

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO.1**

**(For use in administering O.C.G.A. 43-3-9 of the Public Accountancy Act of 2014 and  
Section 20-3-.08(2)(b)2 of the Rules of the State Board of Accountancy.)**

**QUALIFYING EXPERIENCE OF INTERNAL REVENUE AGENTS**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

O.C.G.A. 43-3-9(b)(3)(B) provides that the board may accept evidence satisfactory to it of one year of continuous employment in the accounting field, in industry, business, government or college teaching; any combination of employment in such fields; or any combination of employment in such fields and public accountancy immediately preceding the date of the application for licensure.

Board rule 20-3-.08(2)(b)(2) specifically addresses qualifying experience in government. It provides that qualifying experience for an applicant employed by the Internal Revenue Service as an internal revenue agent shall count only experience obtained at or above the GS 11 level.

**Policy**

Experience while employed by the Internal Revenue Service as an internal revenue agent at or above the GS level 11 qualifies as experience pursuant to Board rule 20-3-.08(2)(b)(2) when considering whether an applicant for licensure has met the one year of continuous experience requirement of O.C.G. A. 43-3-9(b)(3)(B). This is true even if such experience as an internal revenue agent is less than one year in duration when considering the applicant's combined experience obtained pursuant to Board rule 20-3-.08(2)(b)(2).

In the absence of any other qualifying experience an applicant for licensure seeking to qualify through experience while employed by the Internal Revenue Service as an internal revenue agent must have obtained experience at or above the GS level 11 of at least one year in duration and such experience must include a minimum of 2000 hours work time.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO.2**

**(For use in administering O.C.G.A. 43-3-9 of the Public Accountancy Act of 2014,  
Section 20-08-.02(1) (a) and Section 20-10-.02(2) of the Rules of the State Board of Accountancy.)**

**FINE FOR LAPSED INDIVIDUAL CPA AND FIRM LICENSE**

**Adopted by Georgia State Board of Accountancy at its meeting on January 13, 2016.**

O.C.G.A. 43-3-9 provides that the division director shall maintain a list of certified public accountants; and, for this purpose, the board may provide by regulation a procedure whereby all certified public accountants are required to register with the board periodically.

Board rule 20-08-.02(1)(a) states 'A firm required to be licensed with the Board under 43-3-16(b)(1)(C) between biennial reporting periods shall obtain a license with the Board on a form obtained from the Board within 60 days of the date when such license requirement first becomes effective. Failure to timely obtain a license will result in a penalty.'

Board rule 20-10-.02(2) specifically addresses licensing in the State of Georgia. It provides that 'without a current license, it is unlawful to practice public accountancy in this state.'

**Policy**

Any CPA operating with a lapsed license shall be fined \$1,000 per renewal period missed + reinstatement fee

Any CPA Firm operating with a lapsed license shall be fined \$2,000 per renewal period missed + reinstatement fee

CPAs and Firms who are not operating with a lapsed license will only pay reinstatement fees.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 3**

**(For use in administering O.C.G.A. 43-3-10 of the Public Accountancy Act of 2014 and section 20-3-.05) of the Rules of the State Board of Accountancy.)**

**CHEATING ON THE UNIFORM CPA EXAMINATION**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

The Uniform CPA Examination is the examination provided for Candidates for Licensure in O.C.G.A. Section 43-3-10. Candidates for licensure as a CPA schedule and take the examination in accordance with the policies and procedures established by AICPA and NASBA. Testing is conducted at testing centers provided by Prometric and is administered under the policies and procedures established by Prometric.

Before entering the testing area each candidate is required to execute a policy statement and agreement regarding the confidentiality of the exam and taking of breaks which states in part:

I hereby agree that I will maintain the confidentiality of the Uniform CPA Examination. In addition, I agree that I will not:

- Divulge the nature or content of any Uniform CPA Examination question or answer under any circumstance
- Engage in any unauthorized communication during testing
- Refer to unauthorized materials or use unauthorized equipment during testing; or
- Remove or attempt to remove any Uniform CPA Examination materials, notes, or any other items from the examination room

I understand that breaks are only allowed between testlets. I understand that I will be asked to complete any open testlet before leaving the testing room for a break.

**Policy**

In addition to the acts specified as cheating in Section 20-3-.05(2) of the Board rules, the Board considers the violation of the terms of the above listed agreement to constitute cheating on the examination. Instances of cheating on the Uniform CPA Examination are serious breaches of integrity and indicate a lack of good moral character as defined in O.C.G.A. 43-3-9(a).

