

Draft Revised CPE Rules and Regulations

Rule 20-11-.01 Introduction

- (1) CPAs by virtue of their training have been certificated or licensed by the Board and, therefore, are eligible to provide the public with needed professional services not otherwise available. In furnishing these services, the CPA occupies a unique position of public trust. It is essential in maintaining this trust that each CPA continuously strive to increase his or her technical skills and his or her understanding of the whole accounting body of knowledge.
- (2) Pursuant to the provision of Section 43-3-19 of this Act, the Board prescribes the following regulations establishing requirements of continuing professional education to be met during the CPE reporting period by CPAs in order to demonstrate that they are continuing their professional education as a condition to continuing to practice as CPAs.
- (3) For the purposes of this section the following terms have the meanings indicated:
 - (a) CPE reporting period. A “CPE / “Continuing Professional Education” reporting period” is the two-year period immediately preceding each biennial renewal date as to which a licensee in this state must report or attest to the completion of CPE requirements to the Board of Accountancy.
 - (b) Subject matter expert. A “subject matter expert” is a person who is an authority in a particular area or topic. A subject matter expert is involved in developing CPE materials where knowledge expertise is needed.
 - (c) Technical committee. A “technical committee” is a committee that serves as a resource to identify issues regarding the practice of accountancy and develop technical or policy recommendations on those issues.
 - (d) Technical fields of study. “Technical fields of study” are technical subjects that contribute to the maintenance or improvement of the competence of a CPA in the profession of accountancy and that directly relate to the CPA’s field of business. These fields of study include, but are not limited to:
 1. Accounting;
 2. Accounting (Government);
 3. Auditing;
 4. Auditing (Government);
 5. Business Law;

6. Economics;
7. Finance;
8. Information Technology;
9. Management Services;
10. Regulatory Ethics;
11. Specialized Knowledge;
12. Statistics; and
13. Taxes.

(e) Non-technical fields of study. “Non-technical fields of study” are subjects that contribute to the maintenance or improvement of the competence of a CPA in areas that indirectly relate to the CPA’s field of business. These fields of study include, but are not limited to:

1. Behavioral Ethics;
2. Business Management & Organization;
3. Communications and Marketing;
4. Computer Software & Applications;
5. Personal Development;
6. Personnel/Human Resources; and
7. Production.

(f) CPE Credit. One CPE credit is fifty minutes of participation in a program of learning.

Rule 20-11-.02 Requirements

- (1) An applicant for renewal of his or her individual license to practice as a CPA must have completed eighty (80) credits of acceptable continuing professional education, of which at least 50% of the credits of continuing professional education reported shall be in technical fields of

study, during the CPE reporting period as a condition for renewal, except as provided under paragraphs (2) and (4) below. A minimum of 20 of the 80 credits will be earned in each year.

- (2) An applicant for renewal of his or her individual license to practice as a CPA who has been initially certified by this state for one year, but less than two, must have completed 40 credits of acceptable continuing professional education after the date of licensure but prior to the expiration date of his or her first license, of which at least 50% of the credits of continuing professional education reported shall be in technical fields of study, as a condition for renewal. An applicant who has been initially licensed as a CPA by this state for less than one year at the date of expiration of his or her first license shall not be required to have completed any credits of continuing professional education prior to that first expiration date as a condition for renewal. There is no provision for carry-over from an annual period in which CPE was not required.
- (3) Completion of four (4) ethics CPE credits including one (1) credit specific to the laws, rules and policies of the Board are required during the CPE reporting period.
- (4) Up to fifteen (15) credits of acceptable non-technical fields of study completed during the CPE reporting period immediately preceding the renewal date of a license in excess of the requirements for such preceding period may be applied to satisfy the continuing professional education requirements of the following CPE reporting period. No carryover credits can be used to satisfy the technical fields of study credit requirement provided for in this section.
- (5) Any licensee who has attained seventy (70) years of age is exempt from the continuing professional education requirement for renewal of his or her individual license to practice public accountancy.
- (6) The Board may relax or suspend the requirements of continuing professional education for reasons of individual hardship or health of the licensee.

Rule 20-11-.03 Programs Which Qualify

- (1) The overriding consideration in determining whether a specific program qualifies as acceptable continuing professional education is that it be a formal program of learning which contributes directly to the professional knowledge, ability or competence of an individual licensed to practice as a CPA by this state, and which meets the minimum standards of quality of development and presentation and of measurement and reporting of credits set forth in the Statement on Standards for Continuing Professional Education (CPE) Programs issued jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), or such other educational standards as may be established from time to time by the Board. For purposes of these Rules, the Board adopts by reference the Statement on Standards for Continuing Professional Education (CPE) Programs (CPE Standards), as revised December 2019.

- (2) Subject Matter: The technical and non-technical fields of study defined in Rule 20-11-.01 are acceptable subject matter.
- (3) Fields of study other than those listed in Rule 20-11-.01 will be acceptable if the applicant can demonstrate to the Board that they contribute directly to his or her professional knowledge, ability or competence. The responsibility for substantiating that a particular program is acceptable and meets the requirements rests solely upon the applicant.
- (4) The following learning activities shall qualify for CPE credit:
- (a) The sources of qualifying learning activities include but are not limited to the following (as described in the CPE Standards):
 - 1. Group Programs;
 - 2. Self-Study Programs;
 - 3. Blended Learning Programs;
 - 4. Nano-Learning Programs;
 - 5. Instructor/Developer of CPE programs in 1. through 4. above or in (b) and (d) below;
 - 6. Technical Reviewer of CPE programs in 1. through 4. above or in (b) and (d) below; and
 - 7. Independent Study.
 - (b) A college or university course that is coordinated and presented by a qualifying university or college as set forth in Rule 20-11-.03(5)(c) below in a technical or nontechnical field of study; No CPE credit shall be permitted for attending or instructing college or university courses considered to be basic or introductory accounting courses or CPA exam preparation/review courses.
 - (c) Authorship of published articles, books and other publications relevant to maintaining or improving professional competence.
 - (d) A group learning activity that is coordinated and presented by a person, firm, association, corporation or group, other than a qualifying CPE program sponsor as defined in Rule 20-11-.03(5) below. These programs are generally related to topics of the specialized knowledge field of study by persons or organizations with expertise in these specialized industries.

