

# **AN OVERVIEW OF THE RENEWAL PROCESS**

**Certified Public Accountants, Public Accountants,  
Accountancy Partnerships, and  
Accountancy Corporations**



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

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The California Board of Accountancy (CBA) is providing this information in an effort to increase licensees' understanding of the license renewal requirements for Certified Public Accountants (CPA), Public Accountants (PA), Accountancy Corporations (COR), and Accountancy Partnerships (PAR). This document also provides an overview of the CBA process for evaluating compliance with Continuing Education (CE) requirements.

## **CPA/PA**

### **Renewal Application and Fee**

A CPA/PA license expires every other year, at midnight, on the last day of a licensee's birth month, and the year of expiration is based upon the licensee's birth year. For example, a licensee born in March of an even year would have a license that expires on March 31 of each even year, while a licensee born in March of an odd year would have a license that expires on March 31 of each odd year.

To maintain a valid license, a CPA/PA must complete the license renewal application and submit it to the CBA with the renewal fee of **\$250**. The renewal fee is the same whether the license is renewed as active or inactive. The application and fee can be submitted via mail or online.

The license renewal application and all necessary renewal information are mailed to the licensee's address of record approximately 90 days prior to the license expiration date. **Please note that it is the licensee's responsibility to know their expiration date and to contact the CBA prior to expiration if an application is not received. Non-receipt of the renewal application does not qualify for a waiver of the delinquency fee.**

Once the license renewal payment has been processed, licensees will be mailed a pocket identification card with their new license expiration date. Licensees renewing in an active status will have practice rights. However, receipt of the identification card does not indicate that the renewal process is complete. Licensees may be contacted at any time by the CBA to rectify any deficiency identified with their license renewal. In most cases, a deficiency does not lead to a loss of practice rights.

### **Mail**

To renew by mail, the signed and completed license renewal application and fee must be postmarked by the license expiration date to avoid a delinquency fee. Acceptable forms of payment include a money order, cashier's check, or personal check drawn on a U.S. Bank. The application and fee should be mailed to the address listed below:

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

Foreign cashier's checks or money orders are also acceptable provided they are more than \$200 US dollars. If paying by foreign cashier's check or money order, the application and fee should be mailed to the address listed below:

**California Board of Accountancy**  
**2450 Venture Oaks Way, Suite 300**  
**Sacramento, CA 95833**  
**Attention: Cashiering**

### Online

To renew online, a Visa, MasterCard, or American Express credit card or debit card payment must be made online at: <https://www.dca.ca.gov/cba/payment/>. The payment must be made by the license expiration to avoid a delinquency fee. After payment is made, the signed and completed license renewal application must be submitted to [renewalapp@cba.ca.gov](mailto:renewalapp@cba.ca.gov). When emailing the license renewal application packet, please note that the preferred submission of the scanned documents be in the format of a pdf or jpg file. CBA staff cannot access links to secured documents. The application must be submitted within 24 hours of payment.

### Wire Transfer

The renewal payment may be made via a wire transfer for licensees that are out of the country and do not have access to a US Affiliated Bank. Instructions for completing a wire transfer can be found on the CBA website at [https://www.dca.ca.gov/cba/payment/wire\\_instructions.pdf](https://www.dca.ca.gov/cba/payment/wire_instructions.pdf). Additional fees to perform this transaction may apply and are the responsibility of the licensee. Once the wire transfer has been processed, the completed renewal application must be mailed directly to the CBA or emailed to [renewalapp@cba.ca.gov](mailto:renewalapp@cba.ca.gov).

### Continuing Education

A licensee selecting to renew as active must document (through self-certification under penalty of perjury) completion of 80 hours of qualifying CE in the appropriate subject matter.<sup>1</sup> The [Continuing Education Reporting Worksheet](#) is provided on the reverse side of the license renewal application for the licensee's convenience. As an alternative, a licensee may also submit his/her own CE spreadsheet with the license renewal application, provided that it includes all the information requested on the CE reporting worksheet. A licensee renewing a license in an inactive status is not required to complete CE.

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<sup>1</sup> The 80-hour requirement applies to all licensees with the exception of a new licensee and a licensee that underwent a status conversion during the two-year period immediately preceding license expiration. These groups are required to document 20 hours of qualifying CE in the appropriate subject matter for each full six-month period of active licensure. Therefore, the total number of hours could range from 0 – 80.

