos, Alexander N <alexander.burgos@oah.nc.gov>
Subject: Re: [External] Updated Rules

Good afternoon,

A commissioner brought a concern to my attention regarding the use of good moral character in your rules. As I believe I mentioned during the pre-review, this issue is newly relevant following a recent Supreme Court decision (Devalle v. N.C. Sherriffs' Educ. And Training Standards Commission, <https://www.nccourts.gov/documents/appellate-court-opinions/devalle-v-nc-sheriffs-educ-training-standards-commn-0>). The commissioner is concerned that there are potential clarity problems with how it is used in some of your rules, but noted that you have two rules (21 NCAC 08F .0502(b) and 21 NCAC 08F .0505(b)(5)) which suggest a clear definition for good moral character.

As a practical matter and given the timing, I see three options for your rules: 1) update the rules prior to the meeting to address the commissioners concern (described below), 2) request an extension for the rules to have time to consider this before the May meeting, or 3) go forward with the rules as is which may result in an approval contingent on a technical change or an objection.

The easiest fix I can think of would be to add a definition of "good moral character" to your definition rule (21 NCAC 08A .0301). Something like " "Good moral character" means conscientiously acting within the expectations of the professional responsibilities of a CPA." If you go this route, you would also need to add "good" to references to "moral character" in 21 NCAC 08J .0106(d)(6) and 21 NCAC 08J .0113(b)(6).

For reference, here are the rules that appear to be directly impacted by this issue:

21 NCAC 08F .0103(b)(3) (line 13) and (f) (lines 31-33): Good moral character stated but not defined.

21 NCAC 08F .0502(b) refers to good moral character and indicates it involves "conscientiously observ[ing] the professional responsibilities of a CPA."

21 NCAC 08F .0505(b)(5) suggests the term is fulfilled by acting "within the expectations of the professional responsibilities of a CPA."

21 NCAC 08J .0106(d)(6) refers to "moral character".

21 NCAC 08J .0113(b)(6) refers to "moral character".

21 NCAC 08N .0203(b)(1) good moral character referred to as part of prohibited discreditable conduct.

21 NCAC 08N .0302(f)(4) applies good moral character concept to non-CPA owners.

Let me know if you have any questions and how you would like to proceed.

Seth Ascher

Counsel to the North Carolina Rules Review Commission
Office of Administrative Hearings
(984) 236-1934

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Burgos, Alexander N

Subject: FW: [External] Updated Rules

From: David Nance <DavidNance@nccpaboard.gov>
Sent: Thursday, April 23, 2026 11:58 AM
To: Ascher, Seth M <seth.ascher@oah.nc.gov>; Rules, Oah <oah.rules@oah.nc.gov>
Cc: Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Burgos, Alexander N <alexander.burgos@oah.nc.gov>
Subject: RE: [External] Updated Rules

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Thanks for the update. See you at the meeting next week.

David R. Nance, CPA

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From: Ascher, Seth M <seth.ascher@oah.nc.gov>
Sent: Thursday, April 23, 2026 11:40 AM
To: David Nance <DavidNance@nccpaboard.gov>; Rules, Oah <oah.rules@oah.nc.gov>
Cc: Felecia Ashe <FeleciaAshe@nccpaboard.gov>; Burgos, Alexander N <alexander.burgos@oah.nc.gov>
Subject: Re: [External] Updated Rules

David,

Thank you for promptly addressing my concerns. These rules look good to me and I anticipate recommending approval of the final revised version of the ruleset (your original filing plus these updates.)

Let me know if you have any questions.

Seth Ascher

Counsel to the North Carolina Rules Review Commission

Office of Administrative Hearings

(984) 236-1934

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1 21 NCAC 08F .0303 is readopted with changes as published in 40:12 NCR 1017 as follows:

2

3 **21 NCAC 08F .0303 SEMESTER HOUR EQUIVALENT**

4 One quarter hour of undergraduate study reported on an official transcript shall equal two-thirds of a semester hour
5 hour for the purposes of measuring earned educational credits.

