

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1
2 CHAPTER 21.
3 BOARD OF ACCOUNTANCY REGULATIONS.
4

5 PART I.
6 DEFINITIONS AND FEES.
7

8 **18 VAC 5-21-10. Definitions.**
9

10 The following words and terms when used in this chapter have the following meanings,
11 unless the context clearly indicates otherwise:
12

13 “Accredited institution” means any degree-granting college or university accredited at the
14 time of the applicant's degree or attendance by any of the following: Middle States Association
15 of Colleges and Schools, New England Association of Schools and Colleges, North Central
16 Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern
17 Association of Colleges and Schools, and Western Association of Schools and Colleges.
18

19 “Assurance” means any act or action, whether written or oral, expressing an opinion or
20 conclusion about the reliability of a financial statement or about its conformity with any financial
21 accounting principles or standards.
22

23 “Audit” means expressing an opinion about the fairness of presentation of financial
24 statements in accordance with prescribed criteria.
25

26 “Board” means the Board of Accountancy.
27

28 “Certify,” “audit,” “examine,” “review,” or “express or disclaim an opinion,” when referenced
29 to financial information or the practice of public accountancy, are terms which, when used in
30 connection with the issuance of reports, state or imply assurance of conformity with generally
31 accepted accounting principles, generally accepted auditing standards, and review standards.
32 The terms include forms of language disclaiming an opinion concerning the reliability of the
33 financial information referred to or relating to the expertise of the issuer.
34

35 “Client” means a person or entity that contracts with or retains a firm for performance of
36 services by a CPA certificate holder or registration certificate holder subject to Chapter 44 (§
37 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.
38

39 “Commission” means compensation generated from the purchase or sale of a product or
40 service and which would not be generated but for the purchase or sale of the product or service.
41

42 “Conditional CPA exam credit” means credit for successfully passing a section of the CPA
43 exam.
44

45 “Contact hour” means 50 minutes of participation in a group program or 50 minutes of
46 average completion time in a self-study program.
47

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 “Contingent fee” means a fee established for the performance of a service pursuant to an
2 arrangement in which no fee will be charged unless a specified finding or result is obtained, or in
3 which the amount of the fee is dependent upon the finding or result obtained. Fees shall not be
4 considered contingent if fixed by courts or other public authorities, or in tax matters if
5 determined based on the results of judicial proceedings or the findings of governmental
6 agencies. A CPA certificate holder’s fees may vary depending on the complexity of services
7 rendered, and such variation shall not be considered a contingent fee.

8
9 “Continuing Professional Education (CPE)” means an integral part of the lifelong learning
10 required to provide competent service to the public; the formal set of activities that enables
11 accounting professionals to maintain and increase their professional competence.

12
13 “CPA certificate” means a certificate as a certified public accountant (CPA) issued by the
14 board pursuant to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this
15 chapter, which shall function as a license, or a corresponding certificate as a certified public
16 accountant issued after meeting ~~examination~~ the CPA exam and other requirements under the
17 laws of any other state.

18
19 “CPA exam” means the National Uniform CPA exam approved and administered by the
20 Board of Accountancy to candidates for a CPA certificate.

21
22 “CPA wall certificate” means the symbolic document suitable for wall display that is issued
23 by the board to an individual meeting the requirements for a CPA certificate set forth in 18 VAC
24 5-21-30.

25
26 “CPE” means continuing professional education.

27
28 “CPE credit” means 50 minutes of participation in a group, independent study or self-study
29 program.

30
31 “CPE reporting year” means for the purposes of this chapter a calendar year.

32
33 “CPE reporting cycle” means the three CPE reporting years immediately preceding the year
34 the CPA certificate is renewed pursuant to 18 VAC 5-21-80.

35
36 ~~“Credit hour” means successful completion of a course of study measured in a contact hour.~~

37
38 “Ethics CPE” means subjects relating to standards of conduct, Chapter 44 (§ 54.1-4400 et
39 seq.) of Title 54.1 of the Code of Virginia, and regulations of the Board.

40
41 “Examination” means, when used in the context of services provided by CPAs, expressing
42 an opinion about the fairness of presentation of financial information in accordance with
43 prescribed criteria.

44
45 “Financial statement” means writing or other presentation, including accompanying notes,
46 which presents, in whole or in part, historical or prospective financial position, results of

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 operations or changes in financial position of any person, corporation, partnership or other
2 entity.

3
4 “Firm” means a sole proprietorship, partnership, corporation, limited liability company, limited
5 liability partnership, or any other form of organization permitted by law.

6
7 “Good character” means a lack of a history of dishonest or felonious acts.

8
9 “Group program” means an educational process designed to permit a participant to learn a
10 given subject through interaction with an instructor and other participants.

11
12 “Interactive self-study program” means a program using interactive learning methodologies
13 simulating a classroom learning process by employing software, other courseware, or
14 administrative systems and providing significant ongoing, interactive feedback to the learner
15 regarding his learning process. Substantial written or electronic evidence of satisfactory
16 completion of each program segment by the learner is required. Interactive self-study programs
17 must clearly define lesson objectives and manage students through the learning process by
18 requiring frequent student response to questions that test for understanding of the material
19 presented, providing evaluative feedback to incorrectly answered questions, and providing
20 reinforcement feedback to correctly answered questions. Capabilities must, based on student
21 response, provide appropriate ongoing written or electronic format feedback to the student
22 regarding his learning progress through the program.

23
24 “Noninteractive self-study program” means any self-study program that does not meet the
25 criteria for interactive self-study programs.

26
27 “Original CPA certificate” means a CPA certificate issued by the board other than a CPA
28 certificate by endorsement.

29
30 “Peer review” means a study, appraisal, or review, by a CPA certificate holder who is not
31 affiliated with the firm being reviewed, of one or more aspects of the professional work of a firm
32 that engages in the practice of public accounting or compiles financial statements in accordance
33 with the American Institute of Certified Public Accountants’ Statements on Standards for
34 Accounting and Review Services (SSARS).

35
36 “Practice of public accountancy” or “public accounting” means the giving of an assurance, in
37 a report or otherwise, whether expressly or implicitly, unless this assurance is given by an
38 employee to his employer.

39
40 “Practice of taxation” means the providing of tax compliance and tax advice services.

41
42 “Registration” means the process through which a firm obtains a registration certificate from
43 the board.

44
45 “Registration certificate” means a certificate issued to a firm that has met all of the
46 requirements for registration under this chapter.

47

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 “Regulant” means any CPA certificate holder or registration certificate holder who is subject
2 to Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.

3
4 “Renewal month” means the month of the calendar year in which a firm is required to renew
5 its registration certificate.

6
7 “Report” or “reports,” when used with reference to financial statements, means an opinion or
8 disclaimer of opinion or other form of language or representation that states or implies any form
9 of assurance or denial of assurance.

10
11 “Self-study program” means an educational process designed to permit a participant to learn
12 a given subject without major involvement of an instructor. Self-study programs do not include
13 informal learning.

14
15 “SSARS” means Statements on Standards for Accounting and Review Services established
16 by the American Institute of Certified Public Accountants.

17
18 “Standards of conduct” means the standards set forth in 18 VAC 5-21-120.

19
20 “Standards of practice for CPA certificate holders” means the standards set forth in 18 VAC
21 5-21-130, 18 VAC 5-21-140 and 18 VAC 5-21-150.