A qualifying CE course or program must be a formal program of learning which contributes directly to the professional competence of a licensee in **public practice**. This allows a licensee to select from a wide range of providers, which may include:

- Private institutions
- National, state, and local accounting organizations
- Universities and colleges
- Professional development courses offered by a licensee's accounting firm

As part of the 80-hour requirement, a licensee renewing as active must complete CE in specified subject areas. As described below, the CBA currently maintains eight subject area requirements:

1. 50/50 Requirement
2. Ethics Education
3. Governmental Auditing
4. Accounting and Auditing
5. Preparation Engagement
6. Fraud
7. Regulatory Review
8. 20/12 Requirement

Governmental Auditing, Accounting and Auditing, Preparation Engagement, and Fraud are not required of every licensee and are based on work performed during the two-year period immediately preceding license expiration.

#### *50/50 Requirement (Technical vs. Non-Technical)*

The underlying purpose of the 50/50 Requirement is to maintain or enhance the technical skill and knowledge of a licensee. A licensee renewing in an active status must complete a minimum of 40 hours of CE (50 percent) in technical subject areas. Technical subjects include:

- Accounting
- Auditing
- Fraud
- Taxation
- Consulting
- Financial planning
- Ethics, as defined in CBA Regulation [section 87\(b\)](#)
- Regulatory Review, as defined in CBA Regulation [section 87.8](#)
- Computer and Information technology (except Word processing)
- Specialized industry or government practices that focus primarily upon the maintenance and/or enhancement of the public accounting skills and knowledge needed to competently practice public accounting

Conversely, a licensee may claim no more than 40 hours of CE (50 percent) in non-technical subject areas. The following are considered non-technical subject areas:

- Communication skills

- Word processing
- Sales
- Marketing
- Motivational techniques
- Negotiation skills
- Office, practice, and personnel management

### *Ethics Education*

A licensee must complete four hours of Ethics Education as part of the required 80-hours of CE. The course must pertain to any of 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. Each course must be at least one hour in length to be accepted by CBA. To be considered a full one hour, the course must provide at least 50 minutes of instruction. The four-hour ethics requirement is part of the 80-hour total requirement. Ethics is considered a technical subject area. Please note that this requirement is not interchangeable with the Regulatory Review CE requirement.

### *Governmental Auditing*

A licensee who engages in planning, directing, conducting substantial portions of field work, or reporting on financial or compliance audits of a governmental agency during the two-year period immediately preceding license expiration must complete 24 hours of CE in governmental accounting, auditing, or related subjects.<sup>2</sup> To fulfill the Governmental Auditing CE requirement, a licensee must complete CE in the following related subjects:

- Those which maintain or enhance the licensee's knowledge of governmental operations, laws, regulations and reports
- Any 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

The 24-hour Government Auditing requirement is part of the 80-hour total requirement. Government Auditing is considered a technical subject area.

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<sup>2</sup> 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.

### *Accounting and Auditing*

Similar to the Governmental Auditing requirement, a licensee that engages in the planning, directing, approving or performing of substantial portions of the work, or reporting on an audit, review, compilation, or attestation service of a non-governmental agency during the two-year period immediately preceding license expiration must complete 24 hours of Accounting and Auditing (A&A) CE. To fulfill the A&A CE requirement, course subject matter must pertain to:

- Financial statement preparation and/or reporting (whether such statements are prepared on the basis of generally accepted accounting principles or other comprehensive basis of accounting)
- Auditing
- Reviews
- Compilations
- Industry accounting
- Attestation services
- Assurance services

A licensee who fulfills the Governmental Auditing CE requirement is deemed to have met the A&A CE requirement. The 24-hour A&A requirement is part of the 80-hour total requirement. Government Auditing is considered a technical subject area.

### *Preparation Engagement*

A licensee who performs Preparation Engagements of financial statements as his/her highest level of service during the two-year period immediately preceding license expiration must complete eight hours of Preparation Engagement CE. To fulfill the Preparation Engagement CE requirement, course subject matter must pertain to:

- Preparation engagements of financial statements
- A&A course subject matter that includes financial statement preparation and/or reporting, audits, reviews, compilations, industry accounting, attestation or assurance services.

A licensee who fulfills the Government Auditing or A&A CE requirement is deemed to have met the Preparation Engagement CE requirement. The eight-hour Preparation Engagement requirement is part of the 80-hour total requirement. Preparation Engagement is considered a technical subject area.

### *Fraud*

A licensee subject to the Governmental Auditing, A&A, or Preparation Engagement CE requirement must also complete four hours of Fraud CE, specifically related to the prevention, detection, and/or reporting of fraud affecting financial statements.