6

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

8 *Eff. October 1, 1984;*

9 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*

10 *~~2014.~~ 2014;*

11 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08J .0101 is readopted with changes as published in 40:12 NCR 1023 as follows:

2
3 **21 NCAC 08J .0101 ANNUAL RENEWAL OF CERTIFICATE, FORFEITURE, AND**
4 **REAPPLICATION**

5 (a) All active CPAs shall renew their certificates annually by the first day of July. ~~The fee for such renewal is the~~
6 ~~maximum amount allowed by G.S. 93-12(8).~~

7 (b) ~~To renew a certificate a CPA shall submit to the Board:~~ CPAs may renew their certificates online or by completing
8 a certificate renewal application form as requested from the Board and described at Rule .0113 of this Section and
9 paying the annual renewal fee of \$60. ~~[The fee specified does not exceed the maximum fee as set forth in G.S. 93-~~
10 ~~12(8).]~~

11 (1) ~~_____ a completed certificate renewal application form;~~

12 (2) ~~_____ a completed CPE report, as required by 21 NCAC 08G .0406(a); and~~

13 (3) ~~_____ the annual renewal fee set forth in G.S. 93-12(8).~~

14 (c) Upon failure of a CPA to comply with any applicable part of Paragraph (b) of this Rule by July 1, the Board shall
15 send notice of such failure in the form of a demand letter to the CPA at the most recent mailing address the Board has
16 on file. Completed renewal application packages shall be postmarked with proper postage not later than 30 days after
17 the mailing date of the demand letter, unless that date falls on a weekend, in which case the renewal package shall be
18 postmarked or received in the Board office on the next business day. For renewal packages sent via the U.S. Postal
19 Service, only a U.S. Postal Service cancellation shall be considered as the postmark. If the renewal package is sent to
20 the Board office via a private delivery service, the date the package is received by the delivery service shall be
21 considered as the postmark. Subsequent failure of the CPA to comply with any applicable part of Paragraph (b) of this
22 Rule within 30 days after such notice is mailed by the Board automatically results in forfeiture of the CPA's certificate,
23 as required by G.S. 93-12(15).

24 (d) Upon forfeiture of a certificate, the certificate holder is no longer a CPA and the Board shall send notice of such
25 forfeiture to the certificate holder by certified mail to the most recent mailing address the Board has on file. The
26 certificate holder shall return the certificate to the Board office within 15 days after receipt of notice of forfeiture or,
27 if the certificate has been destroyed or lost, shall submit an affidavit, on a form supplied by the Board, within 15 days
28 of receipt of such notice that the certificate has been destroyed or has been lost and shall be returned to the Board if
29 found.

30 (e) A person who has forfeited a certificate pursuant to G.S. 93-12(15) for failure to renew his or her certificate may
31 apply for reissuance under Rule .0106 of this Section.

32 (f) If a check or credit card authorization for the annual renewal fee fails to clear the bank, the annual renewal shall
33 be deemed incomplete and returned.

34 (g) Any active CPA serving in the armed forces of the United States and to whom an extension of time to file a tax
35 return is granted pursuant to G.S. 105-249.2, shall be granted the same extension of time to comply with the
36 requirements of Paragraphs (a) and (b) of this Rule.

37

1 *History Note: Authority G.S. 93-12(7a); 93-12(8); ~~93-12(8a)~~; 93-12(8b); 93-12(15); 93B-15;*
2 *Eff. February 1, 1976;*
3 *Readopted Eff. September 26, 1977;*
4 *Legislative Objection Lodged Eff. July 20, 1982;*
5 *Amended Eff. August 1, 1982;*
6 *Curative Amended Eff. August 1, 1982;*
7 *Temporary Amendment Eff. May 13, 1983 for a period of 111 days to expire on September 1, 1983;*
8 *Amended Eff. February 1, 2011; August 1, 1998; February 1, 1996; April 1, 1994; March 1, 1990;*
9 *May 1, 1989;*
10 *Readopted Eff. February 1, ~~2016~~ 2016;*
11 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08J .0105 is readopted with changes as published in 40:12 NCR 1023-1024 as follows:

2
3 **21 NCAC 08J .0105 INACTIVE STATUS: CHANGE OF STATUS**

4 (a) A CPA may apply to the Board for change of status to inactive status provided the CPA meets the description of
5 inactive status as defined in 21 NCAC 08A .0301. Application for any status change shall be made on the form
6 provided by the Board.

