

LICENSE RENEWAL HANDBOOK

INDIVIDUAL LICENSEES, CORPORATIONS, AND PARTNERSHIPS



**CALIFORNIA BOARD OF ACCOUNTANCY
LICENSE RENEWAL & CONTINUING COMPETENCY UNIT**

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Table of Contents

I.	CALIFORNIA BOARD OF ACCOUNTANCY	1
	Mission	1
	Authority	1
	CBA Responsibilities	1
	Renewal and Continuing Competency Unit	1
II.	LICENSE INFORMATION	2
	CPA Standards	2
	Conflict of Interest	2
	Contingent Fees	2
	Commissions	3
III.	CPA/PA LICENSE RENEWAL INFORMATION	3
	License Renewal Application	4
	Biennial License Renewal Fee	4
	Payment of Fee to CBA	4
	License Renewal Options	5
	Fingerprinting	5
	California Residents - Live Scan	5
	Non-California Residents - Hard Cards	6
IV.	CONTINUING EDUCATION	6
	Qualifying CE	6
	Active Status License Renewal	7
	50/50 CE Requirement	7
	Ethics Education CE	8
	Government Auditing CE	8
	Accounting and Auditing CE	9
	Preparation Engagements of Financial Statements	10

	Fraud CE	10
	Professional Conduct and Ethics.....	10
	Regulatory Review Course.....	11
	Requirement for New Licensees	11
	Presentation Methods	11
	Live Presentation Courses	12
	Group-Internet Based (Webcast) Courses	12
	Self-Study Courses	12
	Calculating CE Hours	13
	Live Presentation and Webcast Courses	13
	Self Study Courses.....	13
	CE Credit for Teaching.....	14
	CE Credit for Published Work.....	14
	Certificates of Completion	14
V.	CE EXTENSIONS	15
	CE Extension/Exemption Request	15
	Government Auditing, A&A and Fraud CE Extensions.....	15
VI.	INACTIVE LICENSE DISCLOSURE	16
VII.	LICENSE STATUS CONVERSION	16
VIII.	DELINQUENT LICENSE	17
IX.	LICENSE CANCELLATION AND REISSUANCE	17
X.	RETIRED ACCOUNTANTS	18
	Application for Retired Status:.....	18
	Limitation on Retired Status:	18
	Retired Status License Disclosure:.....	18
	Renewal of a License in a Retired Status:.....	19
	Restoration of a License from a Retired Status to Active Status:	19
	Fingerprint Requirement:.....	21
	Peer Review Reporting Requirement:	21
	CE Requirements Following Restoration to Active Status from Retired Status: .	22
XI.	MILITARY INFORMATION.....	23

Military Wavier Status.....	23
Military Inactive Status.....	23
XII. ACCOUNTANCY CORPORATIONS.....	25
Corporation License Renewal Cycle	25
XIII. ACCOUNTANCY PARTNERSHIPS.....	26
Accountancy Partnership License Renewal Cycle	26
XIV. PEER REVIEW	27
Exclusions	27
Board-Recognized Peer Review Program Providers.....	27
Reporting to the CBA	28
Extensions.....	28
XV. CBA REQUESTS	28
XVI. REPORTABLE EVENTS	28
XVII. CITATION AND FINE	30
XVIII. MISCELLANEOUS INFORMATION.....	30
Address of Record.....	30
Address Change.....	31
Name Change Requests	31
Individuals	31
Accountancy Firms.....	31
Fictitious Names.....	31
Certifying an Employee’s Work Experience.....	31
Certifying Attest Experience After Licensure	32
Transfer of License Status from California to Another State.....	32
Public Information.....	32
Public Information List.....	33
Web License Lookup.....	33
Frequently Asked Questions (FAQs).....	33

I. CALIFORNIA BOARD OF ACCOUNTANCY

Mission

The mission of the California Board of Accountancy (CBA) is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

Authority

The CBA derives its authority from the Business and Professions (B&P) Code, Division 3, Chapter 1, Article 1 through Article 10 (Accountancy Act) and the California Code of Regulations, Title 16, Division 1, Article 1 through Article 13 (CBA Regulations). Please visit the CBA website at www.cba.ca.gov for the most recent version of the Accountancy Act and CBA Regulations.

CBA Responsibilities

- Examines applicants and sets educational and experience requirements for California certified public accountants (CPAs).
- Regulates the practice of public accountancy in California and may deny licensure, suspend, revoke, or refuse to renew any license, permit, or certificate for violation of the Accountancy Act or CBA Regulations.
- Regulates, prescribes, amends, or repeals the rules of professional conduct appropriate to the establishment and maintenance of a high standard of integrity and competency in the profession.

The CBA website, www.cba.ca.gov, contains valuable information for CPA/PA licensees, CPA examination candidates, license applicants, and consumers regarding CBA meetings, forms, enforcement matters, as well as the CBA publication UPDATE.

Renewal and Continuing Competency Unit

The primary responsibility of the Renewal and Continuing Competency (RCC) Unit is to assist licensees with the license renewal process and handle the license renewal activities for the CBA. The RCC Unit processes license renewal applications for CPAs/PAs, Accountancy Corporations, and Accountancy Partnerships.

As a source of reference, please refer to the CBA website for detailed information regarding up-to-date CE requirements, Board-approved Regulatory Review courses, license status, and CE extensions. Information regarding license renewal and continuing education can also be obtained by contacting the RCC Unit by e-mail at renewalinfo@cba.ca.gov or by telephone at (916) 561-1702.

II. LICENSE INFORMATION

CPA Standards

If you practice public accountancy, you must comply with all applicable professional standards related to the services performed.

Conflict of Interest

In accordance with [section 57](#) of the CBA Regulations, you cannot concurrently engage in the practice of public accountancy and in any other business or occupation which impairs your independence, objectivity, or creates a conflict of interest in rendering professional services.

Contingent Fees

A contingent fee is a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specific finding or result is attained or in which the amount of the fee is otherwise dependent upon the finding or result of such service.

As specified in [section 62](#) of the CBA Regulations, you shall not:

- Perform for a contingent fee any professional services for, or receive such a fee from, a client for whom the licensee or the licensee's firm performs:
 - an audit or review of a financial statement; or
 - a compilation of a financial statement when the licensee expects or reasonably should expect that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or
 - an examination of prospective financial information; or
 - any other attest engagement when the licensee expects or reasonably should expect that a third party will use the related attestation report; or
 - any other services requiring independence.
- Prepare an original tax return for a contingent fee for any client.
- Prepare an amended tax return, claim for tax refund, or perform other similar tax services for a contingent fee for any client.
- Perform an engagement as a testifying expert for a contingent fee.

Fees are not contingent if fixed by courts or governmental entities acting in a judicial or regulatory capacity or in tax matters if determined based upon the results of judicial proceedings or the findings of governmental agencies or there is a reasonable expectation of substantive review by a taxing authority.

Commissions

You may accept commissions in limited situations. Per [section 5061](#) of the Accountancy Act, you may accept commission-based compensation for defined services as long as the fees are disclosed in writing and various prohibited services as described in [section 5061\(c\)](#) of the Accountancy Act are not performed; however, you still are prohibited from accepting any fee or commission solely for referral of a client to a third party.

This provision is similar to the American Institute of Certified Public Accountants' (AICPA) Rule 503, but has significant exceptions. California's disclosure rules are more stringent for consumer protection and must be in detailed written form. For a detailed description of the disclosure requirements, please review [sections 56](#), [56.1](#), [56.2](#), and [56.3](#) of the CBA Regulations. Generally, the disclosure must:

- Be in writing and be clear and conspicuous.
- Be signed by the recipient of the product or service.
- State the amount of the commission or the basis on which it will be computed.
- Identify the source of the payment.
- Identify the relationship between the source of the payment and the person receiving the payment.
- Be presented to the client at or prior to the time the recommendation of the product or service is made.