22
23 “State” means any state of the United States, the District of Columbia, Puerto Rico, the U.S.
24 Virgin Islands and Guam.

25
26 “Substantial equivalency” means a determination by the board or its designee that the
27 education, ~~examination~~ CPA exam and experience requirements contained in the statutes and
28 administrative rules of another jurisdiction are comparable to, or exceed, the education,
29 ~~examination~~ CPA exam and experience requirements contained in this chapter, or that an
30 individual CPA from another jurisdiction has met education, ~~examination~~ CPA exam and
31 experience requirements that are comparable to, or exceed, the education, ~~examination~~ CPA
32 exam, and experience requirements contained in Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1
33 of the Code of Virginia and this chapter.

34
35 “Window” means the four times (each being a three-month period) in a year that a CPA
36 candidate may take the computer-based CPA exam.

37
38 “Year” means a calendar year unless otherwise indicated.

39
40 **18 VAC 5-21-20. Fees.**

41
42 A. All fees are nonrefundable and the date of receipt by the board or its agent is the date
43 that will be used to determine whether it is on time.

44
45 B. The following fees shall apply:

46
Initial ~~examination~~ CPA exam application fee \$25

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

Original CPA certificate application	\$24
CPA certificate by endorsement application	\$24
Registration certificate application	\$24
CPA certificate renewal	\$24
Registration certificate renewal	\$24
CPA certificate late renewal	\$25
Registration certificate late renewal	\$25
CPA certificate reinstatement	\$250
Registration certificate reinstatement	\$250
Non-interactive processing fee	\$5

1
2 If the renewal fee is not received by the board within 30 days after the expiration date
3 printed on the CPA certificate or the registration certificate, the regulant shall pay the
4 renewal and the late renewal fees. Regulants applying for reinstatement shall pay all
5 unpaid renewal fees in addition to the late renewal and the reinstatement fees.
6

7 C. The late filing fee for CPA certificate holders who fail to complete or report their CPE as
8 required by this chapter shall be:

- 9
- 10 1. If received by the board up to four months late, \$25.
 - 11
 - 12 2. If received by the board more than four months late but not more than six months
13 late, \$50.
 - 14
 - 15 3. If received by the board more than six months late, \$75.
 - 16

17 D. The fee for a replacement wall certificate shall be \$25.

18

19 E. A fee of \$25 will be charged in addition to the fees established in this section for
20 submitting a check to the board which is dishonored by the institution upon which it is
21 drawn.

22

23 F. A non-interactive processing fee will be assessed when online payment option is not
24 chosen by the applicant or regulant.

25

26 G. The fee for the ~~examination~~ CPA exam provided for in 18 VAC 5-21-30 C shall consist of
27 the CPA exam contract charges incurred by the Board. An administrative plus the initial
28 CPA exam application fee, of \$25 which will be assessed at the time of initial application
29 for ~~examination~~ the CPA exam but not for reexamination. No administrative fee will be
30 assessed for re-examination. Examination CPA exam service contracts shall be
31 established through competitive negotiation in compliance with the Virginia Public
32 Procurement Act (§ ~~11-35~~ 2.2-4300 et seq. of the Code of Virginia). The ~~examination~~
33 CPA exam fee shall not exceed \$1,000.
34
35
36
37

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

PART II.

ENTRY REQUIREMENTS FOR CPA CERTIFICATE, REGISTRATION CERTIFICATE AND
CPA SUPERVISING SERVICES INVOLVING THE PRACTICE OF PUBLIC ACCOUNTING.**18 VAC 5-21-30. Qualifications for CPA certificate.**

- A. Each applicant must be a person of good character as defined in 18 VAC 5-21-10.
- B. Education prior to taking the ~~examination~~ CPA exam.

1. Each ~~applicant~~ candidate whose application to sit for an ~~examination~~ a CPA exam administered prior to July 1, 2006, shall have received a baccalaureate degree or its equivalent conferred by an accredited college or university as required by § 54.1-4409 B 1 of the Code of Virginia and shall at the time the application is received have completed the following courses at the undergraduate or graduate level to meet the accounting concentration requirement of § 54.1-4409 B 1 of the Code of Virginia:

- a. At least 24 semester hours of accounting including courses covering the subjects of financial accounting, auditing, taxation, and management accounting; and
- b. At least 18 semester hours in business courses (other than the courses described in subdivision 1 a of this subsection).

An applicant whose application is received under the requirements of this subdivision may take the examination so long as the requirements of subsection C of this section are met.

2. Each ~~applicant~~ candidate whose application to sit for an ~~examination~~ a CPA exam administered on or after July 1, 2006, shall meet the requirements of § 54.1-4409 B 2 of the Code of Virginia and shall at the time the application is received have completed the following courses at the undergraduate or graduate level to meet the accounting concentration requirement of § 54.1-4409 B 2 of the Code of Virginia:

- a. At least 30 semester hours of accounting, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting; and
- b. At least 24 semester hours in business courses (other than the courses described in subdivision 2 a of this subsection).

3. A quarter hour of coursework shall be considered the equivalent of two-thirds of a semester hour of coursework.

4. Each applicant with a degree or coursework earned at a nonaccredited college or university shall, if credit for such degree or coursework is to be considered by the board, (i) have his educational credentials evaluated by an academic credentials service approved by the board or an accredited institution, as defined in 18 VAC 5-21-10, to determine the extent to which such credentials are equivalent to the

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 education requirements set forth in subdivisions 1 and 2 of this subsection; and (ii)
2 submit such evaluations to the board, which may accept or reject the evaluator's
3 recommendations in whole or in part.

- 4
5 5. Evidence of having obtained the required education shall be submitted in the form of
6 official transcripts transmitted in a manner determined by the board. In unusual
7 circumstances, the board may accept other evidence it deems to be substantially
8 equivalent.

9
10 C. ~~Examination~~ CPA exam.

- 11
12 1. Each ~~applicant~~ candidate shall pass (i) a national uniform ~~examination~~ CPA exam, as
13 approved by the board, in auditing ~~and attestation, regulation, business environment~~
14 ~~and concepts~~, business law and professional responsibilities, accounting and
15 reporting (taxation, managerial, governmental and not-for-profit organizations),
16 financial accounting and reporting, and other such related subject areas as deemed
17 appropriate by the board; and (ii) an ethics ~~examination~~ exam approved by the
18 board. Each part of the ~~examination~~ CPA exam must be passed ~~with a minimum by~~
19 ~~attaining a uniform passing grade established through a psychometrically acceptable~~
20 ~~standard-setting procedure approved~~ by the board ~~based upon the recommendation~~
21 ~~of a psychometrician who has determined the valid passing grade by conducting a~~
22 ~~scientific analysis of the examination~~.
- 23
24 2. The following rules for granting CPA exam credits are applicable until the computer-
25 based CPA exam becomes effective.

