

# Board of Accountancy

## WASHINGTON STATE

Winter Edition 2013

### EXECUTIVE DIRECTOR'S CORNER



*Welcome To The Inaugural Edition of The Board's Semi-Annual Newsletter.*

*This newsletter replaces the former WBOA News.*

The newsletter will be sent by e-mail in December and July to all persons holding active credentials and who have provided an e-mail address. Others may receive the publication by visiting <http://www.cpa-board.wa.gov/content/wboa-newsletter-sign>.

The plan is to include information from the Executive Director as well as other relevant news and information gleaned from Board members, agency staff, and public input. The Board Chair will provide an annual summary of issues from the Board's perspective. We are hopeful that the content will be meaningful and informative for all.

In this issue, the staff and I wish to say "Have a Safe and Memorable Holiday Season."

Richard Sweeney, CPA  
Executive Director



**Are you up for renewal of your CPA or CPA Firm License?**

**How about you Nonlicensee Firm Owners?**

**We know there are still a few of you out there; CPA-Inactive Certificateholders... is it time for you to renew?**

Click **HERE** to find out.

*If you are due for renewal, please log into your WBOA Online Services through your Secure Access Washington (SAW) account beginning January 1, 2014.*

### CPE REQUIREMENTS FOR INDIVIDUALS

**In order to renew your CPA license, CPA-Inactive certificate, or your registration as a nonlicensee firm owner, you must complete the required CPE by December 31, 2013.**

#### Licensee:

A licensed CPA is required to complete 120 hours of Continuing Professional Education. The 120 hours must include an approved 4 hour course in Washington State Ethics. Only pre-approved ethics courses will be accepted.

*Please note: If you hold a CPA License, you CANNOT convert to a CPA-Inactive Certificateholder. This is no longer an option!*

#### CPA-Inactive Certificateholder:

For you few that are grandfathered in as a CPA-Inactive Certificateholder, your requirement is to complete an approved 4 hour course in Washington State Ethics. Only pre-approved ethics courses will be accepted.

#### Resident Nonlicensee Firm Owner:

A Resident Nonlicensee Firm Owner is required to complete an approved 4 hour course in Washington State Ethics. Only pre-approved ethics courses will be accepted.

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A MEMBER OF **NASBA**

## CONTACT US:

Website:  
[www.cpbboard.wa.gov/](http://www.cpbboard.wa.gov/)

*If you cannot find an answer to your question on our website, please contact us directly for more information.*

Hours of Operation:  
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## A MESSAGE FROM THE BOARD CHAIR

### *Balloons Tend to Burst When Too Much Pressure Or Heat Is Placed on the Surface.*

As I begin my second year as Chair, I want to commend all CPAs for your unswerving commitment to the delivery of quality professional services.

I recognize that innumerable challenges are present today, as never before, by the onset of the global economy, the rapid advances in technology, and electronic forms of communication. All this change has resulted in pressures for instant results constrained only by today's legal, statutory, and regulatory framework.

However, in many ways, history tends to repeat itself. Therefore, I am confident that members of this profession will persevere in a reflective, thoughtful, and deliberative manner to ensure that decision-makers and the consuming public will continue to have confidence in the reliability of financial and non-financial data and other information produced by or otherwise associated with members of this learned profession.

Board members and agency personnel are also faced with the same challenges. Our mission, however, is different. The Public Accountancy Act states that the Board exists to protect the public from those limited few who violate a client's trust and to alert the broader public when that occurs. We accomplish this through the fees you pay, using no public tax dollars.

Accordingly, the Board also exists to responsibly manage the funds you provide and indirectly serve you and the profession by adapting rules, as necessary, to promote the effectiveness of the profession and ferreting out those who adversely affect the image of all credentialed persons.

Simply stated, through both your and the Board's commitment to the profession and the public, we must maintain mutual respect of our roles as we navigate these challenging and exciting times.

I am hopeful over time that this newsletter will benefit you by enhancing the transparency of Board actions and initiatives. And, I encourage you to provide timely constructive feedback to the Board on such matters.

Sincerely,

Emily R. Rollins, CPA  
Board Chair





# ARE YOU CUTTING IT CLOSE TO THE CPE DEADLINE?

## CPE Extension Requests

The Board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

Your CPE extension request must be submitted on the approved form by December 31, 2013.