The Board supports the actions and decisions made by the Prometric testing center staff in cases of cheating, suspected cheating or other misbehavior by candidates.

Penalties to be imposed by the board for cheating on the examination are to be related to the seriousness of the situation. Penalties imposed by the Board in such cases of cheating or other misbehavior by a candidate at a testing center may include invalidation of a candidate's grades, disqualification from future examinations, and the pursuit of possible civil or criminal penalties by the Board pursuant to state law.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO.4**

**(For use in administering O.C.G.A. 43-3-25(a) of the Public Accountancy Act of 2014 and  
Section 20-11-.02(1) of the Rules of the State Board of Accountancy.)**

**FINE FOR FAILURE TO MEET CONTINUING PROFESSIONAL EDUCATION (CPE) REQUIREMENTS**

**Adopted by Georgia State Board of Accountancy at its meeting on January 13, 2016.**

O.C.G.A. 43-3-25(a) provides that ‘every application for renewal of a live permit by any individual who is and has been certificated as a certified public accountant or registered as a foreign accountant by this state for one year or more shall be accompanied or supported by such evidence as the board shall prescribe of satisfactory completion of continuing professional education as provided in this Code section, provided that the board may relax or suspend requirements of continuing professional education in instances where an applicant's health requires it or in instances of individual hardship.’

Board rule 20-11-.02(1) specifically states ‘An applicant for renewal of his or her individual license to practice as a CPA or registered foreign accountant must have completed 80 hours of acceptable continuing professional education, of which 16 hours shall be in accounting and auditing subjects, during the two-year period immediately preceding each biennial renewal date as a condition for renewal, except as provided under paragraphs (2) and (4) below. A minimum of 20 of the 80 hours will be earned in each year.

**Policy**

2015 renewal period -

Office to administratively handle 1-20 hours missing

20+ hours or non-responsive CPAs will be brought to board for sanctions

2017 renewal period -

\$50 per credit missed

Effective January 1, 2016 to be enforced starting January 1, 2018

30 days to complete hours

Effective January 1, 2016 for the next (2017) renewal period, failure to meet the CPE requirements of the board will result in a fine of \$50 per credit hour unearned. There will be 30 days granted to complete missing hours and pay fine or license is subject to non-renewal (lapsed). Proof of hours completed is to be submitted by renewal extension deadline (April 30).

Failure to respond to the board request for CPE hours will result in additional fines and sanctions.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 5**

**(For use in administering O.C.G.A. 43-3-8(a) (2), 43-3-21(a) (10), and Section 20-12-.12 of the Rules of the State Board of Accountancy Public Accountancy Act of 2014.)**

**PROHIBITION AGAINST RETENTION OF CLIENT RECORDS**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

During the course of a professional engagement, a licensee may possess certain records of a client, or may have developed certain records without which the Client Records would be incomplete. Retention of Client Records after the client has made a request for them is a violation of Rule 20-12-.12. The licensee does not have a lien on these records, and they must be returned regardless of the fact that the fee of the licensee may remain unpaid.

For purpose of this Rule, the term "Client Records" refers to those journals, ledgers, bank statements and cancelled checks, copies of invoices and similar documentation of the transactions that are reflected in financial statements. It is anticipated that the client will have retained copies of financial statements, income tax returns, and similar documents.

A licensee is not required to convert records that are not in electronic format to electronic format. However, if the client requests records in a specific format and the licensee was engaged to prepare the records in that format, the client's request should be honored.

If a licensee is engaged to perform certain work for a client and the engagement is terminated prior to the completion of such work, the licensee is required to return or furnish copies of only those records originally given to the licensee by the client. Any working papers developed by the licensee incident to the performance of the engagement which do not result in changes to the Client Records or are not in themselves part of the records ordinarily maintained by such client, are considered to be solely "accountant's working papers" and are not the property of the client.