26
27 If at a given sitting of the ~~examination~~ CPA exam an ~~applicant~~ candidate passes
28 two or more but not all sections, then the ~~applicant~~ candidate shall be given credit for
29 those sections that the ~~applicant~~ candidate has passed and need not sit for
30 reexamination in those sections provided the following conditions are met:

- 31
32 a. At that sitting, the ~~applicant~~ candidate wrote all sections of the ~~examination~~ CPA
33 exam for which the ~~applicant~~ candidate did not have credit;
- 34
35 b. The ~~applicant~~ candidate attained a minimum grade of 50 on each section taken
36 at that sitting when the first two sections were passed and in each subsequent
37 sitting attains a minimum grade of 50 on all sections taken at that sitting;
- 38
39 c. The ~~applicant~~ candidate passes the remaining sections of the ~~examination~~ CPA
40 exam within six consecutive ~~examinations~~ CPA exams (irrespective of the date
41 on which the ~~examination~~ CPA exam credit was earned) given after the one at
42 which the first sections were passed; and
- 43
44 d. At each subsequent sitting at which the ~~applicant~~ candidate seeks to pass any
45 additional sections, the ~~applicant~~ candidate writes all sections for which the
46 ~~applicant~~ candidate does not have credit.
- 47

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 3. The following rules for granting CPA exam credits will take effect beginning with the
 2 first computer-based CPA exam:

3
 4 a. Granting of credit.

5
 6 (1) Candidates will be allowed to sit for each section of the CPA exam
 7 individually and in any order.

8
 9 (2) Candidates will retain credit for any section(s) passed for 18 months, without
 10 having to attain a minimum score on failed sections and without regard to
 11 whether they have taken other sections. Candidates will not be allowed to
 12 retake a failed section(s) within the same CPA exam window.

13
 14 (3) Candidates must pass all four sections of the CPA exam within a “rolling” 18-
 15 month period, which begins on the date that the first section(s) passed is
 16 taken.

17
 18 (4) In the event all four sections of the CPA exam are not passed within the
 19 rolling 18-month period, credit for any section(s) passed outside that 18-
 20 month period will expire and that section(s) must be retaken.

21
 22 b. Conditional CPA exam credits.

23
 24 (1) Candidates who have earned conditional credits on the non-computer-based
 25 CPA exam as of the date of the first computer-based CPA exam will be given
 26 credits for the corresponding sections of the computer-based CPA exam as
 27 follows:

<u>Non-Computer-Based CPA Exam</u>	<u>Computer-Based CPA Exam</u>
<u>Auditing</u>	<u>Auditing and Attestation</u>
<u>Financial Accounting and Reporting (FARE)</u>	<u>Financial Accounting and Reporting</u>
<u>Accounting and Reporting (ARE)</u>	<u>Regulation</u>
<u>Business Law and Professional Responsibilities (LPR)</u>	<u>Business Environment and Concepts</u>

28
 29
 30 (2) Candidates who have attained conditional status as of the launch date of the
 31 first computer-based CPA exam will be allowed a transition period to
 32 complete any remaining test sections of the CPA exam. The transition is the
 33 maximum number of opportunities that a candidate who has conditioned
 34 under the non-computer-based CPA exam has remaining, at the launch of
 35 the computer-based CPA exam, to complete all remaining test sections, or
 36 the number of remaining opportunities under the non-computer-based CPA
 37 exam, multiplied by six months, which is first exhausted.

38
 39 3 4. The board may, at its discretion, waive any of the above requirements for carryover
 40 of examination CPA exam credits, if such waiver is in the public interest.

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

- 1
2 4 ~~5~~. Each ~~applicant~~ candidate shall follow all rules and regulations established by the
3 board with regard to conduct at the ~~examination~~ CPA exam. Such rules shall
4 include instructions communicated prior to the ~~examination~~ CPA exam date and
5 instructions communicated at the ~~examination~~ CPA exam site on the date of the
6 ~~examination~~ CPA exam.
7
- 8 5 ~~6~~. Failure to comply with the rules and regulations governing conduct in the
9 ~~examination~~ CPA exam may result in the loss of established eligibility to sit for the
10 ~~examination~~ CPA exam or credit for ~~examination~~ CPA exam parts passed.
11
- 12 6 ~~7~~. An ~~applicant~~ A candidate to sit for the ~~examination~~ CPA exam shall obtain an
13 application form from the board or its designee, complete the application in
14 accordance with the instructions on the application, and submit the application
15 together with all required documents to the board or its designee by the date
16 determined by the board or its designee.
17
- 18 7 ~~8~~. An ~~applicant~~ A candidate who fails to appear for the ~~examination~~ CPA exam or
19 reexamination shall forfeit the fees charged for that ~~examination~~ CPA exam or
20 reexamination unless excused by the board.
21
- 22 8 ~~9~~. The fee to sit for the ~~examination~~ CPA exam is established in 18 VAC 5-21-20 F ~~G~~,
23 whether paid directly to the board or to a designee under contract to the board.
24
- 25 10. The Board or its designee will forward notification of eligibility for the computer-
26 based CPA exam to NASBA's National Candidate Database.
27
- 28 11. Cheating by a candidate in applying for, taking or subsequent to the CPA exam will
29 be deemed to invalidate any grade otherwise earned by a candidate on any test
30 section of the CPA exam, and may warrant summary expulsion from the CPA exam
31 site and disqualification from taking the CPA exam for a specified period of time.
32
- 33 12. Notwithstanding any other provisions under these rules, the Board may postpone
34 scheduled CPA exams, the release of grades, or the issuance of certificates due to
35 a breach of CPA exam security; unauthorized acquisition or disclosure of the
36 contents of a CPA exam; suspected or actual negligence, errors, omissions, or
37 irregularities in conducting a CPA exam; or for any other reasonable cause or
38 unforeseen circumstances.
39

D. Experience.

- 40
41
42 1. Each applicant for initial issuance of a CPA certificate under this section shall provide
43 documentation of having met the experience requirements established by § 54.1-
44 4409 C of the Code of Virginia, which requires at least one year of acceptable
45 experience in accounting or a related field. The experience may include providing
46 any type of service or advice involving the use of accounting, management, financial,
47 tax, or consulting advisory skills or services. Acceptable experience shall include

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 employment in government, industry, academia or public accounting or related
2 services. The applicant's experience may be supervised by a non-CPA certificate
3 holder, although, when completing the application for the CPA certificate, the
4 experience must be verified by a CPA certificate holder.
5

- 6 2. One year of experience shall consist of full- or part-time employment that extends
7 over a period of no less than a year and no more than three years and includes no
8 fewer than 2,000 hours of performance of services described in subdivision 1 of this
9 subsection.
10

11 **18 VAC 5-21-40. Issuance of original CPA certificate; CPA certificate by endorsement;
12 and substantial equivalency.**
13

14 A. Practicing as a CPA in the Commonwealth of Virginia. Only an individual who (i) holds a
15 valid CPA certificate or (ii) meets the substantial equivalency requirements in this section
16 may practice as a CPA in the Commonwealth of Virginia.
17

18 B. Original CPA certificate.
19

- 20 1. Each individual who desires to use the CPA designation shall first obtain a CPA
21 certificate.
22
- 23 2. Each applicant for an original CPA certificate shall submit an application, on a form
24 provided by the board, which shall document that the requirements of 18 VAC 5-21-
25 30 have been met. If the application is received by the board three or more years
26 after the successful completion of the CPA ~~examination~~ exam by the applicant, the
27 applicant shall, in addition, submit evidence of having met the CPE requirements set
28 forth in 18 VAC 5-21-170 A 3 or B 3, and completed the most recent Ethics CPE
29 course. Each applicant shall agree to comply with the statutes and regulations of
30 any other state in which he is authorized to practice.
31
- 32 3. Each application for an original CPA certificate shall be accompanied by the fee
33 established in 18 VAC 5-21-20.
34