# ATTENTION NEW WASHINGTON STATE LICENSE APPLICANTS

Effective January 1, 2014, new applicants applying for an initial Washington State license will be required to take a course entitled "Washington State Ethics and Regulation for New CPAs." To be eligible to apply for a Washington State license you must pass an exam prepared by the Board with a score of 90% or better. There is no cost for this exam.

For further information you may review the Board's Rule Making Order (CR-103); with the text of the amended rule, at the Washington State Register (WSR 13-22-001). Or, you may request a copy from Board staff.



### WA STATE BOARD OF ACCOUNTANCY BOARD MEMBERS:

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The Washington State Board of Accountancy is a consumer protection agency that initially qualifies and continues to monitor the professional performance and ethical behavior of Certified Public Accountants (CPAs), CPA-Inactive certificateholders, CPA firms, and non-licensure CPA firm owners, serving individual and enterprise consumers in Washington State.

Unlike most state agencies, the Board of Accountancy is not funded by public tax dollars. CPAs, CPA-Inactive certificateholders, CPA firms, non-licensure CPA firm owners and CPA examination applicants pay an administrative fee or reimburse examination costs to cover all of the agency's operating expenses.

We are a very small agency with only 10 employees. We are here to protect the public interest and provide the following services:

- Test approximately 2,000 candidates each year.
- Evaluate the initial qualifications of applicants and firms and approve or deny licenses.
- Review and monitor the continuing qualifications and performance of the almost 17,000 individuals and 2,100 firms licensed in Washington.

## PRE-LAPSED REINSTATEMENT—WHAT IS IT?

At the Board of Accountancy's July 22, 2013, Board meeting, the proposed revisions to Board Rule WAC 4-30-134 were adopted. The rule states those individuals who failed to complete the required CPE within the reporting period must apply for reinstatement. Please review the rule and explanation below:

### **4-30-134** ***What are the CPE Requirements for Individuals?***

- (a) If you fail to file a timely request for extension but you self-report a CPE deficiency to the board during the renewal period January 1st through June 30th of the renewal year, you will be permitted to continue to use the restricted title during the renewal period provided you:
  - (i) Submit to the board, in writing, the specific CPE plan to obtain to correct the CPE deficiency on or before June 30th of the renewal year;
  - (ii) Timely complete the CPE sufficient to correct the deficiency;
  - (iii) Timely submit certificates of completion for the subject CPE taken to the board; and
  - (iv) Pay the fee for reinstatement of a lapsed credential on or before June 30th of the renewal year.
- (b) CPE deficiencies taken by June 30th of the renewal year under this subsection will be carried back to the reporting period ending on December 31st of the preceding calendar year and be subject to CPE audit in the next renewal period to ensure that inadvertent double counting does not occur.

### ***What Does This Mean to You?***

If you do not qualify for an extension, and/or you are unable to complete your CPE by December 31, 2013, your credential will lapse July 1, 2014, and be subject to reinstatement.

Thanks to this new rule, your reinstatement can be received and processed before your CPA license officially lapses. This new process is called Pre-Lapsed Reinstatement.

To be eligible for Pre-Lapsed Reinstatement, you will need to e-mail the Board that you did not complete your CPE during your reporting period. Your e-mail must include a specific plan that corrects your CPE deficiency on or before June 30th.

We will update your account to allow you to apply for Pre-Lapsed Reinstatement. You cannot submit your application for reinstatement until you completed your CPE deficiency.

Failure to provide and follow through with your plan will result in a lapse of your credential.

**\*\*While you are obtaining your CPE we strongly advise that you enter your CPE into the Track CPE feature in the [WBOA online service](#).**

# WHY ACCOUNTING?

The American Institute of Certified Public Accountants (AICPA) began the concept of [Start Here Go Places](#) and [This Way to CPA](#) to provide you with all the inside information you'll need to succeed in an accounting or business career after college.

## Take a Look and Come On In

### [Start Here Go Places](#)

### [This Way to CPA](#)

#### Education

To be eligible to take the CPA exam, you must have completed:

- At least 150 semester credits of college education, including:
  - A baccalaureate degree or higher
  - 24 semester credits in accounting subjects with 15 credits at the upper or graduate level
  - 24 semester credits in business administration subjects

#### Exam

The Board contracts with CPA Exam Services (CPAES) for application processing for Washington's CPA exam applicants. You may obtain an application, information, or apply online at <http://nasba.org/exams/cpaexam/washington>.