Once the licensee has returned the Client Records or furnished the client with copies of such records and/or necessary supporting data, the licensee has discharged the obligation in this regard and need not comply with any subsequent requests to again furnish such records. If the licensee has retained copies of Client Records already in possession of the client, the licensee is not required to return such copies to the client.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 8**

**(For use in administering O.C.G.A. 43-3-31 and 43-3-32 of the Public Accountancy Act of 2014  
and Section 20-15-.01 of the Rules of the State Board of Accountancy.)**

**NONAUDIT SERVICES BY UNLICENSED PERSONS**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

**I. INTRODUCTION**

The Board has received a number of requests for advice with respect to the provisions of the Public Accountancy Act of 2014 which reserve the attest function to CPAs. Questions have been asked concerning the type of report on unaudited financial statements that may be issued by an unlicensed person (that is, a person who does not hold a license for the practice of public accountancy) who offers to perform or performs non-attest services for the public.

The Board offers the following commentary in response to such questions. Readers are cautioned that this commentary is only for general guidance and may be subject to change by the Board without notice.

**II. STATUTORY FRAMEWORK**

The issuance of a report attesting to the reliability of financial information is reserved to CPAs under subsections (d) and (e) of Section 43-3-31 as follows:

(d) No individual shall sign or affix his or her name or any trade assumed name used by him or her in his or her profession or business to any opinion or certificate that states or implies assurance as to the reliability of any representation or estimate in regard to any person or organization embracing financial information or facts respecting compliance with conditions established by law or contract, including but not limited to statutes, ordinances, rules, regulations, grants, loans, and appropriations, together with any wording accompanying, contained in, or affixed on such opinion or certificate, which indicates that he or she has expert knowledge in accounting or auditing unless he or she holds a license and all of his or her physical offices in this state are maintained and licensed under Code Sections 43-3-16 and 43-3-17, provided that this subsection shall not prohibit any officer, employee, partner, member, or principal of any organization from affixing his or her signature to any statement or report in reference to the affairs of such organization with any wording designating the position, title, or office which he or she holds in such organization, nor shall this subsection prohibit any act of a public official or public employee in the performance of his or her duties as such.

(e) No individual shall sign or affix, or cause to be signed or affixed, a firm name to any opinion or certificate that states or implies assurance as to the reliability of any representation or estimate in regard to any person or organization embracing financial information or facts respecting compliance with conditions established by law or contract, including but not limited to statutes, ordinances, regulations, rules, grants, loans, and appropriations, together with any wording accompanying or contained in such opinion or certificate, which indicates that such firm is

composed of or employs individuals having expert knowledge in accounting or auditing unless the firm holds a license and all of its physical offices in this state are maintained and licensed as required under Code Sections 43-3-16 and 43-3-17.

### **III.** Specific Guidance

In interpreting these two code sections, the Board offers the following guidance.

- A.** State Board of Accountancy Policy No. 16 provides that unlicensed persons or firms may not designate any statement, report or transmittal letter as an “audit report”.
- B.** Transmittal Letters Used by Unlicensed Persons

Unlicensed persons may use the following SSARS language in their transmittal letters:

A compilation is limited to presenting in the form of financial statements information that is the representation of the management (owners). I (we) have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

However, an unlicensed person may not express an opinion as to the reliability of any financial statements or reports or indicate that he/she has expert knowledge in accounting or auditing. For example, such report or financial statements cannot indicate that they have been compiled in accordance with standards established by the AICPA.

- C.** Distribution of Financial Statements Prepared by Unlicensed Persons.

The Board has concluded that the Public Accountancy Act does not prohibit the distribution of such financial statements to a third party, such as a credit grantor. Nor does it prohibit the distribution of the unlicensed person's transmittal letter to such third party.

However, the transmittal letter must not state or imply assurance as to the reliability of the financial information or indicate that the unlicensed person has expert knowledge in accounting or auditing.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 9**

**(For use in administering O.C.G.A. 43-3-11 of the Public Accountancy Act of 1977 and section 20-3-.09 of the Rules)**

**RECIPROCITY**

**Adopted by Georgia State Board of Accountancy at its meeting on September 25, 2013.**

A person desiring a reciprocal certificate as a certified public accountant in Georgia on the basis of a certificate and current permit to practice public accounting in another state must apply upon a form for the purpose provided by the Board and obtainable from its offices and pay the appropriate fees as provided in the rule.