35 C. CPA certificate by endorsement.
36

- 37 1. Each individual who holds a CPA certificate in a state other than Virginia and either
38 (i) has moved his principal place of business to Virginia or (ii) does not meet the
39 substantial equivalency provision outlined in subsection G of this section must obtain
40 a CPA certificate by endorsement prior to practicing as a CPA in Virginia.
41
- 42 2. Each applicant for a CPA certificate by endorsement shall submit an application, on
43 a form provided by the board, which shall document that the applicant holds a
44 corresponding CPA certificate as a certified public accountant issued after meeting
45 ~~examination~~ CPA exam and other requirements under laws of the state(s) from
46 which the applicant is seeking a CPA certificate by endorsement. The application
47 shall include the following:

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

- 1
2 a. From each state from which the applicant has received a CPA certificate (or from
3 the applicant directly if the state is unable to provide the information), a written
4 statement from the board of each state confirming that the applicant (i) is in good
5 standing in that state; (ii) has not been found guilty of violating that state's
6 standards of conduct or practice; (iii) has no pending actions alleging violations of
7 that state's standards of conduct or practice; (iv) has met the education
8 requirements in effect in that state when the applicant passed the national
9 uniform ~~examination~~ CPA exam described in 18 VAC 5-21-30 C; and (v) has met
10 the experience requirement for a CPA certificate in effect in Virginia when the
11 CPA certificate by endorsement application is received by the board. An
12 applicant who holds a CPA certificate from a state that the board has determined
13 meets the substantial equivalency provision set forth in § 54.1-4411 of the Code
14 of Virginia shall be considered to have met the requirements of clauses (iv) and
15 (v) of this paragraph.
16
17 b. A written statement from the applicant affirming that the applicant has (i) not
18 violated the board's standards of conduct or standards of practice; and (ii) met
19 the board's continuing education requirements.
20

21 The board may deny the application for a CPA certificate by endorsement if the
22 applicant is not in good standing in the other states which have issued CPA
23 certificates to the applicant or if any information from the applicant indicates a failure
24 to comply with the aforementioned standards.
25

- 26 3. Each application for a CPA certificate by endorsement shall be accompanied by the
27 fee established in 18 VAC 5-21-20.
28
29 D. Each CPA certificate holder shall have the privilege of using the CPA designation
30 provided the CPA certificate holder complies with the (i) standards of conduct, (ii)
31 standards of practice, and (iii) the renewal requirements established by the board. Upon
32 expiration of the CPA certificate, the CPA certificate holder shall cease displaying the
33 CPA certificate and the wall certificate, and shall cease affixing and using the CPA
34 designation in any manner.
35
36 E. All CPA certificate holders who supervise services involving the practice of public
37 accountancy and who sign or authorize another to sign the report on the financial
38 statements on behalf of the firm shall meet the experience requirement established in 18
39 VAC 5-21-50.
40
41 F. CPA certificates issued under the provisions of this chapter shall expire one year from
42 the last day of the month wherein the initial CPA certificate was issued and shall be
43 renewed in compliance with 18 VAC 5-21-80.
44
45 G. Privilege to practice without a CPA certificate by endorsement, substantial equivalency.
46

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

- 1 1. A holder of a CPA certificate from a state other than Virginia and with a principal
2 place of business in a state other than Virginia shall either obtain a CPA certificate by
3 endorsement as outlined in subsection C of this section or meet the substantial
4 equivalency requirements of this subsection before beginning CPA practice in
5 Virginia.
6
- 7 2. To implement the provisions of § 54.1-4411 A of the Code of Virginia, the privilege to
8 practice under substantial equivalency shall be evidenced by the following:
9
- 10 a. If the individual's CPA certificate is issued by a state that the board has
11 determined is substantially equivalent, the CPA certificate issued by that state
12 shall constitute evidence of the privilege to practice.
13
- 14 b. If the individual's CPA certificate is issued by a state that the board has
15 determined is not substantially equivalent, the CPA certificate holder shall notify
16 the board in writing that he intends to practice in the Commonwealth and shall
17 provide documentation acceptable to the board that he has personally satisfied
18 the requirements for substantial equivalency. An approval letter from the board
19 shall constitute evidence of the privilege to practice.
20
- 21 c. A CPA certificate by endorsement shall be obtained if the CPA exercising the
22 privilege to practice under substantial equivalency moves his principal place of
23 business to Virginia or ceases to have an office in any other state.
24
- 25 3. For the purposes of implementing § 54.1-4411 B 2 of the Code of Virginia relating to
26 the privilege of practicing public accounting extended to nonresident CPA certificate
27 holders, the board shall determine the state to be served based on whose statutes
28 and regulations most closely correspond to those of the Commonwealth of Virginia.
29
- 30 4. The board shall determine whether a state meets the substantial equivalency
31 provisions for nonresident CPA certificate holders by periodically obtaining, reviewing
32 and approving a list of states, which in the opinion of the board, meet the substantial
33 equivalency provisions for nonresident CPA certificate holders.
34

35 **18 VAC 5-21-50. Additional requirements for CPAs who supervise services involving the**
36 **practice of public accountancy and who sign or authorize another to sign reports on**
37 **financial statements.**
38

- 39 A. To implement the provisions of § 54.1-4412 C 7 of the Code of Virginia, any individual
40 CPA certificate holder who is responsible for supervising services involving the practice
41 of public accounting, and who signs or authorizes another person to sign on behalf of the
42 firm the financial statement resulting from the practice of public accounting, shall meet
43 the requirements set forth in subsection B of this section.
44

45 Nothing in this section is intended to proscribe an individual who does not have a CPA
46 certificate from affixing his signature to any statement or report for his employer's
47 internal or management use and designating his position, title or office.

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1
2 B. Requirements.
3

- 4 1. CPA certificate. Any individual desiring to supervise public accountancy services as
5 described in subsection A of this section shall hold a currently valid CPA certificate
6 issued by this board or shall be in compliance with the substantial equivalency
7 requirements in 18 VAC 5-21-40 G.
8
- 9 2. Experience. In addition to the one year of experience required to receive a CPA
10 certificate, such individual shall have completed one year of additional experience in
11 the practice of public accounting, as defined in 18 VAC 5-21-10, with not less than
12 600 of these hours in the performance of audits if the services involve an audit or not
13 less than 600 of these hours in the performance of reviews or audits if the services
14 involve a review but not an audit. One year of experience shall consist of no fewer
15 than 2,000 hours of full- or part-time employment that extends over a period of no
16 less than one year and no more than three years. The experience must have been
17 gained under the direct supervision of a CPA licensed in any state. Persons who
18 held a license, as defined in the board's regulations effective on April 1, 1997, issued
19 by the board and in effect on October 4, 1999, shall be deemed to have met this
20 experience requirement.
21

22 **18 VAC 5-21-60. Registration of firms.**
23

- 24 A. To implement the provisions of § 54.1-4412 B of the Code of Virginia, any firm with one
25 or more offices in the Commonwealth that practices, directly or indirectly, public
26 accounting or that uses the term "Certified Public Accountant(s)" or the designation
27 "CPA" in the name of the firm shall register with the board.
28
- 29 B. To implement the provisions of § 54.1-4412 C of the Code of Virginia, any firm with an
30 office in the Commonwealth providing or offering to provide services involving the
31 practice of public accounting shall be issued a registration certificate by the board upon
32 its application and payment of the required fee provided the firm is in compliance with §
33 54.1-4412 C of the Code of Virginia.
34
- 35 1. Each firm shall submit an application on forms provided by the board, which shall
36 contain the following:
37
- 38 a. A statement that the applicant is registering pursuant to § 54.1-4412 B of the
39 Code of Virginia and has complied with each of the requirements of § 54.1-4412
40 C of the Code of Virginia.
41
- 42 b. An affirmation of the peer review as required by 18 VAC 5-21-70.
43
- 44 c. The designation of a CPA certificate holder that will be the primary contact for the
45 firm, including a firm with multiple offices.
46