III. CPA/PA LICENSE RENEWAL INFORMATION

Your CPA license is valid for a two-year period, and expires every other year at midnight on the last day of your birth month. The year of expiration is based upon your birth year. If you were born in an even year, your license will expire each even year; if you were born in an odd year, it will expire each odd year. You may find your license expiration date on your pocket identification card, your license renewal application, or by using the License Lookup feature on the CBA website.

The completed license renewal application, with the required license renewal fee, must be postmarked on or before the license expiration date. Licensees renewing in an active status with applications postmarked after the license expiration date cannot practice public accountancy until receipt of the appropriate license renewal fee and the license is renewed. License renewal applications postmarked after the license expiration date are subject to a delinquency fee of 50 percent of the license renewal fee. If the license expiration date falls on a weekend or holiday, the license renewal application must be postmarked by the following business day to avoid being assessed the delinquency fee. The CBA does not accept meter marks as proof of timely mailing. Although not required, you may wish to send the license renewal application and fee using a method of delivery that allows for the confirmation of the postmark date and delivery.

License Renewal Application

A license renewal application will be mailed to your address of record approximately 90 days prior to the license expiration date with the *Continuing Education Reporting Worksheet* on the reverse of the application and all necessary renewal information and instructions. The applications are not available on the CBA website; however, the *Continuing Education Reporting Worksheet* is accessible via the CBA website.

If you do not receive a license renewal application, please contact the RCC Unit prior to your license expiration date to request a duplicate application. You are responsible for the timely renewal of your license. Nonreceipt of your license renewal application does not qualify for a waiver of the delinquency fee.

Mail your completed application and fee to the address listed below.

Department of Consumer Affairs
P.O. Box 942501
Sacramento, CA 94258-0501

Please allow six to eight weeks for the processing of your application. An incomplete or inaccurately completed license renewal application may result in your license being placed on hold and the temporary loss of practice rights. The CBA will notify you in writing of any deficiencies.

If within ten weeks of mailing your license renewal application and license renewal fee you do not receive your new pocket identification card, please contact the CBA RCC Unit.

Biennial License Renewal Fee

The renewal fee for all license types – CPA/PA, Corporation, and Partnership – expiring **after** June 30, 2016 is \$120. A delinquency fee of \$60 will be added to the total amount due if the license renewal application and fee are postmarked after the license expiration date. If your license expired **on or before** June 30, 2016, you are to pay the \$50 renewal fee and \$25 delinquency fee even if the license renewal application is submitted after July 1, 2016. If renewing for multiple renewal periods, please contact the RCC Unit for assistance in calculating the correct fee.

Payment of Fee to CBA

The CBA accepts money orders, cashier's checks, or personal checks drawn on a U.S. bank for payment of your license renewal fee. If unsure about whether your check or money order is acceptable, please check with your bank representative. Credit card payments are not accepted at this time.

NOTE: The CBA only accepts checks issued by a U.S.-affiliated bank with preprinted Federal Reserve Bank information on the check.

License Renewal Options

You may:

- **Renew your license in an active status** by submitting the completed license renewal application, including the license renewal fee, and documenting completion of the required continuing education (CE).
- **Renew your license in an inactive status** by submitting the completed license renewal application with the license renewal fee. You are not required to complete CE if you renew your license in an inactive status; however, you cannot practice public accountancy while your license is in an inactive status. Additionally, when using the title certified public accountant or the CPA designation you must place the term “inactive” immediately after the designation or title.
- **Allow your license to expire** if you no longer intend to practice public accountancy. An expired license may be renewed up to five years after its expiration date with payment of all applicable fees. In order to renew active, all required CE must be completed.

Fingerprinting

If you are renewing in an active license status and either have not been previously fingerprinted as a condition of licensure, or no electronic fingerprint record exists for you in the Department of Justice's criminal offender record identification database, then you will be required to submit fingerprints for state and federal clearance as a condition of license renewal. If you are subject to the fingerprint requirement, you will receive a notification from the CBA approximately 90 days prior to your license expiration date. The notification letter will include information on how to complete the process and all necessary forms. Licensees actively serving in the United States military are exempt from this requirement.

California Residents - Live Scan

If you reside in California, you will need to submit fingerprints via Live Scan. The notification letter you receive will include a Request for Live Scan Service form, which you should complete and take to a Live Scan location. You should retain a copy of the completed Request for Live Scan Service as proof of completion for at least three years. Once fingerprints are submitted via the Live Scan process, the CBA will work with the DOJ to obtain clearance. A current list of Applicant Live Scan locations is available on the DOJ website at <http://ag.ca.gov/fingerprints/publications/contact.php>.

Non-California Residents - Hard Cards

If you reside outside of California, you will need to submit fingerprints via hard card. The notification letter you receive will include two fingerprint hard cards. The only copies of fingerprint hard cards that can be accepted are those furnished by the CBA. You should take the hard cards to a qualified technician trained in fingerprint-taking techniques. Some law enforcement agencies provide this service. In addition, telephone yellow page directories and web searches may list fingerprinting services. You should retain a receipt evidencing submission of the hard cards as proof of completion for at least three years. Once fingerprints are completed, mail **both** of the unfolded cards directly to the CBA at the address below, so that the CBA may work with the DOJ to obtain clearance.

**California Board of Accountancy
2450 Venture Oaks Way, Suite 300
Sacramento, California 95833
Attn.: Fingerprint Unit**

Additional information regarding this requirement can be found in the [Fingerprinting FAQ's](#) on the CBA website.

The initial peer review reporting requirement was phased-in over a three-year period. The phase-in period required you to report based on your license number not your license renewal date. Under the new requirement, you will be required to report to the CBA peer review information as required on the Peer Review Reporting form (commonly known as PR-1) at the time of license renewal. The CBA has included the PR-1 with your license renewal package and it must be completed and submitted with your license renewal application. You must report to the CBA even if you are required to undergo peer review, not subject to peer review, or renewing in an inactive status.

IV. CONTINUING EDUCATION

Qualifying CE

Acceptable CE must be a formal program of learning which contributes directly to the professional competence of the licensee in **public** practice and is consistent with the CBA educational program requirements. It is your responsibility to select acceptable CE courses.

All CE must be completed during your two-year licensure period. You cannot carry over CE hours from one license renewal period to another. If you renew early and complete additional CE before your license expiration date in the current license renewal period, you cannot count it toward the 80 hours of CE required for your next license renewal.

The CBA does not pre-approve or register providers of CE courses other than the two-hour Regulatory Review course. [Sections 88](#), [88.1](#), [88.2](#), and [89](#) of the CBA Regulations outline the requirements with which course providers must comply and are available on the CBA website.

Active Status License Renewal

To renew a license in an active status, a total of 80 hours of qualifying CE must be completed during the two-year period immediately preceding license expiration including:

- A minimum of 40 hours in technical subjects. (See “50/50 CE Requirement” section for further information.)
- Four hours of ethics education as defined in [section 87\(b\)](#) of the CBA Regulations.
- If subject, 24 hours in [Government Auditing](#) CE or [Accounting Auditing](#) (A&A) CE and four hours of CE specifically related to the prevention, detection and/or reporting of fraud affecting financial statements (Fraud CE).
- A two-hour [Board-approved Regulatory Review course](#) if more than six years have lapsed since you last completed a Board-approved Regulatory Review or Professional Conduct and Ethics (PC&E) course.
- The remaining 40 hours may be completed in qualifying technical or non-technical subject matter of your choosing, so long as a minimum of 40 hours are completed in technical subject matter.

Note: Licensees renewing a license in an active status must complete a minimum of 20 hours in each year of the two-year license renewal period, with a minimum of 12 hours in technical subject matter.