**Policy**

An individual who is licensed in another state may apply for a reciprocal certificate. The code sections governing reciprocity allow the Board flexibility in evaluating a reciprocal application. In evaluating an application for a reciprocal certificate, the Board will look for the following elements:

- I.** Age: Eighteen or over
- II.** Good Moral Character
- III.** Passage of Uniform CPA Examination (This requirement is waived if the applicant has been licensed and practicing public accounting in another state for 10 years.)
- IV.** Education
  - A.** Four-year degree from an accredited institution, with a concentration in accounting or substantial equivalent (if applicant began sitting for the examination prior to January 1, 1998).
  - OR
  - B.** 150 semester hours, including a baccalaureate degree, with 30 semester hours in accounting courses above the elementary level and 24 semester hours in general business subjects (if applicant began sitting for the examination after January 1, 1998).
- V.** The Board will consider the experience requirement described in Rule 20-3-.08(2) to be met for a reciprocity candidate who is a holder of a certificate as a certified public accountant, then then in full force and effect issued under the laws of another state or jurisdiction who extend such reciprocity privilege to citizens of this state as substantially equivalent and acceptable.



**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 10**

**(For use in administering O.C.G.A. 43-3-9, 43-3-10 and 43-3-12 of the Public Accountancy Act of 2014 and sections 20-3-.01, 20-3-.02, 20-3-.03, 20-3-.08 and 20-3-.09 of the Rules of the State Board of Accountancy.)**

**DESIGNATION OF THE BOARD'S AGENT FOR THE EVALUATION OF ACADEMIC CREDENTIALS TO SIT FOR THE CPA EXAMINATION, FOR CPA INITIAL AND RECIPROCITY LICENSURE**

**Adopted by Georgia State Board of Accountancy at its meeting on December 15, 2004,  
Effective date April 1, 2005**

In order to be eligible for examination, an applicant must have received a baccalaureate degree conferred or completed the requirements for the baccalaureate degree, by a college or university accredited by a national or regional accrediting organization recognized by the Board with a concentration in accounting or, with a non-accounting concentration, supplemented by what the Board determines to be the substantial equivalent to an accounting concentration. Applicants must have completed 30 quarter hours or 20 semester hours in accounting subjects above the elementary level at a four-year accredited college or university which offers a baccalaureate degree.

In order to apply for a license as a CPA after January 1, 1998, any individual who has not previously sat for the uniform written examination for the certificate of CPA must have completed a total of 150 semester hours or 225 quarter hours of college education, including a baccalaureate degree awarded by a college or university accredited by either a national or regional accrediting organization recognized by the Board. The total educational program shall include an undergraduate accounting concentration and related courses in other areas of business administration or the substantial equivalent of the foregoing. An applicant who has completed 45 quarter hours or 30 semester hours in accounting subjects above the elementary level and 36 quarter hours or 24 semester hours in general business subjects at a four year accredited college or university which offers a baccalaureate degree will be deemed to have satisfied the accounting concentration and related business course requirements.

**Policy**

**Accredited Colleges and Universities**

The Board recognizes as an accredited college or university any degree-granting college or university that is accredited by an organization currently recognized by the Council for Higher Education Accreditation as a regional accrediting organization such as but not limited to Middle States Association of Colleges and Schools, New England Association of Schools and Colleges Commission on Colleges or Universities of Higher Education, North Central Association of Colleges and Schools-The Higher Learning Commission, Northwest Commission on Colleges and Universities , Southern Association of Colleges and Schools Commission on Colleges, and Western Association of Schools and Colleges Accrediting Commission for Senior Colleges and Universities.

### **Designation of the Board's Agent**

Applicants applying to sit for the CPA examination in Georgia must have their academic credentials evaluated by the designated agent of the Board.

Applicants applying for an initial or reciprocal certificate as a certified public accountant in Georgia on the basis of passing the Uniform CPA Examination in Georgia or any other state must have their academic credentials evaluated by the designated agent of the Board.

The Board designates CPA Examination Services (CPAES) as its agent for the evaluation of academic credentials.

The applicant must apply for the academic credential evaluation of their educational requirements on a form provided by the Board and must remit the appropriate fee for such evaluation directly to CPAES. The academic evaluation must be submitted with the application for initial or reciprocal licensure. Applications for licensure submitted without the evaluation are considered incomplete and will be returned to the applicant.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 11**

**(For use in administering O.C.G.A. 43-3-16 and 43-3-18 of the Public Accountancy Act of 2014, and sections 20-8-.01 and 20-9-.02 of the Rules of the State Board of Accountancy.)**

**REGISTRATION OF FIRMS, SUBSTANTIAL EQUIVALENCY PRACTICE PRIVILEGES, AND ISSUANCE OF  
TEMPORARY PERMITS TO NONRESIDENTS**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

The Board receives inquiries from nonresident CPAs and CPA firms located in other states regarding the requirements to register with the Board or apply for a temporary permit to practice in Georgia where certain non-attest services are provided to clients having nexus in Georgia or filing or reporting requirements in Georgia and where the services are provided solely outside the State of Georgia. For purposes of this policy “a client or clients in Georgia”, is defined as any person, entity or enterprise having nexus in Georgia or having a filing or reporting requirement within the State of Georgia.