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 2. To implement § 54.1-4412 C 3 of the Code of Virginia, all non-CPA owners shall
2 work in the firm. “Work in the firm” means that the non-CPA owner works full time
3 for the firm (at least 1,000 hours a year), and that retirees and owners no longer
4 working full time shall have 12 months from the last day of their full-time
5 involvement with the firm to dispose of their interest. Heirs shall have 24 months
6 from the time they receive their bequest or inheritance in which to dispose of the
7 ownership interest.
8

9 C. To implement § 54.1-4412 D of the Code of Virginia, any firm with an office in the
10 Commonwealth that is not engaged in the practice of public accounting but uses the
11 term “Certified Public Accountant” or the “CPA” designation in its name shall be issued a
12 registration certificate by the board upon its application and payment of the required fee
13 provided the firm is in compliance with § 54.1-4412 C 1, 2, 3, and 8 of the Code of
14 Virginia.
15

16 1. Such firm shall submit an application provided by the board that shall contain the
17 following:
18

19 a. A statement that the applicant is registering pursuant to § 54.1-4412 D of the
20 Code of Virginia and has complied with each of the requirements set forth in §
21 54.1-4412 D of the Code of Virginia.
22

23 b. A statement that the firm has or has not compiled financial statements, which, as
24 required by SSARS and § 54.1-4413 of the Code of Virginia, shall be prepared in
25 compliance with SSARS.
26

27 c. If the firm has compiled financial statements in accordance with SSARS, an
28 affirmation of the peer review as required by 18 VAC 5-21-70.
29

30 d. The designation of a CPA certificate holder that will be the primary contact for the
31 firm, including a firm with multiple offices.
32

33 2. To implement § 54.1-4412 C 3 of the Code of Virginia, all non-CPA owners shall
34 work in the firm. “Work in the firm” means that the non-CPA owner works full time for
35 the firm (at least 1,000 hours a year), and that retirees and owners no longer working
36 full time shall have 12 months from the last day of their full-time involvement with the
37 firm to dispose of their interest. Heirs shall have 24 months from the time they
38 receive their bequest or inheritance in which to dispose of the ownership interest.
39

40 D. The fee for a registration certificate is set forth in 18 VAC 5-21-20.
41

42 E. Pursuant to § 54.1-4412 C 6 of the Code of Virginia, all firms required to obtain
43 registration certificates shall meet the standards set forth in 18 VAC 5-21-160.
44

45 F. Each registration certificate shall expire two years from the last day of the month wherein
46 issued and shall be renewed in compliance with 18 VAC 5-21-80.
47

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

18 VAC 5-21-70. Peer review.

- 1
2
3 A. To implement the provisions of § 54.1-4412 C 5 and D 2 of the Code of Virginia, firms
4 meeting the requirements set forth in this section shall provide the board with evidence,
5 as described in subsection E of this section, that the firm has undergone, no less
6 frequently than every three years, a peer review. Each peer review shall be performed
7 and reported in accordance with standards that are no less stringent than the peer
8 review program of the American Institute of Certified Public Accounts. Prior to its use by
9 a registrant's reviewer, the board must approve a peer review program other than the
10 peer review program of the American Institute of Certified Public Accountants. Firms not
11 required to register with the board are not required to comply with the peer review
12 requirement.
- 13
14 B. If a firm performs the services described in subsection D of this section, a peer review is
15 required and the firm shall provide an affirmation of such peer review to the board in
16 accordance with the dates set forth in subsection C of this section. The nature of the
17 review will be determined based on the peer review selection criteria, which criteria shall
18 consider the highest level of service provided and shall be no less stringent than the
19 criteria of the peer review program of the American Institute of Certified Public
20 Accountants (Standards for Performing and Reporting on Peer Reviews, effective
21 January 1999, American Institute of Certified Public Accountants). The date of the year-
22 end used for the peer review shall not be more than 48 months prior to the month of the
23 initial registration or the renewal month for a renewal registration.
- 24
25 C. Applicable dates.
- 26
27 1. An affirmation of a peer review is not required for an initial or renewal application for
28 a registration certificate filed prior to July 1, 2002.
- 29
30 2. Initial or renewal applications due after June 30, 2002, are required to include an
31 affirmation of a peer review except that a firm first initiating services requiring a peer
32 review after July 1, 1999, shall comply with the peer review requirement within three
33 years after first initiating services requiring a peer review. Affirmation of a timely
34 peer review shall be provided with the initial or first renewal application immediately
35 following the aforementioned three-year period.
- 36
37 D. The nature of the services requiring a peer review and the nature of such reviews are set
38 forth in this subsection.
- 39
40 1. System review. This review applies to firms that perform engagements governed by
41 the Statements on Auditing Standards (SASs) or examinations of prospective
42 financial information under the Statements on Standards for Attestation
43 Engagements (SSAEs), as established by the American Institute of Certified Public
44 Accountants, or the Government Auditing Standards (the Yellow Book) issued by the
45 U.S. General Accounting Office (GAO).
- 46

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 2. Engagement review. This review is required for firms that are not required to have a
2 system review and who are not eligible to have a report review as described in
3 subdivision 3 of this subsection. It applies to registered firms that do not perform
4 engagements in accordance with SASs or examinations of prospective financial
5 statements under the SSAEs but do perform engagements in accordance with the
6 Statements on Standards for Accounting and Review Services (SSARs) or review
7 engagements in accordance with the SSAEs, both as established by the American
8 Institute of Certified Public Accountants.

9
10 3. Report review. This review applies to firms that only perform compilations, as
11 described in the SSARs, that omit substantially all disclosures.

12
13 E. Required affirmation of peer review. The applicant for an initial or a renewal registration
14 certificate shall include an affirmation with the application that the firm (i) has complied
15 with the peer review provisions in § 54.1-4412 C of the Code of Virginia and with the
16 provisions of this section; (ii) has received a final acceptance letter from the entity
17 administering the peer review program; and (iii) will maintain its peer review documents
18 until the later of the date of the final acceptance letter for its next peer review or four
19 years. The board reserves the right to request a copy of the peer review report or any
20 other document relating to the peer review program.

21
22 F. Final acceptance letter not available. If an applicant for registration cannot provide a
23 final letter of acceptance indicating that the peer review is complete, then the applicant
24 shall file the application with (i) a copy of the “subject to” acceptance letter and other
25 relevant documents that explain the reasons why a final acceptance letter was not
26 issued; and (ii) a statement setting forth the registrant’s plan of action that will enable the
27 registrant to receive a final acceptance letter. This submission will extend the due date
28 of the application for six months from the original due date of the application.

PART III.

RENEWAL/REINSTATEMENT OF CPA CERTIFICATE AND REGISTRATION CERTIFICATE
AND OTHER GENERAL REQUIREMENTS.**18 VAC 5-21-80. Requirement for renewal.**

34
35
36 A. Each CPA certificate issued under the provisions of this chapter shall be renewable for a
37 period of one year.

38
39 B. Each registration certificate shall be renewable for periods of two years.