Washington State Coordinator – Shimeka Buchanan  
Direct Phone: 615.880.4254  
Direct E-mail: [sbuchanan@nasba.org](mailto:sbuchanan@nasba.org)

Call Center Hours  
Monday-Thursday 8 a.m. - 2 a.m. Eastern  
Friday 8 a.m. - 5 p.m. Eastern  
Toll Free: 1.800.CPA.EXAM  
Phone: 615.880.4250  
Fax: 615.880.4290, Attn: WA Coordinator  
E-mail: [cpaes-wa@nasba.org](mailto:cpaes-wa@nasba.org)

Mail: Washington Coordinator  
CPA Examination Services  
PO Box 198469  
Nashville, Tennessee 37219-8469

Examination candidates, please remember if you utilized the one hundred eighty-day provision and submitted a Certificate of Enrollment, CPAES must receive your official transcripts within 210 days of taking the first test section to confirm that your education has been satisfactorily completed.

**Read More about 'Why Accounting' on page 6.**

- Provide an electronic means for individuals and firms to renew their credentials, change their address, amend firm ownership information and pay fees via ACH or bank card.
- Investigate on average 200 complaints received and probable violations of the Public Accountancy Act discovered per year.
- Coordinate and collaborate with other State Boards of Accountancy regarding CPAs performing work across state borders.
- Maintain a statewide network of volunteers who assist in evaluating the work of CPA firms for compliance with professional standards.
- Answer questions from CPAs, certificateholders, firm owners and staff, future CPAs and CPA clients.



## HOW TO . . .

[Create an Online Service Account Through Secure Access Washington](#)

[Log back into your SAW account](#)

[Update your SAW profile](#)

[Update your Board \(WBOA\) profile](#)

[Find the List of Board Approved Ethics Courses](#)

### [Next Board Meeting](#)

The Board of Accountancy will hold its next regular Board meeting Friday, January 31, 2014, beginning at 9:00 AM. The meeting will be held at:

Doubletree Hotel Seattle Airport  
Cascade Room 12  
18740 International Boulevard  
SeaTac, Washington  
Agenda - Will be posted closer to the date of the meeting.

The purpose of the Board meeting is for the Board to conduct its business. However, to encourage citizen input, the Board's agenda specifically provides an opportunity for the public to give input directly to the Board.

Future meeting dates are as follows:

January 31, 2014  
April 17, 2014  
July 24, 2014  
October 24, 2014

[View the WBOA Calendar](#)

# WHY ACCOUNTING? (CONTINUED)

## *International Exam*

Beginning in August 2011, candidates who qualified were allowed to schedule their CPA Exam at select international locations: Japan, Brazil, Bahrain, Kuwait, Lebanon and the United Arab Emirates. It is the same examination offered in the U.S. regardless of the location.

## *Reminder to International sitting CPA exam candidates!*

Remember, in order to qualify to take the CPA Examination outside the U.S., as a Washington candidate, you attested to three parts of the International Informed Consent Agreement. A portion of part II states the following:

### *II. Examination Conditions Consent*

*(a) I shall obtain a Certified Public Accountant (CPA) license from the State Board within three (3) years of passing all four sections of the Uniform CPA Examination, counting from the date my scores are issued. In the event I have not obtained such CPA license within three (3) years, under applicable state law, my scores can be automatically withdrawn and I shall have no rights or privileges to them.*

*(b) Any scores I have obtained will be rendered temporarily inactive if I do not maintain my CPA license.*

## *Licensed this year*

This year, 2013, January through November, we have qualified and issued 958 Initial Licenses and 193 Interstate and International Reciprocity Licenses. Currently our credentialed population consists of:

- CPA Licenses – 15,142
- CPA-Inactive Certificateholders – 1,265
- CPA Firms – 2,064
- Non-Licensee Firm Owners - 38



## *License Renewal*

*Every year a number of CPAs forget to renew their license. The Board considers failure to renew the license a serious matter. Be sure to maintain a current mailing address and email address with the Board and renew your license on time!*

*For more information, visit [www.cpaboard.wa.gov](http://www.cpaboard.wa.gov)*