



## Disposition of Cases Involving the Unlicensed Use of the CPA Title or the Practice of Public Accounting by Previously Licensed Individuals Applying for Reinstatement <sup>1</sup>

The Virginia Board of Accountancy (“VBOA”) delegates to the Executive Director the authority to resolve disciplinary cases without prior approval from the full Board in cases when a previously licensed certified public accountant (“CPA”) engages in use of the CPA title, or in the practice of public accounting, during periods of time specified herein beginning from the date their CPA license expired to the date their reinstatement application was filed with VBOA, and the expiration of their license was due solely from a failure to timely renew, and the applicant does not meet the requirements to use the CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411. These guidelines can only be applied to the first offense; repeated offenses will be subject to VBOA enforcement processes.

The Board adopts the following guidelines for the resolution of these cases:

| Length of Expiration  | Possible Action  |
|---|--|
| <b>The applicant has 1) met all CPE requirements as applicable (including the prior 3 years) to hold a license during the expired period, 2) has no other disciplinary actions from the VBOA during the expired period, and 3) has no pending cases or open Orders with the VBOA:</b> |  |
| 90 days or less   | Advisory Letter  |
| 91 days to 180 days   | Consent Order; Reprimand and Monetary Penalty of \$250           |
| 181 days to one year  | Consent Order; Reprimand and Monetary Penalty of \$500           |
| <b>All other cases:</b>   |  |
| 30 days or less   | Advisory Letter  |
| 31-90 days  | Consent Order; Reprimand   |
| 91 days to 180 days   | Consent Order; Reprimand and Monetary Penalty of \$500 - \$750   |
| 181 days to one year  | Consent Order; Reprimand and Monetary Penalty of \$750 - \$1,000 |

Cases of Unlicensed Use of the CPA Title or the practice of public accounting that do not fall within these guidelines will be subject to VBOA enforcement processes, regardless of the amount of time that has elapsed between license expiration and the reinstatement request. Additionally, sanctions for other violations not included in the possible actions above may also be imposed by the VBOA when applicable.

<sup>1</sup> In all cases, expired individuals must reinstate once the license goes into expired status. Reinstating a Virginia individual CPA license must include meeting the requirements of Code of Virginia § 54.1-4413.2, meeting the CPE requirements in accordance with VBOA regulation 18VAC5-22-90, and submitting an individual CPA License Reinstatement Form to the VBOA with the required non-refundable fee of \$350, CPE documentation and other requested information.



## Applicable Laws

### **§ 54.1-4400. Definitions.**

As used in this chapter, unless the context clearly indicates otherwise...“Using the CPA title in Virginia” means using “CPA,” “Certified Public Accountant,” or “public accountant” (i) in any form or manner of verbal communication to persons or entities located in Virginia or (ii) in any form or manner of written communication to persons or entities located in Virginia, including but not limited to the use in any abbreviations, acronym, phrase, or title that appears in business cards, the CPA wall certificate, Internet postings, letterhead, reports, signs, tax returns, or any other document or device. Holding a Virginia license or the license of another state constitutes using the CPA title.

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“Practice of Public Accounting” means the giving of an assurance other than (i) by the person or persons about whom the financial information is presented or (ii) by one or more owners, officers, employees, or members of the governing body of the entity or entities about whom the financial information is presented.

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### **§ 54.1-4409.1. Licensing requirements for persons.**

A. A person must be licensed in order to use the CPA title in Virginia.

1. The person shall hold a Virginia license if he provides services to the public and the principal place of business in which he provides those services is in Virginia.
2. Other persons shall not be required to hold a Virginia license in order to use the CPA title in Virginia provided that they hold the license of another state and comply with the substantial equivalency provisions of § 54.1-4411.

### **§ 54.1-4414. Prohibited acts.**

Neither (i) a person who does not hold a Virginia license or who does not meet the requirements to use the CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411 nor (ii) an entity that does not meet the criteria prescribed by subdivision D 1 of § 54.1-4412.1 shall:

1. Practice public accounting;
2. Claim to hold a license to use the CPA title;
3. Make any other claim of licensure, registration, or approval related to the preparation of financial statements that is false or misleading;
4. Use the CPA title; or
5. Refer to any of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § 54.1-4413.3, or refer to or use any of the terminology prescribed by those authorities for reporting on financial statements, in any form or manner of communication about services provided to persons or entities located in Virginia.