40
41 C. Registration certificates issued to professional corporations and professional limited
42 liability companies in accordance with the regulations of the board in effect beginning on
43 April 1, 1997, became void on November 30, 1999.

44
45 D. Renewal notices will be mailed to the regulant at the last known address of record.
46 Failure to receive written notice does not relieve the regulant of the requirement to renew
47 and pay the required fee. The date the board receives the renewal notice and fee shall

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 determine whether other fees established by 18 VAC 5-21-20 are payable. Fees shall
2 not be refunded or prorated.

3
4 E. Fees for renewal of a CPA certificate and a registration certificate are established in 18
5 VAC 5-21-20.

6
7 F. Representations. An individual holding a CPA certificate issued by the board shall
8 submit a renewal application provided by the board, which application shall contain a
9 statement that the applicant has (i) complied with the board's standards of conduct and
10 applicable standards of practice; (ii) met the applicable CPE requirements set forth in 18
11 VAC 5-21-170 for the three years prior to the year the renewal application is submitted;
12 and (iii) met the requirements set forth in 18 VAC 5-21-50 B if the CPA certificate holder
13 is responsible for supervising services involving the practice of public accounting, and
14 signs or authorizes another person to sign the accountant's report on the financial
15 statement on behalf of the firm.

16
17 A firm holding a registration certificate issued by the board shall submit (i) a renewal
18 application provided by the board affirming that it continues to meet the standards set
19 forth in 18 VAC 5-21-60 and (ii), in the case of firms subject to the peer review
20 requirement set forth in 18 VAC 5-21-70, an affirmation that it has undergone, no less
21 frequently than once every three years, a peer review.

22
23 G. If the required renewal fee is received more than 30 days after the expiration date but
24 within one year after the expiration date, a late fee will be charged in addition to the
25 renewal fee as provided for in 18 VAC 5-21-20.

26
27 **18 VAC 5-21-90. Requirement for reinstatement.**

28
29 A. In addition to meeting the requirements for renewal set forth in 18 VAC 5-21-80, a
30 regulant shall comply with the following requirements if the regulant fails to renew within
31 12 months after the expiration of the applicable certificate:

- 32
33 1. If the regulant fails to renew his CPA certificate or registration certificate within 12
34 months following its expiration or voluntary termination by the holder of a CPA
35 certificate or registration certificate, he will be required to present reasons for
36 reinstatement.
- 37
38 2. No application for reinstatement shall be considered while the petitioner is under
39 sentence for criminal offense related to the practice of accountancy, including any
40 period during which the petitioner is on probation or parole for such offense.
- 41
42 3. Reinstatement fees, which are nonrefundable and shall not be prorated, are
43 established in 18 VAC 5-21-20.
- 44
45 4. Applicants for reinstatement of the CPA certificate shall affirm on a form provided by
46 the board that they continue to meet the standards for entry as set forth in 18 VAC 5-
47 21-30, and for renewal as set forth in 18 VAC 5-21-80. Applicants for reinstatement

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 of the registration certificate shall affirm on a form provided by the board that they
2 continue to meet the standards of conduct and applicable standards of practice, and
3 the renewal requirements set forth in 18 VAC 5-21-80.
4

5 5. If the regulant has failed to renew his CPA certificate or registration certificate for a
6 period of 12 months or longer, a reinstatement fee as set forth in 18 VAC 5-21-20
7 shall be due in addition to the renewal fee and late renewal fee established in 18
8 VAC 5-21-20.
9

10 6. The renewal fee and late renewal fee for each renewal period in which the regulant
11 failed to renew his CPA certificate or registration certificate shall be paid as set forth
12 in 18 VAC 5-21-20.
13

14 B. If the requirements set forth in subsection A are not met, the board shall advise the
15 applicant that reinstatement has been denied and the reasons for the denial. The
16 reinstatement request may be resubmitted when the applicant believes the matters
17 affecting the reinstatement application have been satisfactorily resolved. The
18 reinstatement applicant may request a proceeding in accordance with the provisions of
19 the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).
20

21 **18 VAC 5-21-100. Status of certificate holder during the period prior to reinstatement.**
22

23 A regulant who is reinstated shall be regarded as having been a regulant continuously
24 without interruption. Therefore, the regulant shall remain under the disciplinary authority of the
25 board during this entire period and may be held accountable for his activities during this period.
26 A regulant who is not reinstated shall be regarded as unlicensed from the expiration date of the
27 CPA certificate or registration certificate forward. Nothing in this chapter shall divest the board
28 of its authority to discipline a regulant for a violation of the law or regulations during the period of
29 time for which the regulant held a CPA certificate or registration certificate.
30

31 **18 VAC 5-21-110. Notification of change of address or name, response to board**
32 **communication.**
33

34 A. Each regulant shall notify the board in writing within 30 days of any change of address or
35 name.
36

37 B. Each regulant shall respond within 30 days to any request for information made by the
38 board.
39

40 PART IV.
41 STANDARDS OF CONDUCT.
42

43 **18 VAC 5-21-120. Standards of conduct for all regulants.**
44

45 A. Responsibilities. A regulant shall exercise sensitive professional and moral judgment in
46 all activities.
47

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

- 1 B. Public interest. A regulant shall act in a way that serves the public interest, honors the
2 public trust, and demonstrates commitment to professionalism.
3
- 4 C. Integrity and objectivity. A regulant shall perform all professional responsibilities with the
5 highest sense of integrity, maintain objectivity and freedom from conflicts of interest in
6 discharging professional responsibilities, and avoid knowingly misrepresenting facts or
7 inappropriately subordinating his judgment to others.
8
- 9 D. Independence. A CPA certificate holder and registration certificate holder shall be
10 independent in fact and appearance when offering to provide or providing services
11 pursuant to the standards listed in the definition of “standards of practice for CPA
12 certificate holders.”
13
- 14 E. Professional competence. A regulant shall undertake only those professional services
15 that can reasonably be expected to be completed with professional competence.
16
- 17 F. Due professional care. A regulant shall exercise due professional care in the
18 performance of professional services.
19
- 20 G. Planning and supervision. A regulant shall adequately plan and supervise the
21 performance of professional services.
22
- 23 H. Sufficient relevant data. A regulant shall obtain sufficient relevant data to afford a
24 reasonable basis for conclusions or recommendations in relation to any professional
25 services performed.
26
- 27 I. Accounting principles. A CPA certificate holder shall not express an opinion or state
28 affirmatively that financial statements or other financial data of any entity are presented
29 in conformity with generally accepted accounting principles or state that the CPA
30 certificate holder is not aware of any material modifications that should be made to such
31 statements or data in order for them to be in conformity with generally accepted
32 accounting principles, if such statements or data contain any departure from any of the
33 standards described in the definition of the “standards of practice for CPA certificate
34 holders” that has a material effect on the statements or data taken as a whole with the
35 following exception: the CPA certificate holder can demonstrate that, due to unusual
36 circumstances, the financial statements or data would otherwise have been misleading
37 without the departure, and the approximate effects of the departure, if practicable, and
38 the reasons why compliance with the principle would result in a misleading statement
39 are provided in the statements or data.
40
- 41 J. Confidential client information. A regulant shall not disclose any confidential client
42 information without the specific consent of the client. This rule shall not be construed to
43 (i) affect in any way the regulant’s obligation to comply with a validly issued and
44 enforceable subpoena or summons, or to prohibit a regulant’s compliance with
45 applicable laws and government regulations; (ii) prohibit review of a regulant’s
46 professional practice by this board; (iii) prohibit a review in conjunction with a
47 prospective purchase, sale or merger of all or part of a regulant’s practice so long as the

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 regulant takes appropriate precautions (e.g., through a written confidentiality agreement)
2 so that the prospective purchaser does not disclose any information obtained in the
3 course of the review; or (iv) prohibit a review in conjunction with a peer review of a firm
4 as provided in 18 VAC 5-21-70. The reviewers of such information shall not use to their
5 advantage nor disclose any regulant's confidential client information that comes to their
6 attention.