7 (b) A CPA who does not meet the definition of inactive may not remain on inactive status.

8 (c) A CPA on inactive status may change to active status by:

9 (1) paying the certificate ~~renewal~~ fee amount of \$100 for the license year in which the application for
10 change of status is ~~received~~; ~~[received. The fee is less than the maximum as set forth in G.S. 93-~~
11 ~~12(7a);]~~ received;

12 (2) furnishing the Board with evidence of satisfactory completion of ~~40 hours~~ 2,000 minutes of CPE
13 courses during the 12-month period immediately preceding the application for change of status.
14 ~~Eight~~ Four hundred of the required ~~hours~~ 2,000 minutes shall be credits derived from a course or
15 examination in North Carolina accountancy statutes and rules (including the Code of Professional
16 Ethics and Conduct as set forth in 21 NCAC 08N contained therein) as set forth in 21 NCAC 08F
17 .0504; and

18 (3) ~~submitting three certificates of good moral character and completed by CPAs.~~ submitting a
19 reinstatement application in accordance with the requirements as set forth in 21 NCAC 08F .0502(b)
20 through (e).

21 (d) The reclassification to inactive form shall contain the following:

22 (1) The licensee's full name and CPA certificate number;

23 (2) The licensee's mailing address, telephone number, and email address;

24 (3) Whether this is new contact information for the licensee;

25 (4) Whether the licensee wants to continue receiving the Board's communications by email;

26 (5) An affirmation that the licensee desires to be reclassified to inactive status and has read and
27 understands that the licensee can no longer use the CPA title as an inactive CPA;

28 (6) The licensee's signature to certify that he or she has prepared the application and has read the
29 answers; that the information provided in the application is true; and that he or she has read the
30 Board rules found in 21 NCAC 08A .0301(b)(20), 08A .0308, and 08J .0105.

31
32 *History Note: Authority G.S. 93-12(3); 93-12(7a); ~~93-12(8)~~; ~~93-12(8b)~~;*

33 *Eff. December 1, 1982;*

34 *Curative Adopted Eff. January 25, 1983;*

35 *Legislative Objection Lodged Eff. January 31, 1983;*

36 *Amended Eff. January 1, 2014; February 1, 2012; February 1, 2011; August 1, 1998; August 1,*
37 *1995; April 1, 1994; March 1, 1990; May 1, 1989;*

- 1 *Readopted Eff. February 1, ~~2016~~ 2016.*
- 2 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08J .0106 is readopted with changes as published in 40:12 NCR 1024 as follows:

2
3 **21 NCAC 08J .0106 FORFEITURE OF CERTIFICATE AND REISSUANCE**

4 (a) A person who has forfeited a certificate is no longer a CPA and thus is not subject to the renewal fee or CPE
5 requirements contained in these Rules.

6 (b) A person who requests reissuance of a forfeited certificate shall make application and provide the following to the
7 Board:

8 (1) payment of the ~~current certificate application fee; fee of \$100. This fee does not exceed the~~
9 ~~maximum as set forth in G.S. 93-12(7a);~~ \$100;

10 (2) ~~three certificates of moral character provided by the Board and completed by CPAs; and submitting~~
11 ~~a reissuance application in accordance with the requirements as set forth in 21 NCAC 08F .0502(b)~~
12 ~~through (c); and~~

13 (3) evidence of satisfactory completion of the CPE requirement described in Rule .0105(c)(2) of this
14 Section.

15 (c) The certificate may be reissued if determined by the Board that the person meets the requirements as listed in
16 Paragraph (b) of this Rule.