For example: For a license set to expire on January 31, 2016 a licensee must complete a minimum of 20 hours of CE, with 12 hours in technical subject matter, between February 1, 2014 through January 31, 2015. In addition, a minimum of 20 hours of CE, with 12 hours in technical subject matter, must be completed between February 1, 2015 through January 31, 2016.

50/50 CE Requirement

To renew a license in an active status, you must complete a minimum of 50 percent of the total required CE hours in technical subject areas.

The following are considered technical subjects areas:

- Auditing and Accounting
- Computer and information technology (excluding word processing)
- Consulting
- Fraud

- Financial planning
- Ethics as defined in [section 87\(b\)](#) of the CBA Regulations
- Regulatory Review as defined in [section 87.8](#) of the CBA Regulations
- Taxation
- Specialized industry or government practices that focus primarily upon the maintenance or enhancement of the public accounting skills and knowledge needed to competently practice public accounting

You may claim a maximum of 50 percent of the total required CE hours in non-technical subject areas.

The following are considered non-technical subjects areas:

- Communication skills, negotiation skills, and motivational techniques
- Marketing and sales
- Office management, practice management, and personnel management
- Word processing

The following subjects are **not** acceptable CE:

- Foreign languages and cultures
- Personal growth, self-realization, spirituality
- Personal health and/or fitness, sports and recreation
- Other subjects which will not contribute directly to the licensee's professional competence

Ethics Education CE

Per [section 87\(b\)](#) of the CBA Regulations, to renew a license in an active status, you must complete four hours of ethics education as part of the required 80 hours of CE. The course must pertain to the following:

- A review of nationally recognized codes of conduct emphasizing how the codes relate to professional responsibilities
- Case-based instruction focusing on real-life situational learning
- Ethical dilemmas facing the accounting profession
- Business ethics, ethical sensitivity, and consumer expectations

The four hours of ethics education may be taken as a single course or as a combination of courses totaling four hours. Courses must also be a minimum of at least one 50-minute class hour in length.

Government Auditing CE

Per [section 87\(c\)](#) of the CBA Regulations, if you plan, direct, conduct substantial portions of field work, or report on financial or compliance audits of a governmental

agency, you must complete 24 of the required 80 hours of CE in the areas of governmental accounting, auditing or “related subjects.” “Related subjects” are those which maintain or enhance your knowledge of:

- Governmental operations
- Governmental laws, regulations, or reports
- Special requirements of governmental agencies
- Subjects related to the specific or unique environment in which the audited entity operates
- Other auditing subjects which may be appropriate to government auditing engagements

This CE must be completed in the same two-year period in which you perform the work.

A governmental agency is defined as any department, office, commission, authority, board, government-owned corporation, or other independent establishment of any branch of federal, state, or local government. Under the California definition, this does not include a non-profit organization or any organization receiving funds through federal financial assistance. If, however, you perform audits of non-profit organizations, organizations receiving federal financial assistance funds, or government agencies, you must comply with the Federal Government Auditing Standards Yellow Book.

A licensee who meets the Government Auditing CE requirement is considered to have satisfied the Accounting and Auditing requirement.

Accounting and Auditing CE

Per [section 87\(d\)](#) of the CBA Regulations, if you plan, direct, perform a substantial portion of the work, or report on an audit, review, compilation, or attestation service on a non-governmental entity, you must complete 24 of the required 80 hours of CE in courses related to the following:

- Financial statement preparation and/or reporting
- Auditing, reviews, and/or compilations
- Industry accounting
- Attestation or assurance services

This CE must be completed in the same two-year period in which you perform the work. A&A includes accounting or financial reporting subjects, the body of knowledge dealing with recent pronouncements of authoritative accounting principles issued by the standard-setting bodies, and other related subjects generally classified within the accounting discipline. In planning fieldwork, an auditor defines what is material to the financial statements being audited. “Substantial portions of field work” is defined as those portions of fieldwork that are material to reach conclusions or opinions related to that part of the audit.

If you prepare and report on at least one financial statement, you are performing substantial portions of the work even if the computer did most of the work or another person reviews and signs the report. When another person is responsible for signing, both the preparer and signer are subject to the A&A requirement.

Teaching or learning how to use accounting software does **not** qualify as A&A, although it may qualify as CE in another category.

Preparation Engagements of Financial Statements

With the issuance of Statement on Standards for Accounting and Review Services No. 21 (SSARS 21) came the creation of the preparation engagement of financial statements service. SSARS 21, specifically section 70 – Preparation of Financial Statements, describes a preparation engagement as an accountant in public practice engaged to prepare financial statements but is not engaged to perform an audit, review, or compilation on those financial statements. The accountant is not required to be independent and no report is issued. Each page of the financial statement is required to clearly state that “no assurance is provided” or another form of disclaimer stating the accountant did not perform an audit, review, or compilation.

Pursuant to SSARS 21, preparation engagements are not considered a compilation where no report is issued; and as a result, this service falls outside the scope of the present A&A and fraud CE requirements.

The CBA has initiated the rulemaking process to amend CBA Regulations to require prescribed CE for licensees performing preparation engagements of financial statements as their highest level of service. Additional information regarding these proposed regulations changes can be found on the CBA website.

Fraud CE

Per [section 87\(e\)](#) of the CBA Regulations, if you are subject to the Government Auditing or A&A CE requirement, you must also complete four hours of CE specifically related to the prevention, detection and/or reporting of fraud affecting financial statements (Fraud CE). The Fraud CE requirement is part of the 80 hours of required CE for license renewal but is not part of the 24-hour A&A or Government Auditing CE requirement.

If fewer than 80 hours of CE are needed for license renewal, as a result of initial licensure or license status conversion, the four-hour Fraud CE requirement does not apply.

Professional Conduct and Ethics

The PC&E course requirement was discontinued as of January 1, 2010. Please refer to the next section – Regulatory Review Course – for additional information.

Regulatory Review Course

To maintain a license in an active status, the CBA requires that you complete a Board-approved Regulatory Review course every six years. This course provides information on the provisions of the current Accountancy Act and CBA Regulations.

All courses are a minimum of two hours and must be completed within the six years preceding your license expiration date. The two-hour course is included as part of the 80-hour CE requirement. The date by which you must meet the requirement is provided on Part A of your license renewal application.

If you choose to complete the Regulatory Review course before the due date, the next due date is six years (three license renewal cycles) from the license renewal period in which the Regulatory Review course was taken.

The list of the [Board-approved Regulatory Review courses](#) is available on the CBA website or you can request a list from the RCC Unit.

Requirement for New Licensees

After the CBA receives your initial license fee and the Personal Information Data Card, you will receive a pocket identification card within eight weeks noting your first license expiration date.

To renew a license in an active status, you are required to complete 20 hours of CE for each full six-month interval from the date the license was issued to the license expiration date. This method is used to calculate the total CE hours; it does not require that 20 hours of CE be completed within each six-month period. If the initial license period is less than six months, no CE is required to renew the license.

If you are required to complete Government Auditing or A&A CE, you must complete six hours of CE in the appropriate subject matter as part of each 20 hours of general CE. Meeting the Government Auditing CE requirement is considered to have met the A&A CE requirement; however, meeting the A&A requirement is not considered to have met the Government Auditing CE requirement. If fewer than 80 hours of CE is needed for license renewal, the four-hour Fraud CE and four-hour ethics education CE requirements do not apply.

Presentation Methods

The CBA provides you with the opportunity to select courses from the following three presentation methods: live, self-study, and group internet-based (webcast) CE. There are no limitations on the number of hours that may be completed in each format. With each presentation method, providers must maintain written educational goals and specific learning objectives, a syllabus, and issue certificates of completion.