7
8 K. Contingent fees. As provided in § 54.1-4414 D 2 and 3 of the Code of Virginia, a CPA
9 certificate holder shall not perform for a contingent fee: (i) any services for, or receive
10 such a fee from, a client for whom the CPA certificate holder or the CPA certificate
11 holder's firm performs services which involve the practice of public accounting, during
12 the period when such services are being provided and during the period covered by the
13 financial statements; or (ii) prepare an original tax return or claim for a tax refund for a
14 contingent fee for any client.

15
16 1. Preparation of an original tax return or claim for a tax refund includes giving advice
17 on events that have occurred at the time the advice is given if such advice is directly
18 relevant to determining the existence, character, or amount of a schedule, entry, or
19 other portion of a return or claim for refund.

20
21 2. A fee is considered determined based on the findings of governmental agencies if
22 the regulant can demonstrate a reasonable expectation, at the time of a fee
23 arrangement, of substantive consideration by an agency with respect to the
24 regulant's client. Such an expectation is deemed not reasonable in the case of
25 preparation of original tax returns.

26
27 L. Commissions and referral fees.

28
29 1. Prohibited commissions. As provided in § 54.1-4414 D 1 of the Code of Virginia, a
30 CPA certificate holder shall not recommend to a client any product or services for a
31 commission, or, for a commission, recommend or refer any product or service to be
32 supplied by a client, or receive a commission when the CPA certificate holder also
33 performs for that client any service which involves the practice of public accounting.
34 This prohibition applies during the period in which the CPA certificate holder is
35 providing services which involve the giving of an assurance or during the period
36 covered by any financial statements that were prepared by the CPA certificate holder
37 as a part of such services.

38
39 2. Disclosure of permitted commissions. As provided in § 54.1-4414 E of the Code of
40 Virginia, a CPA certificate holder who is not prohibited from accepting a commission
41 and who is paid or expects to be paid a commission shall disclose that fact to any
42 person or entity to whom the CPA certificate holder recommends or refers a product
43 or service to which the commission applies.

44
45 3. Disclosure of referral fees. As provided in § 54.1-4414 F of the Code of Virginia, a
46 CPA certificate holder who accepts a referral fee for recommending or referring any
47 service of a CPA certificate holder shall disclose such payment to the client.

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

- 1
2 M. Acts discreditable. A regulant shall not commit acts discreditable to the profession, as
3 listed in § 54.1-4413 of the Code of Virginia and this chapter.
4
5 N. Advertising and other forms of solicitation. A regulant shall not seek to obtain clients by
6 advertising or other forms of solicitation in a manner that is false, misleading, or
7 deceptive, or by coercion, overreaching or harassing conduct.
8
9 O. Form of organization and name. A regulant shall not practice under a firm name that is
10 false, misleading or deceptive.
11

12 PART V.
13 STANDARDS OF PRACTICE FOR CPA CERTIFICATE HOLDERS.
14

15 **18 VAC 5-21-130. Standards of practice for CPA certificate holders involved in the**
16 **practice of public accounting or compiling financial statements.**
17

18 CPA certificate holders shall follow the standards, as applicable under the circumstances,
19 set forth in this section in providing services involving the practice of public accounting or
20 compiling financial statements:
21

- 22 1. Statements of Financial Accounting Standards (Volumes I and II, June 1, 2000) issued
23 by the Financial Accounting Standards Board;
24
25 2. Accounting Principles (Volume III, June 1, 2000) promulgated by the Accounting
26 Principles Board of the American Institute of Certified Public Accountants;
27
28 3. Accounting Principles (Volume III, June 1, 2000) promulgated by the Committee on
29 Accounting Procedure of the American Institute of Certified Public Accountants;
30
31 4. Statements on Auditing Standards (2000 Edition) issued by the Auditing Standards
32 Board of the American Institute of Certified Public Accountants;
33
34 5. Statements on Standards for Accounting and Review Services (January 1, 1999) issued
35 by the American Institute of Certified Public Accountants;
36
37 6. Statements of Governmental Accounting and Financial Reporting Standards (June 30,
38 1999) issued by the Governmental Accounting Standards Board;
39
40 7. Statements on Governmental Auditing Standards issued by the Comptroller General of
41 the United States;
42
43 8. Statements on Standards for Attestation Engagements (January 1, 2000) issued by the
44 Accounting and Review Services Committee of the American Institute of Certified Public
45 Accountants; and
46

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

- 1 C. Client's records. Upon request, a firm shall furnish to the firm's client or former client,
2 within a reasonable time, any accounting or other record prepared by and belonging to
3 the client, or obtained from or on behalf of the client, which the regulant or another
4 member of his firm removed from the client or the client's premises, or had received for
5 the client's account.
6
- 7 D. Ownership of regulant's working papers and records. All working papers, including but
8 not limited to statements, programs, records, schedules, and memoranda, prepared by
9 the regulant incident to rendering services to a client are the property of the regulant's
10 firm absent an express agreement between the firm and the client to the contrary. Such
11 working papers shall not be sold, transferred, or bequeathed, to anyone other than a
12 regulant without the consent of the client, except this rule shall not be construed to (i)
13 affect in any way the regulant's obligation to comply with a validly issued and
14 enforceable subpoena or summons, or to prohibit a regulant's compliance with
15 applicable laws and government regulations or (ii) prohibit a transfer to another firm
16 licensed in Virginia in conjunction with a sale or merger of all or part of a member's
17 practice so long as the regulant takes appropriate precautions (e.g., through a written
18 confidentiality agreement) so that the purchaser or merging entity does not disclose any
19 information obtained in the transaction. The purchaser or party to a merger shall not use
20 to their advantage nor disclose any member's confidential client information that comes
21 to their attention.
22
- 23 E. Peer review. If required, a firm shall comply with the peer review requirements of 18
24 VAC 5-21-70.
25
- 26 F. Power of inspection. The board and its duly authorized agents shall have the power to
27 inspect the work product and all supporting working papers and records of all regulants
28 in connection with an investigation or relating to compliance with statutes and
29 regulations.
30

31 PART VII.
32 CONTINUING PROFESSIONAL EDUCATION.
33

34 **18 VAC 5-21-170. Continuing professional education requirements for CPA certificate**
35 **applicants and for CPA certificate holders.**
36

- 37 A. Use of CPA designation and performing services for the public.
38
- 39 1. As provided in § 54.1-4410 B of the Code of Virginia, any person referring to himself
40 as a Certified Public Accountant or "CPA," including the use of the "CPA" title on
41 individual business cards, letterhead and all other documents and devices except the
42 CPA wall certificate, and who is performing or offering to perform any services
43 involving accounting skills or auditing skills, issuing reports on financial advisory or
44 consulting services, preparing tax returns, or furnishing advice on tax matters, for the
45 public, shall obtain 120 ~~hours of~~ CPE credits during each CPE reporting cycle with a
46 minimum of 20 ~~hours~~ CPE credits per CPE reporting year. The CPA certificate
47 holder may choose the areas of study and courses.