17 (d) The reissuance application form shall contain the following:

18 (1) The applicant's full name and CPA certificate number;

19 (2) The applicant's home address, telephone number, and email address;

20 (3) The applicant's business name, address, telephone number, email address, and job title;

21 (4) The applicant's occupation category, business concentration, and any membership associations;

22 (5) Three certificates of moral character as per 21 NCAC 08F .0505;

23 (6) Affirmation to the licensee's moral character as per 21 NCAC 08F .0505 and 21 NCAC 08N .0204
24 and, if applicable, a statement providing the relevant explanation and documents for any yes
25 responses;

26 (7) Affirmation that the applicant has refrained from using the CPA title during the period of revocation
27 or forfeiture;

28 (8) Whether the applicant classifies as active-duty military or a military veteran;

29 (9) Whether the applicant has completed the accountancy law course within the 12-month period prior
30 to submission of the application;

31 (10) A report of the CPE credit minutes obtained by the applicant during the 12-month period prior to
32 submission of the application identifying attending at least 2,000 continuing education minutes of
33 courses in accordance with Section .0400 – CPE Requirements of these Rules;

34 (11) Whether the licensee has been subject to any investigation for employee misclassification since the
35 previous renewal application was submitted;

1 (12) The licensee's signature to certify that he or she has prepared the application and has read the
2 answers; that the information provided in the application is true; and that he or she has read the
3 Board's applicable statutes and rules; and

4 (13) The application fee, as prescribed by G.S. 93-12(7a). If the application fee is dishonored by the
5 licensee's drawee bank for any reason, the Board shall suspend the license until the renewal fees and
6 non-sufficient fund charges are paid.

7
8
9 *History Note: Authority G.S. 93-12(3); 93-12(5); 93-12(7a); ~~93-12(8a)~~; 93-12(8b);*
10 *Eff. October 1, 1984;*
11 *Amended Eff. January 1, 2014; July 1, 2010; August 1, 1998; February 1, 1996; April 1, 1994; May*
12 *1, 1989;*
13 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28,*
14 *~~2014.~~ 2014;*
15 *Readopted Eff. May 1, 2026.*

1 21 NCAC 08M .0106 is readopted with changes as published in 40:12 NCR 1029 as follows:

2

3 **21 NCAC 08M .0106 COMPLIANCE**

4 (a) A CPA firm registered for peer review shall provide to the Board the following:

5 (1) peer review due date;

6 (2) year end date;

7 (3) ~~final Letter of Acceptance~~ the acceptance letter from the administering entity from the peer review
8 program within 60 days of the date of the letter; and

9 (4) ~~a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance~~
10 for all failed and second passed with deficiencies reports reports, a package to include the following
11 items issued by a peer review program within 60 days of the date of the ~~Final Letter of Acceptance.~~
12 completion letter:

13 (A) [(a)] peer review report accepted by the administering entity;

14 (B) [(b)] the firm’s letter of response to the peer review report;

15 (C) [(c)] the acceptance letter from the administering entity; and

16 (D) [(d)] letter signed by the administering entity notifying the firm that the required actions have
17 been appropriately completed, if applicable.

18 (b) A peer review shall not be complete until the ~~Final Letter of Acceptance~~ completion letter is issued by the peer
19 review program with the new due date.

20 (c) If a CPA firm fails to comply with Rule .0105(c), (d), or (g) of this Section, and continues to offer or render
21 services, the Board may take disciplinary action against the CPA firm's members that may include a suspension of
22 each members' CPA certificate for a period of not less than 30 days and a civil penalty up to one thousand dollars
23 (\$1,000) as set forth in ~~G.S. 93-12(b)(9).~~ G.S. 93-12(9).