Live Presentation Courses

The following types of live presentation programs are deemed to qualify as acceptable CE:

- Professional development programs of national and state accounting organizations.
- Technical session at meetings of national and state accounting organizations and their chapters, which are designed as formal educational programs.
- University or college courses.
- Other formal educational programs provided the program meets the required standards.

Group-Internet Based (Webcast) Courses

A webcast course is a program that enables a licensee to participate from a computer in an interactive course presented by a live instructor at a distant location. A provider of a webcast course must:

- Require and monitor attendance throughout the program by using attendance-monitoring devices such as polling, questions, or surveys. The program shall include a minimum of three monitoring events each hour – at least one of which occurs at an irregular interval.
- Have a live instructor while the program is being presented, and have a live facilitator who logs into the program to ask questions on behalf of the group. The live facilitator must document and verify group participation and attendance in accordance with the CBA's requirements.
- Include recorded or archived information.

Self-Study Courses

Self-study courses, whether in electronic or paper text format, must be interactive to qualify as acceptable CE.

An interactive course:

- Requires frequent participant response to questions that test for understanding of the material presented.
- Provides evaluated feedback to incorrectly answered questions.
- Provides reinforcement feedback to correctly answered questions.
- Requires a passing score on a test given at the conclusion of the course. The test shall not include true/false type questions.

Evaluated feedback means a response specific to each incorrect answer of the study questions that explains why the particular answer is wrong, as each one is incorrect for a different reason. Reinforcement feedback means a response to the correct answer of the study questions that restates and explains why the answer selected was correct.

Calculating CE Hours

Live Presentation and Webcast Courses

Live presentation and webcast courses are measured in 50-minute class hours. For programs with individual segments of less than 50 minutes, the sum of the segments (in increments of at least 25 minutes) may be added together to equal a full class hour. For programs longer than 50 minutes, credit shall be granted for additional 25-minute segments (one-half of a 50-minute class hour).

For courses taken from colleges or universities, each semester unit is equal to 15 hours of CE, and each quarter unit is equal to 10 hours of CE.

Self Study Courses

Self-study courses, whether in electronic or paper-text format, must grant continuing education credit calculated using one of two methods:

- Demonstrating an average completion time, measured in 50-minute continuing education hours, by pre-testing the documentation from a minimum of three current and active certified public accountants simulating the manner in which the course will be completed and showing the length of time spent by each participant to complete the course. Pre-testing participants are required to be independent of the group that developed and/or are offering the course and provide feedback on the level of difficulty of the course. The continuing education credit shall be rounded down to the nearest one-half hour credit when the total minutes of the program are not equally divisible by 50.
- Demonstrating an average completion time, measured in 50-minute continuing education hours, by dividing the number of words contained in the text of the required reading (excluding any material not critical to the achievement of the stated learning objectives such as the course introduction, author biography, instructions, table of contents, and supplementary reference materials) by 180, adding the actual length of time in minutes of any audio or video segments, adding the number of review questions, exercises, and final examination questions multiplied by 1.85, and dividing the total by 50. The continuing education credit shall be rounded down to the nearest one-half hour credit when the total minutes of the program are not equally divisible by 50.

Self-study courses must have clearly defined lesson objectives and manage the participant through the learning process by requiring frequent participant response to questions that test for understanding of the material presented, providing evaluated feedback to incorrectly answered questions and reinforcement feedback to correctly answered questions. Evaluated feedback means a response specific to each incorrect answer to the study questions that explains why the particular answer is wrong, as each one is likely to be wrong for a different reason. Reinforcement feedback means a response to the correct answer of the study questions that restates and explains why the answer selected was correct.

Effective January 1, 2014, with the exception of Regulatory Review courses and ethics education courses, CE credit granted for all other self-study courses may now be claimed in one-half hour increments.

CE Credit for Teaching

You may claim up to 50 percent of the required CE hours as an instructor, discussion leader, or speaker. For each hour of presentation, you may also claim up to two additional hours of actual preparation time.

You may **not** claim credit for repeat presentations, unless you can demonstrate that the program content substantially changed and required significant additional study or research.

CE Credit for Published Work

Credit may be allowed by the CBA on an hour-for-hour basis for the following activities:

- Writing published articles or books (if the publisher is not under the control of the licensee and the article/book would contribute to your professional competence).
- Writing instructional materials for any qualifying CE program.
- Writing questions for the Uniform CPA Examination
- Performing a technical review (reviewing for technical accuracy, currency of information, and attainment of stated learning objectives) of instructional materials for any continuing education program which meets the CBA requirements.

The maximum credit that may be allowed for such activities is 25 percent of your renewal period requirement.

You may earn or receive CE credit hours for workshops with the Examinations Team at the AICPA for licensed CPAs who are interested in contributing to the development of the Uniform CPA Examination. For information on workshops, please contact Timothy Habick by e-mail at habick@aicpa.org.

Certificates of Completion

You are not required to submit your certificates of completion unless requested by the CBA. You are required to retain Regulatory Review (or prior PC&E) course certificates of completion for six years, while all other certificates of completion must be retained for four years.

V. CE EXTENSIONS

CE Extension/Exemption Request

An extension of time to complete the required CE or an exemption from CE may be granted, on request, for the following reasons:

- Reasons of health preventing compliance, which must be certified by a medical doctor and contain the following:
 - Your name
 - Nature of medical condition
 - Beginning and ending time period of the condition
 - Signed statement explaining why the specified medical condition prevents compliance.
- Service of the licensee on extended active duty with the Armed Forces of the United States.
- Other good cause.

Extensions or exemptions will not be granted solely because of age.

The *Application for Extension or Exemption from Continuing Education Requirements* is available on the CBA website or by contacting the RCC Unit. Please submit the application, including the license renewal application and renewal fee, directly to the CBA office. Do not send this information to the P. O. Box listed on the renewal instructions.

Government Auditing, A&A and Fraud CE Extensions

The CBA offers an extension of time of up to six months to complete the Government Auditing, A&A and Fraud CE under the following conditions:

- You became subject to the Government Auditing, A&A, and Fraud CE requirements during the last six months of the two-year license renewal period; and,
- You completed 80 hours of CE by your license expiration date.
- To request this type of extension, you will need to complete the license renewal application, selecting the appropriate box, and submit the license renewal application with the license renewal fee. Any Government Auditing, A&A and Fraud CE hours completed in fulfillment of the extension requirement may be used as part of the 80 hours of CE required for your next license renewal period. If, however, you are again subject to the Government Auditing, A&A and Fraud CE requirement, another 24 hours of Government Auditing and/or A&A and four hours of Fraud CE must be completed to meet the next license renewal period requirement.

VI. INACTIVE LICENSE DISCLOSURE

If you maintain a license in an inactive status, you must place the term “inactive” immediately after the CPA title or the designation you use. This applies to using the title “certified public accountant,” the CPA designation, or any other reference that would suggest that the person is licensed by the CBA on materials such as correspondence, Internet websites, business cards, nameplates, or name plaques.

VII. LICENSE STATUS CONVERSION

You may convert a license from inactive status to active status either at the time of renewal or any time within your two-year licensure period. If converting at the time of license renewal, you must complete the license renewal application, including completion of the *CE Reporting Worksheet*, and submit the appropriate license renewal fee. If converting your license to an active status before the next expiration date, you must complete a *Status Conversion Form* documenting completion of the required CE hours. The *Status Conversion Form* is available on the CBA website or by contacting the RCC Unit.

If converting at the time of renewal, a total of 80 hours of CE must be completed within the 24-month period immediately preceding the license expiration. A minimum of 20 hours of CE must be completed in the one-year period immediately preceding the license expiration, including 12 hours in technical subject matter as described in [section 88\(a\)\(1\)](#) of the CBA Regulations.