The four-hour Fraud CE requirement is part of the 80-hour total requirement. Fraud is considered a technical subject area.

### *Regulatory Review*

Every three renewals (six years), a licensee is required to complete a Regulatory Review course. This course provides information on the provisions of the current Accountancy Act and CBA Regulations. All courses are a minimum of two hours. This is the only area of CE in which a licensee must choose from a [CBA pre-approved course list](#). The course can be taken prior to its due date and will be updated accordingly by staff to establish a new six-year due date.

The two-hour Regulatory Review CE requirement is part of the 80-hour total requirement. Regulatory Review is considered a technical subject area. Please note that this requirement is not interchangeable with the ethics education CE requirement.

### *20/12 Requirement*

Licensees renewing a license in an active status must complete a minimum of 20 hours of CE in each year of the two-year license renewal period. Of those 20 hours, a minimum of 12 hours must be in technical subject matter.

**For example:** A license is set to expire on January 31, 2021. The licensee must complete a minimum of 20 hours of CE (at least 12 of those 20-hours in technical subject matter), between February 1, 2019 and January 31, 2020. In addition, a licensee must complete a minimum of 20 hours of CE (at least 12 of those 20-hours in technical subject matter), between February 1, 2020 and January 31, 2021.

### **Other Renewal Requirements:**

#### Peer Review Reporting

CPAs/PAs practicing as sole proprietors are required to report to the CBA peer review information as required on the [Peer Review Reporting Form](#) (commonly known as the PR-1 Form) at the time of license renewal. Although not all sole proprietors are required to undergo peer review, all sole proprietors must report peer review information to the CBA by completing and submitting the PR-1 Form with their license renewal application. The CBA will include the PR-1 Form with the license renewal package.

Licensees employed by an accounting firm, work for a non-accounting firm, employed by the government or are retired are not subject to this requirement.

#### Fingerprinting

All licensees renewing their license in an active status must submit fingerprints to the Department of Justice (DOJ) for the purpose of having a state and federal criminal

offender record background check (CBA Regulation section 37.5). Licensees who have renewed their license in an active status after January 1, 2014 have likely already met the requirement to submit fingerprints.

If the DOJ has no record of your fingerprints on file for the CBA, you must submit your fingerprints to the DOJ to comply with the renewal requirements. Note that fingerprints on file with the DOJ under another agency cannot legally be shared with the CBA (Penal Code Section 11142). When the CBA identifies that a licensee is required to submit fingerprints as a condition of license renewal, the CBA will send the licensee a notification letter to the licensee's address of record. 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 the fingerprint requirement.

#### *California Residents - Live Scan*

Licensees residing in California who have not completed this requirement must submit fingerprints via Live Scan. The notification letter for these licensees will include a Request for Live Scan Service form, which should be completed by the licensee and taken to a Live Scan location. A copy of the completed Request for Live Scan Service form should be retained as proof of completion for at least three years. Once fingerprints are submitted via the Live Scan process, the DOJ will notify CBA of the results. A current list of Applicant Live Scan locations is available on the DOJ website.

#### *Non-California Residents - Hard Cards*

Licensees residing outside of California needing to complete this requirement must submit fingerprints via hard card. The notification letter for these licensees will include two fingerprint hard cards. The only copies of fingerprint hard cards accepted are those furnished by the CBA. Hard cards should be taken to a qualified technician trained in fingerprint-taking techniques. Some law enforcement agencies provide this service. A web search may identify local agencies providing hard card fingerprinting services. A receipt evidencing submission of the hard cards should be retained 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. The CBA will submit the hard cards to the DOJ. Once processed, the DOJ will notify the CBA of the results.

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



Contact the CBA to obtain the Request for Live Scan Service form or fingerprint hard cards. Additional information regarding this requirement can be found in the [Fingerprinting FAQ's](#) on the CBA website.

### Renewing a License That Has Expired

If a licensee does not renew by the license expiration date, the license will be placed in a delinquent status. A delinquent status means that the license has expired. Consequently, individuals who have allowed their licenses to expire may not hold themselves out to the public as a CPA or engage in the practice of public accountancy, as defined in the Accountancy Act. Individuals may renew and return a license to an active or inactive status at any time for up to five years after the license expiration date by paying all accrued license renewal fees, paying a one-time delinquency fee, and meeting all other requirements for renewal.