24

25 *History Note: Authority G.S. 93-12(7b); 93-12(8c);*

26 *Eff. January 1, 2004;*

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

28 *Readopted Eff. February 1, 2016. 2016;*

29 *Readopted Eff. May 1, 2026.*

Burgos, Alexander N

From: David Nance <DavidNance@nccpaboard.gov>
Sent: Monday, April 20, 2026 4:27 PM
To: Ascher, Seth M; Felecia Ashe
Cc: Burgos, Alexander N
Subject: RE: [External] CPA Board Rules

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Thanks for the update. We will not need an extension to the May deadline or the April meeting. I will upload the corrected rules to the website first thing in the morning after Felecia and I have had a chance to make sure the proper corrections have been made to address your questions. And yes, the pre-review process was most helpful for us and apparently you. Thanks for your efforts. We plan to attend the meeting in person so that we would be available to address any questions that might arise. After the efforts put into this process, we are ready to get it behind us!

David R. Nance, CPA

Executive Director
NC State Board of CPA Examiners
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From: Ascher, Seth M <seth.ascher@oah.nc.gov>
Sent: Monday, April 20, 2026 12:03 PM
To: David Nance <DavidNance@nccpaboard.gov>; Felecia Ashe <FeleciaAshe@nccpaboard.gov>
Cc: Burgos, Alexander N <alexander.burgos@oah.nc.gov>
Subject: Re: [External] CPA Board Rules

David,

Attached is my RFC for the CPA rules on April's agenda. While these took me a while to review given the number of rules, there are fairly few changes given the extensive pre-review we did last year. Please submit your responses, the revised Rules, and forms to me via email, no later than 5 p.m. on April 24, 2026. Given the short turnaround, I would not have any concerns about recommending an extension the period of review into May if that is what you would prefer.

The RRC will formally review these Rules at its meeting on Tuesday, April 28, 2026, at 10:00 a.m. The meeting will be a hybrid of in-person and WebEx attendance, and an invite should be sent to you as we get close to the meeting. If there are any other representatives from your agency who want to attend virtually, let me know prior to the meeting, and we will get invites out to them as well.

Let me know if you have any questions.

Seth Ascher

Counsel to the North Carolina Rules Review Commission
Office of Administrative Hearings
(984) 236-1934

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From: Ascher, Seth M <seth.ascher@oah.nc.gov>
Sent: Friday, April 17, 2026 5:27 PM
To: David Nance <DavidNance@nccpaboard.gov>
Subject: Re: [External] CPA Board Rules

David,

I've gone through the rules and I have a couple small questions I need to type up. I should have them to you Monday morning.

I don't think they will be difficult to address, but if you end up needing an extension to deal with them, that will be fine.

Seth Ascher

Sent via the Samsung Galaxy A52 5G, an AT&T 5G smartphone
Get [Outlook for Android](#)

From: David Nance <DavidNance@nccpaboard.gov>
Sent: Friday, April 17, 2026 3:31:34 PM
To: Ascher, Seth M <seth.ascher@oah.nc.gov>
Subject: RE: [External] CPA Board Rules

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Seth:

I wanted to reach out to see if you had any updates for me related to the Board's rules?

David R. Nance, CPA

Executive Director
NC State Board of CPA Examiners
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Raleigh, North Carolina 27605
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From: Ascher, Seth M <seth.ascher@oah.nc.gov>
Sent: Tuesday, April 7, 2026 3:08 PM
To: David Nance <DavidNance@nccpaboard.gov>
Subject: Re: [External] CPA Board Rules

David,

Sorry for the delayed response. I was out sick last week.

I let our administrative staff know about the rule issue, and it should be resolved soon.

I am in process of looking over your rules again and should be in touch early next week if I find any issues.

Seth Ascher
Counsel to the North Carolina Rules Review Commission
Office of Administrative Hearings
(984) 236-1934

From: David Nance <DavidNance@nccpaboard.gov>
Sent: Monday, March 30, 2026 9:09 AM
To: Ascher, Seth M <seth.ascher@oah.nc.gov>
Subject: [External] CPA Board Rules

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Seth:

I just wanted to touch base and see if there was anything that we needed to do to get prepared for the April Rules Commission meeting. Also, I did look at the recently posted agenda and wanted to let you know that the posting that has the CPA Board's rules has one additional page that should not be there. The last page of the document appears to be a rule that is not applicable to our Board. Let me know next steps for us. Thanks.

David R. Nance, CPA

Executive Director
NC State Board of CPA Examiners
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