If converting any time prior to your expiration date, a total of 80 hours of CE must be completed within the 24-month period prior to requesting license status conversion. A minimum of 20 hours of CE must be completed within the one-year period immediately preceding license status conversion, including 12 hours in technical subject matter. For additional information on required subject matter, please refer to the *Active Status License Renewal* section on page 6.

Once your license is converted to active status, you must complete 20 hours of CE for each full six-month period from the date of license status conversion to the next license expiration date. This is the method to calculate the total CE hours required for active license renewal. It is not required that you complete 20 hours of CE during each six-month period. If you are required to complete Government Auditing or A&A CE, you need to complete six hours of CE in the appropriate subject matter as part of each 20 hours of CE. If the time period between the date of license status conversion and the next license expiration date is less than six full months, no additional CE is required for license renewal.

[Section 37.5](#) of the CBA Regulations requires, as a condition of license renewal, criminal background checks for all licensees who have either not been previously fingerprinted as a condition of licensure or for whom no record of the licensee's fingerprints exists in the Department of Justice's criminal offender record identification database. The CBA shall not return a license to active status until the licensee has complied with this requirement. Therefore, if you are subject to the fingerprint requirement and your most recent license renewal occurred between December 31, 2013 and the date you submit a status conversion request, you must submit fingerprints and successfully complete a state and federal background search as a condition of status conversion. Additional information regarding this requirement can be found in the [Fingerprinting FAQ's](#) on the CBA website.

VIII. DELINQUENT LICENSE

If you do not renew your license by the license expiration date, it will be placed in a delinquent status. With a delinquent license you may not hold out as a CPA or practice public accountancy. You may renew your delinquent license at any time up to five years after the license expiration date by paying all accrued license renewal fees and a one-time delinquency fee. To renew your license in an active status, you must complete a minimum of 80 hours of qualifying CE in the appropriate subject matter within the 24-month period prior to submitting your license renewal application. Additionally, in order to renew your license in an active status you must complete a minimum of 20 hours in each year of this 24-month period, with a minimum of 12 hours in technical subject matter.

The CBA will send one delinquent license renewal application to your address of record approximately 30 days after the license expiration date. No subsequent license renewal applications will be sent, unless requested.

If you are a new licensee, or you recently converted your license to an active status, you most likely have a pro-rated CE requirement, which requires you to complete less than 80 hours of CE. Under a new requirement that took effect January 1, 2014, if you allow your license to expire and go delinquent, you will be required to complete an additional 20 hours of CE for each full six-month period from the date of license expiration through the date you apply for license renewal, up to a maximum of 80 hours of CE. If less than six full months have passed between the date that the license expired and the date you apply for license renewal, no additional CE is required.

IX. LICENSE CANCELLATION AND REISSUANCE

If you fail to renew your license for a period of five years, it will be cancelled. Once cancelled, your license cannot be renewed, restored, or reinstated. Approximately six months before your license is cancelled, the CBA may send a cancellation notification letter to your address of record.

If your license has been cancelled, you must reapply as a new applicant. For information regarding the licensure requirements, please contact the Initial License Unit via email at licensinginfo@cba.ca.gov or by telephone at (916) 561-1701. Upon approval, a new CPA license number will be issued. Cancelled PA licenses cannot be reissued.

X. RETIRED ACCOUNTANTS

Beginning July 1, 2014, as described in sections [15](#), [15.1](#), [15.2](#), [15.3](#), and [15.4](#) of CBA Regulations, you may apply to have your license placed in a retired status with the CBA. While your license is in a retired status, you may receive a share of the net profits from a public accounting firm or other compensation from a public accounting firm, but you must not otherwise engage in the practice of public accountancy. Doing so while your license is in a retired status is grounds for revocation or discipline of your retired license.

Application for Retired Status:

To apply for a license in a retired status, you must fulfill the following requirements:

- Submit a completed application to the CBA on [Form 11 R-48 \(11/11\)](#).
- Remit the one-time application fee of \$75 to the CBA via a money order, cashier's check, or personal check drawn on a U.S. bank.
- Have held a license as a certified public accountant or public accountant in the United States or its territories for a minimum of 20 total years.
- Of the 20 total years, have held a license in an active status as a certified public accountant or public accountant for a minimum of five years with the CBA.

The CBA shall deny an application if your CPA license is subject to an outstanding order of the CBA, suspended, revoked, or otherwise punitively restricted by the CBA, or is subject to disciplinary action.

Limitation on Retired Status:

You may be granted a license in a retired status on no more than **two** separate occasions.

Retired Status License Disclosure:

If you maintain a license in a retired status, you must place the term "retired" immediately after the CPA title or the designation you use. This applies to using the title "certified public accountant," the CPA designation, or any other reference that would

suggest that the person is licensed by the CBA on materials such as correspondence, Internet websites, business cards, nameplates, or name plaques.

Renewal of a License in a Retired Status:

A retired status license must be renewed every two years at the time of license expiration. The expiration date for your license in a retired status will remain the same as when your license was held in an active or inactive status. However, at the time of renewal, your retired license will be exempt from both the license renewal fee and the CE requirements. In order to renew a retired status license, you must fulfill the following requirements:

- Submit the completed *Retired Status License Renewal Application* or alternatively, a written submission requesting renewal of the retired status license prior to the renewal date.
- Complete and submit the Peer Review Reporting Form PR-1 (Rev. 1/12).

Restoration of a License from a Retired Status to Active Status:

Once your license is in a retired status, you may restore your license to an active status either at the time of renewal or prior to the next renewal. The requirements are the same whether you restore at the time of renewal or prior to your next renewal, with the exception of the *Peer Review Reporting Form PR-1* (Rev. 1/12).

In order to restore your license to active status at the time of renewal, you must fulfill the following requirements:

- Submit the *Retired Status License Renewal Application* or alternatively, a written submission requesting restoration to active status.
- Remit the restoration application fee of \$50 to the CBA via a money order, cashier's check, or personal check drawn on a U.S. bank.
- Within the 24-month period prior to restoring to an active status, complete 80 hours of CE, including the following:
 - Complete a minimum of 20 hours in the one-year period immediately preceding restoration to an active status, with a minimum of 12 hours of the 20 required hours in technical subject areas.
 - Four hours of ethics education.
 - A two-hour [Board-approved Regulatory Review course](#) if more than six years have lapsed since you last completed a Board-approved Regulatory Review or PC&E course.

- If subject to the [Government Auditing](#) or [Accounting and Auditing](#) CE requirement, as described in [sections 87\(c\) and 87\(d\)](#) of the CBA Regulations, complete 24 hours of CE as described in those sections.
 - If subject to this requirement, complete four hours of Fraud CE specifically related to the prevention, detection, and/or reporting of fraud affecting financial statements in addition to the 24-hour requirement, as described in [section 87\(e\)](#) of the CBA Regulations.
- Complete and submit the *Peer Review Reporting Form PR-1* (Rev. 1/12) with the completed *Retired Status License Renewal Application* or alternatively, the written submission requesting restoration to active status.
- If subject to the fingerprint requirement, you must submit fingerprints and successfully complete a state and federal background search as a condition of license renewal. Please refer to the fingerprint requirement section below for additional information.

In order to restore your license to active status prior to renewal, you must fulfill the following requirements:

- Submit the completed [Application Requesting Restoration to Active Status](#) Prior to License Renewal or alternatively, a written submission requesting restoration to active status.
- Remit the restoration application fee of \$50 to the CBA via a money order, cashier's check, or personal check drawn on a U.S. bank.
- Within the 24-month period prior to restoring to an active status, complete 80 hours of CE, including the following:
 - Complete a minimum of 20 hours in the one-year period immediately preceding restoration to an active status, with a minimum of 12 hours of the 20 required hours in technical subject areas.
 - Four hours of ethics education.
- A two-hour [Board-approved Regulatory Review course](#) if more than six years have lapsed since you last completed a Board-approved Regulatory Review or PC&E course.
- If subject to the [Government Auditing](#) or [Accounting and Auditing](#) CE requirement, as described in [sections 87\(c\) and 87\(d\)](#) of the CBA Regulations, complete 24 hours of CE as described in those sections.