- (e) Participation and work on a technical committee of an international, national or state professional association, council or member organization, or a governmental entity that supports professional services or industries that require unique and specific knowledge in technical fields of study.
- (5) The following are deemed to be qualifying CPE program sponsors provided they offer activities which comply with the Statement on Standards for CPE Programs:
- (a) Persons, firms, associations, corporations or other groups that are members of NASBA's National Registry of CPE Sponsors;
 - (b) Recognized national and state professional accounting associations and their local affiliates that are approved by the Board;
 - (c) Universities or colleges accredited at the time the CPE program was delivered by virtue of accreditation by an organization recognized by the Council for Higher Education Accreditation as a specialized, professional, or regional accrediting organization; and
 - (d) Persons, firms, associations, corporations or other groups that are approved by the Board.

Rule 20-11-.04 Controls and Reporting

- (1) An applicant for renewal of a license to practice public accountancy must provide an attestation, under penalty of perjury, that all applicable continuing professional education requirements have been met.
- (2) All licensees shall maintain their records confirming attendance at and completion of continuing professional education, including the following information:
 - (a) School, firm or organization conducting the program;
 - (b) Location of the program;
 - (c) Title of program or description of content;
 - (d) Program outline;
 - (e) Dates attended;
 - (f) Credits claimed; and
 - (g) Evidence of satisfactory completion.

- (3) If credit for published articles and books is claimed, the following information must be maintained:
- (a) Publisher;
 - (b) Title of publication;
 - (c) Description of content;
 - (d) Dates of publication; and
 - (e) Credits claimed.
- (4) Records described in paragraph (2) and (3) of this section must be maintained by each licensee for five (5) years after the completion of the program and must be submitted to the Board upon request.
- (5) Evidence of satisfactory completion shall take the form of certificates of completion, attendance records, examination, transcripts, or other such independently verifiable evidence acceptable to the Board.
- (6) The Board will verify on a test basis information submitted by applicants for licenses. In cases where the Board determines that the requirement is not met, the Board may grant an additional period of time in which the deficiencies may be cured.

Rule 20-11-.05 Calculation of CPE Credit

The following standards will be used to measure the CPE credits to be given for acceptable continuing professional education programs completed by individual applicants:

- (1) Computation of CPE credits.

Each approved CPE course, program, or activity shall be measured by program length, with one fifty (50)-minute period equal to one CPE credit.

- (a) Computation of CPE credits for qualifying CPE programs shall be as follows:

1. Group programs, independent study and blended learning programs – A minimum of one credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth (1/5) or one-half (1/2) increments.

2. Self-study – A minimum of one-half (1/2) credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth (1/5) or one-half (1/2) increments.
3. Nano-learning – The credit to be earned for a single nano-learning program is one fifth (1/5) credit.
4. For blended learning programs included in Rule 20-11-.03(4)(a)(3), CPE credit must equal the sum of the CPE credit determination for the various completed components of the program.
5. An instructor/developer of qualifying CPE programs included in Rule 20-11-.03(4)(a)(1) through (4) may receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation. For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor/developer CPE credit.
6. A technical reviewer of qualifying CPE programs included in Rule 20-11-.03(4)(a)(1) through (4) may receive CPE credit for actual review time up to the actual number of CPE credits for the learning activity. For repeat technical reviews, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for technical reviewer CPE credit.
7. Authors of published articles, books and other publications may receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence. For the author to receive CPE credit, the article, book or CPE program must be formally reviewed by an independent subject matter expert. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for author CPE credit.
8. (i) For courses that are part of the curriculum of a university, college or other educational institution, each semester hour credit shall equal fifteen (15) CPE credits, and each quarter hour shall equal ten (10) CPE credits.
(ii) For non-credit courses, CPE credit shall equal actual time in class.
(iii) CPE credit for instructing a college or university course shall be twice the credit that would have been granted participants for the first presentation of a specific course or program and none thereafter, except if the course content

has been substantially revised. To the extent a course has been substantially revised, the revised portion shall be considered a first presentation.

(iv) Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor CPE credit.

9. Not more than twenty-five percent (25%) of the total qualifying CPE credits for a CPE reporting period may consist of the learning activities defined in Rule 20-11-.03(4)(e).

Rule 20-11-.06 CPE Reciprocity

- (1) A non-resident licensee seeking renewal of a certificate in this state shall be determined to have met the CPE requirement (including the requirements of Rule 20-11-.02 of this rule) by meeting the CPE requirements for renewal of a certificate in the state in which the licensee's principal place of business is located.
 - (a) Non-resident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal place of business is located by attestation to that effect on the renewal application of this state.
 - (b) If a non-resident licensee's principal place of business state has no CPE requirements for renewal of a certificate, the non-resident licensee must comply with all CPE requirements for renewal of a license in this state.