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

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2. Any person covered by this provision who, prior to implementation of § 54.1-4410 B of the Code of Virginia on October 4, 1999, provided one or more of the services described in subdivision 1 of this subsection, but was not required to obtain CPE, shall obtain at least 20 ~~hours of~~ CPE credits in each of the CPE reporting years 2000, 2001 and 2002 and meet the ~~120-hour~~ CPE-credit requirement for the CPE reporting cycle ending December 31, 2002.
 3. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or more years after his successful completion of the CPA ~~examination~~ exam who intends to provide the services described in subdivision 1 of this subsection shall, in addition, submit evidence of having met the ~~120-hour~~ CPE-credit requirement in subdivision 1 of this subsection as though subdivision 1 of this subsection had been applicable to the applicant during the three ~~calendar~~ years prior to the date of his application.
 4. Any CPA certificate holder whose original CPA certification application was received by the board fewer than three years after his successful completion of the CPA ~~examination~~ exam who commences the services described in subdivision 1 of this subsection after December 31, 2000, shall have obtained 40 ~~hours of~~ CPE credits within the 12 months preceding the date such services are first offered to the public and obtain the remaining 80 ~~hours of~~ CPE credits by the end of the second CPE reporting year following the date of commencing such services with no less than 20 ~~hours~~ CPE credits in each of these two CPE reporting years. In addition, such CPE shall include the most recent Ethics CPE course.
- B. Use of CPA designation and performing services other than for the public.
1. As provided in § 54.1-4410 C of the Code of Virginia, effective July 1, 2002, any person referring to himself as a Certified Public Accountant or “CPA,” including the use of the “CPA” title on individual business cards, letterhead and all other documents and devices except the CPA wall certificate, who is performing or offering to perform any services involving accounting skills or auditing skills, issuing reports on financial advisory or consulting services, preparing tax returns, or furnishing advice on tax matters, for an employer or other organization and not for the public, or who is employed as an educator in the field of accounting, shall meet the following CPE requirements as a condition of renewal of the person’s CPA certificate: (i) for the three-year reporting period beginning ~~July 1, 2002~~ January 1, 2003, a minimum of 45 ~~credit hours~~ CPE credits with a minimum of 10 ~~hours~~ CPE credits per year, (ii) for the three-year reporting period beginning ~~July 1, 2005~~ January 1, 2006, a minimum of 90 ~~credit hours~~ CPE credits with a minimum of 15 ~~hours~~ CPE credits per year, and (iii) for the three-year reporting periods beginning on or after ~~July 1, 2008~~ January 1, 2009, a minimum of 120 ~~credit hours~~ CPE credits with a minimum of 20 ~~hours~~ CPE credits per year. The CPA certificate holder may choose the areas of study and courses.
 2. Individuals failing to meet the CPE requirements may be subject to requalification, including possible re-examination and submission of experience qualifications. The

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

1 board may, at its discretion, waive or defer CPE requirements so long as such waiver
2 or deferral is in the public interest.

- 3
4 3. Any person applying for a CPA certificate pursuant to 18 VAC 5-21-40 three or more
5 years after his successful completion of the CPA ~~examination~~ exam who intends to
6 provide the services described in subdivision 1 of this subsection shall, in addition,
7 submit evidence of having met the CPE requirement of subdivision 1 of this
8 subsection as though subdivision 1 of this subsection had been applicable to the
9 applicant during the three ~~calendar~~ years prior to the date of his application.
10 Furthermore, if such person obtained his CPA certificate at a time when he did not
11 intend to provide services for the public and subsequently decides to provide for the
12 public the services described in subdivision A 1 of this section, then such regulant
13 shall, prior to performing such services, meet the 120-~~hour~~ CPE-credit requirement
14 of subdivision A 1 of this section.

15
16 C. Use of CPA designation and not performing services.

- 17
18 1. Any CPA certificate holder who is not performing or offering to perform any of the
19 services described in subdivision A 1 or B 1 of this section is not required to meet
20 CPE requirements.
21
22 2. Any CPA certificate holder who ceases to perform services for the public shall
23 meet the CPE requirements described in subdivision A 1 of this section for any
24 reporting year in which he performed those services. Any CPA certificate holder
25 who performs services for the public for less than a complete reporting cycle shall
26 complete at least 20 ~~hours~~ CPE credits in each reporting year that he did perform
27 services for the public during the reporting cycle.
28

29 D. CPE in standards of conduct, Code of Virginia statutes relating to public accountancy,
30 and Board's regulations.

31
32 Beginning with the CPE reporting year ending immediately subsequent to the year in
33 which these regulations become effective, each CPA to which the CPE requirements in
34 subsections A and B of this section apply will obtain annually two CPE credits relating to
35 standards of conduct, Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of
36 Virginia, and regulations of the Board. The course will be a self-contained course
37 presented in not more than two CPE credit parts and may be presented in conjunction
38 with other CPE programs. The course may be a self-study course so long as the self-
39 study requirements of 18 VAC 5-21-170 F 3 are met. An outline of the required content
40 for the course will be provided by the Board to CPE providers who must state in their
41 Ethics CPE course material and related catalog summaries whether the content of the
42 course includes the material required by the Board for the calendar year the course is
43 provided.
44

45 ∅ E. Requirements for retaining records.
46

AMEND – BOARD OF ACCOUNTANCY REGULATIONS

Emergency Regulation

- 1 1. It is the responsibility of the CPA certificate holder to retain evidence of satisfactory
2 completion of CPE ~~credit hours~~ credits for a period of three years from the
3 anniversary date of renewal. Such documentation shall be in the form of the
4 certificate of completion provided by the sponsor, verification from the institution
5 offering the course, written statement from the course provider verifying the
6 regulant's attendance, or any other documentation deemed agreeable by the
7 board.
8
- 9 2. The CPA certificate holder shall provide such documentation to the board or its
10 authorized agent upon request.

11 E F. Continuing professional education credit.

- 12
- 13
- 14 1. One credit hour shall be given for each 50-minute period of instruction. One
15 semester hour of college credit is 15 CPE ~~credit hours~~ credits and one quarter hour
16 of college credit is 10 CPE ~~credit hours~~ credits.
17
- 18 2. A CPA certificate holder who instructs courses that qualify for CPE credit for
19 participants will be awarded two additional ~~hours of CPE~~ credits for each CPE
20 credit ~~hour~~ of instruction. The instructor shall retain evidence to support the
21 request for CPE credit. The instructor shall be given no CPE credit for subsequent
22 sessions involving substantially identical subject matter. The CPE credit given for
23 instructing shall not exceed 30 ~~credit hours~~ CPE credits per CPE reporting cycle.
24
- 25 3. CPE ~~credit hours~~ credits for successful completion of a self-study course shall be
26 established by the sponsor according to the type of CPE self-study program and
27 pre-tests to determine average completion time. Interactive self-study programs
28 shall receive CPE credit equal to the average completion time. Noninteractive self-
29 study programs shall receive CPE credit equal to one-half of the average
30 completion time. For example, an interactive self-study program that takes an
31 average of two contact hours to complete shall receive two CPE ~~credit hours~~
32 credits, and a noninteractive self-study program that takes an average of two
33 contact hours to complete shall receive one CPE credit ~~hour~~.
34