- If subject to this requirement, complete four hours of Fraud CE specifically related to the prevention, detection, and/or reporting of fraud affecting financial statements in addition to the 24-hour requirement, as described in [section 87\(e\)](#) of the CBA Regulations.
- You do not need to complete and submit the *Peer Review Reporting Form* PR-1 (Rev. 1/12) with the completed license restoration application or alternatively, the written submission requesting restoration to active status.
- If subject to the fingerprint requirement and your most recent license renewal occurred between December 31, 2013 and the date your restoration request was submitted, you must submit fingerprints and successfully complete a state and federal background search as a condition of restoration. Please refer to the fingerprint requirement section below for additional information.

Please Note: Per [section 5070.1](#) of the Accountancy Act, if your license was canceled by operation of law and then placed into a retired status, your license cannot be restored to active or inactive status. In this case, you will need to apply for a new license.

When your license is in a retired status, you may not practice public accountancy until the CBA approves your application for restoration of your license to an active status.

Fingerprint Requirement:

[Section 37.5](#) of the CBA Regulations requires, as a condition of license renewal, criminal background checks for all licensees who have either not been previously fingerprinted as a condition of licensure or for whom no record of the licensee's fingerprints exists in the Department of Justice's criminal offender record identification database. The CBA shall not restore your license to active status from retired status until you have complied with this requirement. Therefore, if you are subject to the fingerprint requirement and your most recent license renewal occurred between December 31, 2013 and the date you submit a restoration request, you must submit fingerprints and successfully complete a state and federal background search as a condition of restoration. Additional information regarding this requirement can be found in the [Fingerprinting FAQ's](#) on the CBA website.

Peer Review Reporting Requirement:

Beginning January 1, 2014, section 45 of CBA Regulations requires all licensees to report peer review information at the time of license renewal. CPAs/PAs who are not required to undergo peer review must still report to the CBA using the *Peer Review Reporting Form* PR-1 (Rev. 1/12). Therefore, if you are restoring your license to an active status at the time of renewal, you must report to the CBA on the *Peer Review Reporting Form* PR-1 (Rev. 1/12).

If you are restoring your license to an active status prior to your next renewal, you do not need to complete and submit the *Peer Review Reporting Form PR-1* (Rev. 1/12) with the completed license restoration application or alternatively, the written submission requesting restoration to active status. However, you will be required to submit the *Peer Review Reporting Form PR-1* (Rev. 1/12) with your next license renewal following the restoration of your license to active status.

CE Requirements Following Restoration to Active Status from Retired Status:

If you restore your license to active status at the time of renewal, all of the basic CE requirements described in [section 87](#) of CBA Regulations will apply to your subsequent active license renewal.

Alternatively, if you restore your license to active status prior to your next renewal, you must complete 20 hours of CE for each full six-month period from the date of license restoration to your next license expiration date in order to fulfill the CE requirement for active status license renewal. If the time period between the date of license restoration and your next license expiration date is less than six full months, no CE is required for the next license renewal.

If subject to the A&A or Government Auditing CE requirement, you must complete six hours of A&A or Government Auditing CE as part of each 20 hours of CE for each full six-month period. If you are subject to less than 24 hours of A&A or Governmental Auditing CE, you will not be required to complete four hours of fraud CE for your next license renewal.

If your license is renewed after the expiration date immediately following restoration to active status, you must complete an additional 20 hours of CE for each full six-month period from the date of license expiration to the date on which you applied for license renewal, up to a total of 80 hours of CE in order to renew.

If after restoring to an active license status, you allow your license to expire and go delinquent, you will be required to complete an additional 20 hours of CE for each full six-month period from the date of license expiration through the date you apply for license renewal, up to the maximum of 80 hours of CE. If less than six full months have passed between the date that your license expired and the date you apply for license renewal, no additional CE is required.

For Example: A licensee restored his or her license to active status six months prior to his or her license expiration date of March 31, 2015. To renew active, the licensee is required to complete 20 hours of CE by March 31, 2015. However, the license is not renewed until October 20, 2015. As more than six months has passed since the license expiration date, the licensee must now complete 40 hours of CE.

XI. MILITARY INFORMATION

Military Waiver Status

Effective January 1, 2013, if you are called to active duty as a member of the United States Armed Forces or the California National Guard, you may apply to the CBA for a waiver of your renewal fees and CE. In order to qualify for the waiver, you must possess a current and valid license. The waiver of the renewal fees and CE apply only during the period in which you are on active duty service.

During the time period in which the waiver is in effect, you may not engage in the practice of public accountancy, unless the services you provide while on active duty include the practice of public accountancy. If this is the case, the CBA will place your license in a military active status; however, you will not be authorized to provide public accounting services to the general public.

In order to qualify for the waiver of the renewal fees and CE, you must submit, in writing, a request for the waiver to the CBA. With your written request, you must include written documentation that substantiates active duty service, which may include documents such as your Leave and Earnings Statements or military orders. When you apply for the waiver, please notify the CBA whether you plan to practice while you are on active duty in the military.

Your written request for the waiver will also serve as an application for license renewal for those periods during which you are still on active duty. Upon approval of the waiver, the CBA will renew your license in military waiver status until you provide notice of your discharge from active duty, which you must do within 60 days of receiving your discharge notice.

If after discharge you wish to engage in the practice of public accountancy, within six months of discharge, you must meet the following requirements:

- Complete 80 hours of CE, or as an alternative you may apply for a CE extension/exemption to have your CE waived for the time period in which you were on active duty in the military (see page 15); and,
- Pay the required renewal fee, unless it is 12 months or less to your next license renewal date, in which case the renewal fee is waived.

Military Inactive Status

Beginning January 1, 2014, if you are a licensee engaged in active duty as a member of the California National Guard or the United States Armed Forces, you may apply to have your license placed in, and renewed in, a military inactive status. This status will exempt you from being subject to CE or peer review reporting requirements or paying the biennial renewal fee while their license is in Military Inactive Status. In order to

apply for this status, you must submit a copy of the *Application for Military Inactive Status* form to the CBA.

Please be advised of the following requirements for obtaining and maintaining a CPA license in military inactive status:

- You may apply to have your permit placed in a military inactive status if you are engaged in, and provide sufficient evidence of, active duty as a member of the California National Guard or the United States Armed Forces. Sufficient evidence includes copies of your current Leave and Earnings Statements or military orders.
- While your permit is in a military inactive status, you shall not engage in any activity for which a permit is required.
- During the period that your permit is in a military inactive status, no renewal fee is required and no continuing education or peer review requirements would need to be met until status conversion.

An application for military inactive status also serves as an application for renewal for any renewal dates during which you are still on active duty as a member of the California National Guard or the United States Armed Forces and during which your license is in a military inactive status. Upon approval by the CBA of your application, your license will be renewed in military inactive status until you provide notice to the CBA of your discharge from active duty. Within one year from your discharge from active duty, you are **required** to comply with the requirements of [section 16.2](#) of CBA Regulations.

You may convert a license from military inactive status to active status by performing the following:

1. Notifying the CBA in writing
2. Providing evidence of discharge date
3. Paying the fee as described
4. Complying with the peer review reporting requirements
5. Complying with all CE requirements

You may convert a license from military inactive status to inactive status by performing the following:

1. Notifying the CBA in writing
2. Providing evidence of discharge date
3. Paying the fee as described

The fee required for status conversion shall be the same as the license renewal fee if the status conversion is requested more than 12 months prior to the licensee's next renewal date. Otherwise, the fee is waived.