To renew a license to an active status, licensees must complete a minimum of 80 hours of qualifying CE, including four hours of Ethics, within the two-year period immediately preceding the date on which the licensee applies for license renewal. A Regulatory Review course may be required if it has been six or more years since the licensee last completed a Regulatory Review course.

Additionally, in order to renew a license to an active status, licensees must complete a minimum of 20 hours in each year of this two-year period. Of those 20 hours, a minimum of 12 hours must be in technical subject matter.

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

### Converting to an Active Status Prior to Renewal

A licensee in an inactive or retired status may convert their license back to active at any time prior to renewal. In order to do so, the licensee must complete a minimum of 80 hours of qualifying CE, including four hours of Ethics, within the two-year period immediately preceding the date on which the licensee applies for a status conversion. A Regulatory Review course may be required if it has been six or more years since the licensee last completed a Regulatory Review course.

Additionally, in order to convert a license to an active status, licensees must complete a minimum of 20 hours in the one-year period immediately preceding conversion, with a minimum of 12 hours in a technical subject area.

To request a conversion to active status, a licensee must submit the [Status Conversion Form](#) to the CBA. There is no fee to convert to an active status.

To request a restoration from retired to active, a licensee must submit the Restoration from Retired to Active Form to the CBA with a \$50 restoration fee.

## Pro-rated Continuing Education

New licensees, or licensees that recently converted a license to an active status, will most likely have a pro-rated CE requirement, which requires the licensee to complete less than 80 hours of CE. Licensees who allow his/her license to expire and become delinquent, are required to complete an additional 20 hours of CE for each full six-month period from the date of license expiration through the date the licensee applies 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 the licensee applies for license renewal, no additional CE is required.

## Continuing Education Exemption/Extension Requests

The CBA offers the option to request an exemption from, or an extension of time to complete, the CE requirements due to extenuating circumstances that may impact the ability of a licensee to complete the requisite CE requirements. These requests must be accompanied by substantiating documentation. Extension requests are generally granted for one to six months beginning from the date of license expiration.

CE exemption/extension requests must fall under one of the following categories:

- Health reasons
- Military service
- Other extenuating circumstances such as death of a family member or natural disaster

For a licensee requesting an exemption/extension for health reasons, the request must be certified by a medical practitioner documenting the circumstances that prevented compliance. For a licensee submitting a request due to military service, the CBA generally accepts paperwork from the Armed Forces noting the date on which he/she was called to active duty. And finally, for a licensee submitting a request on the basis of other extenuating circumstances, the substantiating documentation may range from a death certificate (for death of a family member) to an evacuation notice (for natural disasters).

In addition to the aforementioned request types, CBA Regulations also allow for an extension of time for a licensee to complete the Governmental Auditing, A&A, and Fraud CE subject matter requirements. This extension is for six months, with certain criteria needing to be met. First, a licensee must have become subject to the requirement during the last six months of the two-year licensure period. Secondly, a licensee must have completed the full 80-hour requirement. A licensee may request this type of extension on the license renewal application.

## Accountancy Corporations and Accountancy Partnerships

The license renewal cycles for CORs and PARs are the same for CPAs/PAs – every two years. The expiration date is based on the month and year that the CBA originally

approved the COR or PAR 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.

To renew a COR license, the corporation must have at least one shareholder holding an active California CPA/PA license in good standing. The corporation must submit the following to the CBA with the signed and completed license renewal application and \$250 renewal fee:

- The *Shareholder Reporting Worksheet* (reverse side of the license renewal application) listing all shareholders, or a list providing all the information requested on the *Shareholder Reporting Worksheet*.
  - The list must include all licensed and non-licensed shareholders and include any shareholders associated or disassociated since the last renewal, including the date of association or disassociation.
- PR-1 Form

To renew a PAR license, the partnership must have at least two partners, one of whom must have an active California license. If the partnership is comprised of only two partners, one of the partners may be a non-licensee owner providing the licensed partner has an active California license in good standing. The partnership must submit the following to the CBA with the signed and completed license renewal application and \$250 renewal fee:

- The *Partner Reporting Worksheet* (reverse side of the license renewal application) listing all partners, or a list providing all the information requested on the *Partner Reporting Worksheet*.
  - The list must include all licensed and non-licensed partners and include any partners associated or disassociated since the last renewal, including the date of association or disassociation.
- PR-1 Form

All CORs and PARs will be required to report peer review information to the CBA as required on the [PR-1 Form](#) at the time of license renewal. 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 Form with the firm's license renewal application. The CBA will include the PR-1 Form with the firm renewal package.