XII. ACCOUNTANCY CORPORATIONS

An accountancy corporation must obtain a Certificate of Registration from the CBA before it can practice public accountancy. With limited exceptions, each officer, director, shareholder or employee of an accountancy corporation who will render professional services must hold a valid license to practice public accountancy as a CPA.

Corporation License Renewal Cycle

An accountancy corporation license must be renewed every two years. The expiration date is based on the month and year the CBA originally approved the application. If approved in an even year, the license will expire each even year on the last day of the month in which it was originally approved. If approved in an odd year, the license will expire each odd year on the last day of the month in which it was originally approved.

A license renewal application will be mailed to the accountancy corporation's address of record approximately 90 days prior to the license expiration date. A list of all shareholders must be submitted with the license renewal application. As part of the list, the following information must be included:

- All licensee shareholders, including individuals associated or disassociated since the last license renewal, along with the date of association or disassociation. This list shall include each person's full name, license number and expiration date, and state of licensure.
- All non-licensee shareholders, including individuals associated or disassociated since the last license renewal, along with the date of association or disassociation. This list shall include each full name and date of birth.

Failure to renew within five years of expiration will result in license cancellation. A cancelled license cannot be renewed, reinstated, or restored; a new Certificate of Registration must be obtained from the CBA before the accountancy corporation can practice public accountancy.

The initial peer review reporting requirement was phased-in over a three-year period. The phase-in period required firms to report based on their license number not their license renewal date. Effective January 1, 2014, all CORs and PARs will be required to report to the CBA peer review information as required on the Peer Review Reporting form (commonly known as PR-1 at the time of license renewal. The CBA will include the PR-1 with the firm's license renewal package. Although not all firms are required to undergo peer review, all firms must report peer review information to the CBA by completing and submitting the PR-1 with the firm's license renewal application.

XIII. ACCOUNTANCY PARTNERSHIPS

An accountancy partnership must have at least two partners with valid licenses in good standing. An accountancy partnership with a non-licensee owner must have a partner with a California CPA license in an active status. An accountancy partnership must obtain a Certification of Registration from the CBA before it can hold out and practice as an accountancy partnership. By law, the CBA cannot license limited partnerships, only limited liability or general partnerships.

Accountancy Partnership License Renewal Cycle

An accountancy partnership license must be renewed every two years. The expiration date is based on the month and year the CBA originally approved the application. If approved in an even year, the license will expire each even year on the last day of the month in which it was originally approved. If approved in an odd year, the license will expire each odd year on the last day of the month in which it was originally approved.

A license renewal application will be mailed to the accountancy partnership's address of record approximately 90 days prior to the license expiration date. A list of all partners must be submitted with the license renewal application, and include the following information:

- All licensee partners, including individuals associated or disassociated since the last license renewal, along with the date of association or disassociation. This list shall include each person's full name, license number and expiration date, and state of licensure.
- All non-licensee partners, including individuals associated or disassociated since the last license renewal, along with the date of association or disassociation. This list shall include each person's full name and date of birth.

Failure to renew within five years of expiration will result in license cancellation. A cancelled license cannot be renewed, reinstated, or restored; a new Certificate of Registration must be obtained from the CBA before the accountancy partnership can practice public accountancy.

The initial peer review reporting requirement was phased-in over a three-year period. The phase-in period required firms to report based on their license number not their license renewal date. Effective January 1, 2014, all CORs and PARs will be required to report to the CBA peer review information as required on the Peer Review Reporting form (commonly known as PR-1) at the time of license renewal. The CBA will include the PR-1 with the firm's license renewal package. Although not all firms are required to undergo peer review, all firms must report peer review information to the CBA by completing and submitting the PR-1 with the firm's license renewal application.

XIV. PEER REVIEW

If your accountancy firm provides accounting and auditing services, it (including sole proprietorships) must undergo a peer review of its accounting and auditing practices every three years. A peer review is a systematic review of your firm's accounting and auditing services performed by a peer reviewer who is unaffiliated with your firm to ensure work performed conforms to professional standards. Accounting and auditing is defined as any services that are performed using the following professional standards:

- Statements on Auditing Standards (SASs)
- Statements on Standards for Accounting and Review Services (SSARS)
- Statements on Standards on Attestation Engagements (SSAEs)
- Government Auditing Standards (Yellow Book)
- Audits of non-Security Exchange Commission (SEC) issuers performed pursuant to the standards of the Public Company Accounting Oversight Board (PCAOB).

Exclusions

There are two exclusions from the peer review requirement.

- If your firm's engagements are subject to inspection by the Public Accounting Oversight Board's inspection program.
- If your firm, as its highest level of work, performs only compilations where no report is issued in accordance with the provisions of the Statements on Standards for Accounting and Review Services (SSARS).

There is no exclusion from the peer review requirement based solely on the number of engagements performed.

Board-Recognized Peer Review Program Providers

If your firm performs accounting and auditing services, it must enroll in a Board-recognized peer review provider's program. Once enrolled, a recognized provider will assist in the firm's selection of a qualified peer reviewer to ensure that the peer reviewer has a currency of knowledge of the professional standards related to the type of practice to be reviewed. Presently, only the American Institute of Certified Public Accountants (AICPA) is recognized by the CBA to perform peer reviews. The AICPA uses several administering entities nationally, usually state certified public accountant societies, to administer its peer review program. In California, the California Society of CPAs (CalCPA) is the administering entity for the AICPA program. CalCPA can be contacted via e-mail at peerreview@calcpa.org or by telephone at (650) 802-2486. Additional information is available on the CBA website.

Reporting to the CBA

The initial peer review reporting requirement was phased-in over a three-year period. The phase-in period required firms to report based on their license number not their license renewal date. Effective January 1, 2014, all CORs and PARs will be required to report to the CBA peer review information as required on the Peer Review Reporting form (commonly known as PR-1) at the time of license renewal. The CBA will include the PR-1 with the firm's license renewal package. Although not all firms are required to undergo peer review, all firms must report peer review information to the CBA by completing and submitting the PR-1 with the firm's license renewal application.

If your firm is required to undergo peer review, it must do so and provide the peer review report to the CBA every three years. Additionally, if your firm receives a substandard peer review rating, it is required to submit the peer review report, along with any materials documenting prescription of remedial or corrective actions to the CBA, within 45 days after the report is accepted by the Board-recognized peer review program provider. Your firm must also submit, within the same 45-day reporting period, any materials, if available, documenting completion of any or all of the prescribed remedial or corrective actions.

Extensions

Should an extension of time be needed to have a peer review report accepted by a Board-recognized peer review program, your firm shall submit the request to the Board-recognized peer review program provider with which the firm is enrolled. If the extension granted extends past the firm's reporting date, the firm shall notify the CBA of the extension and provide proof of the extension. Your firm shall then report the results of the peer review to the CBA within 45 days of the peer review report being accepted by the Board-recognized peer review program.

XV. CBA REQUESTS

You must respond to any written requests from the CBA within 30 days of the postmark date on the letter. Failure to respond within 30 days is a violation of [section 52](#) of the CBA Regulations.

XVI. REPORTABLE EVENTS

[Section 5063\(a\)](#) of the Accountancy Act requires a licensee to report to the CBA in writing of the occurrence of any of the below events within 30 days of the date the licensee has knowledge of the event:

- Conviction of the licensee of any of the following:

- A felony.
- Any crime related to the qualifications, functions or duties of a CPA or PA or acts or activities within the course and scope of the practice of public accountancy.
- Any crime involving theft, embezzlement, misappropriation of funds or property, breach of fiduciary responsibility, or the preparation, publication, or dissemination of false, fraudulent or materially misleading financial statements, reports, or information.
- The cancellation, revocation or suspension of a CPA/PA certificate or other authority to practice as a CPA or PA, or refusal to renew a certificate by any other state or foreign country.
- The cancellation, revocation or suspension of the right to practice as a CPA/PA before any governmental body or agency.

[Section 5063\(b\)](#) of the Accountancy Act requires a licensee to report to the CBA in writing the occurrence of any of the below events within 30 days of the date the licensee has knowledge of the events:

- Any restatement of a financial statement and related disclosures by a client audited by a licensee.
- Any civil action settlement or arbitration award relating to the practice of public accountancy where the amount or value of the settlement or award is \$30,000 or greater and where the licensee is not insured for the full amount of the award.
- Any notice of the opening or initiation of a formal investigation of the licensee or a request for a Wells submission from the Securities and Exchange Commission (SEC).
- Any notice of the opening or initiation of an investigation by the Public Company Accounting Oversight Board (PCAOB) or its designee.

[Section 5063\(c\)](#) of the Accountancy Act requires a licensee to report to the CBA in writing, within 30 days of the entry of any judgment entered against a licensee in any civil action alleging any of the following:

- Dishonesty, fraud, gross negligence, or negligence.
- Breach of fiduciary responsibility.
- Preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.
- Embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses, or other errors or omissions.
- Any actionable conduct by the licensee in the practice of public accountancy, the performance of bookkeeping operations, or other professional practice.

If the event involves the action of an administrative agency or court, provide the title of the matter, court or agency name, docket number, and dates of the event's occurrence. Additionally, you are required to answer any CBA inquiries concerning a reportable event.

The *Licensee Reporting Form* is available on the CBA website or by contacting the CBA Enforcement Division by email at enforcementinfo@cba.ca.gov or by telephone at (916) 561-1729.

Please mail the completed form to:

Chief of Enforcement Division
California Board of Accountancy
2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833

XVII. CITATION AND FINE

The CBA may issue a citation, which may contain an administrative fine, for violation of any provision of the Accountancy Act or CBA Regulations.

In the event the administrative fine remains outstanding and your license is scheduled for renewal, full payment of the outstanding fine must be made prior to the license being renewed. If less than full payment is received, the payment will be applied first to any outstanding fines, and the remaining amount will be applied to the license renewal fee. If the matter is resolved after the license expiration date, a delinquency fee will be assessed.

XVIII. MISCELLANEOUS INFORMATION

Address of Record

The CBA sends all official correspondence to your address of record. Your address of record may be your primary place of employment, residence, post office box, or mail drop.

Your name and address of record are *public information* pursuant to [section 3](#) of the CBA Regulations, [section 5009](#) of the Accountancy Act, and is disclosable pursuant to the California Public Records Act (section 6250 and following of the Government Code). Your name, address of record, and license status, as well as formal disciplinary actions, can be accessed on the CBA website through the License Lookup feature.

If the address of record is a post office box or mail drop, you must also report the street address of either a primary place of employment or residence. Only the address of record is public information and will be posted on the License Lookup feature.

Address Change

[Section 3](#) of the CBA Regulations requires you to report in writing to the CBA any change in your address of record within 30 days after the change. Not updating an address with the CBA may result in delays in receipt of license renewal applications, pocket identification cards and other important documents from the CBA.

To submit an address change, you may complete and sign the [Address Change Form](#), then mail or fax it to the CBA at (916) 263-3672. The *Address Change Form* is available on the CBA website or by contacting the RCC Unit.

Name Change Requests

Individuals

If you need to request a name change, you may submit the *CPA/PA and Licensee Applicant Name Change Form* to the CBA for the processing of your request. The form is available on the CBA website or by contacting the Initial License Unit.

Accountancy Firms

If you need to request a name change, you will need to submit the *Accountancy Corporation Name Change Form and Accountancy Partnership Name Change Form*. The form is available on the CBA website or by contacting the Initial License Unit.

An Accountancy Corporation or Partnership name change must be approved by the CBA before practicing and holding the corporation or partnership out to the public as an accountancy corporation or partnership under an amended name.

Fictitious Names

You may only practice public accountancy using the name printed on your certificate unless you have registered an alternate (fictitious) name with the CBA.

A registered fictitious name is valid for five years and must be renewed before the expiration date. The *Fictitious Name Registration Application for Sole Practitioner* is available on the CBA website or by contacting the Initial License Unit.

Certifying an Employee's Work Experience

If as a CPA you act in a supervisory capacity, you may be asked to complete a *Certificate of Attest Experience* or *Certificate of General Experience*, on behalf of an applicant for licensure. Failure to comply with the applicant's request is a violation of [section 69](#) of the CBA Regulations.

Certifying Attest Experience After Licensure

If you obtained your CPA license without satisfying the attest experience requirement, you are not authorized to sign reports on attest engagements until your experience is certified by the CBA. To obtain certification of attest experience, you must obtain a minimum of 500 hours of attest experience, under the supervision of a licensee who holds a valid license in an active status or comparable authority, to provide attest services, submit the *Request for the CBA's Acknowledgment of Licensee's Completion of Attest Experience*, the required fee, and passport type photo. A *Certificate of Attest Experience* form must be submitted directly to the CBA by the employer. Both forms are available on the CBA website or by contacting the Initial License Unit.

Transfer of License Status from California to Another State

If you are considering obtaining licensure in a state or jurisdiction other than California, you are encouraged to first inquire about that state's or jurisdiction's licensure requirements prior to requesting a certification of record attesting to your license status from the CBA.

To transfer examination or licensure information from the CBA to another state or jurisdiction, you may use the *Request For Certification of CBA Record(s) Form*. The CBA charges a fee of \$25 for each certification request. Please submit payment and the *Request For Certification of CBA Record(s) Form* to the CBA office. The *Request For Certification of CBA Record(s) Form* is available on the CBA website or by contacting the Initial License Unit.

Public Information

Pursuant to the Public Records Act (Title 1, Division 7, Chapter 3.5, Government Code sections 6250-6277), on request, the CBA discloses licensee information such as the following:

- Name
- Address of record
- Previous address of record
- License number
- License status
- Original license issue date
- Last license renewal date
- License expiration date
- Disciplinary action
- Filed accusations
- Citations and compliance or noncompliance with citations
- Copy of license renewal applications
- Copy of license application (excluding personal information, such as a home address, birth date, and social security number)

- Copy of Certificate of Attest Experience/Certificate of General Experience certifying licensure experience

Public Information List

The Department of Consumer Affairs compiles a Public Information List of licensee names, addresses, license type, and number that is available to the public on request. This mailing list is available on CD-ROM, diskette, tape cartridge, email file, computer printout (paper), or mailing labels. The list does not include telephone numbers, fax numbers or email addresses. To purchase the list, please contact the Department of Consumer Affairs at (916) 574-8150.

If you do not want to be included on the Public Information List, you may request removal of your name and address by submitting an *Address Change Form* and marking the applicable circle at the bottom of the page. The *Address Change Form* is available on the CBA website or you may submit a signed request to have your name withheld from the public sales mailing list. Please mail the *Address Change Form* or signed request to:

California Board of Accountancy
2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833

Web License Lookup

The License Lookup feature on the CBA website provides licensees and consumers with the following information about the CPA/PA or firm license: license type and number, license status, experience completed (attest or general), license expiration date, original license issue date, and address of record.

Certain disciplinary information is available, including: names of licensees for which accusations have been filed and are pending possible disciplinary action, summaries of decisions since July 1, 1993, for licenses revoked, surrendered, or placed on long-term probation; and summaries for all other disciplinary actions within the past seven years.

Frequently Asked Questions (FAQs)

FAQ information pertaining to continuing education and license renewal for individuals and firms can be found on the CBA website.