**Policy**

The Board will not issue direct responses to such inquiries.

The Board directs nonresident CPAs and firms located in other states which may have inquiries related to registration with the Board to O.C.G.A. 43-3-16 and O.C.G.A. 43-3-18, and sections 20-8-.01 and 20-9-.02 of the Board rules. As an aid to nonresident CPAs and firms having such inquiries, the Board provides the following citations of the relevant Code Sections and Board rules.

**Registration of Firms Not Having a Physical Location in Georgia**

O.C.G.A. 43-3-16(b) (1) (C) specifies conditions under which a firm that does not have a physical office in this state is required to be licensed in this state.

Board rule 20-8-.01(1) addresses O.C.G.A. 43-3-16(b)(1)(C) and states that a firm that does not have a physical office in this state but performs any audit or any other engagement to be performed in accordance with the Statements on Auditing Standards, any examination of prospective financial statements in accordance with Statements on Standards for Attestation Engagements or any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board for a client that specifies a location in this state to which service is directed shall be required to obtain a license biennially with the Board.

O.C.G.A. 43-3-16(b) (2) and 43-3-16(b) (3) specify conditions under which a firm that does not have a physical office in this state is not required to be licensed in this state. Rule 20-8-.02(1) addresses O.C.G.A. 43-3-16(b) (2) and 43-3-16(b) (3) and specifies conditions under which a firm that does not have a physical office in this state may perform compilation or review services to be performed in accordance with Statements on Standards for Accounting and Review Services described in subsection (E) of paragraph 2 of O.C.G.A. 43-3-2 without being required to obtain a license in this state.

### Substantial Equivalency Practice Privileges for Nonresidents

O.C.G.A. 43-3-18 provides for substantial equivalency practice privileges for nonresidents. Board rule 20-3-.09(2) states that an individual whose residence and office location is and remains outside this state may elect to exercise substantial equivalency practice privileges in this state under O.C.G.A. 43-3-18(b) without the requirement to obtain a license, certificate or registration with the Board or pay a fee provided the individual holds a current and unencumbered license as a CPA in a state which grants similar practice privileges to license holders in this state.

O.C.G.A. 43-3-18(b)(4) provides that an individual who qualifies for substantial equivalency practice privileges who performs any audit or any other engagement to be performed in accordance with the Statements on Auditing Standards, any examination of prospective financial statements in accordance with Statements on Standards for Attestation Engagements or any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board for a client that specifies a location in this state to which service is directed may only perform such services through a firm that is licensed in this state in accordance with O.C.G.A. 43-3-16.

### Temporary Permits for Nonresidents

The Public Accountancy Act of 2014 does not provide for the issuance of temporary licenses for the practice of public accountancy by nonresidents.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 12**

**(For Use in administering O.C.G.A. 43-3-9 and 43-3-10 of the Public Accountancy Act of 2014 and  
Section 20-3-.02 of the Rules of the State Board of Accountancy.)**

**CPA EXAMINATION RETEST POLICY**

**Policy**

The Board adopts the NASBA Uniform CPA Examination Retest Policy as effective March 2012. Board staff is authorized to review and administratively approve retest matters in accordance with the policies and procedures thereof when necessary.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 13  
(For use in administering O.C.G.A. 43-3-16 & 43-3-31 of the Public Accountancy  
Act of 2014 and section 20-12-.17 of the Georgia State Board of Accountancy Rules.)**

**FIRM NAMES**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

A licensee shall not practice public accountancy under a firm name which is misleading in any way as to the legal form of the firm or as to persons who are partners, officers or shareholders of the firm. Firms seeking to use the terms “and Company”, “& Co.”, “and Associates”, “& Associates”, “Company”, or “Associates” or similar terms in the firm name may do so only in accordance with the following policy. Further, the use in the firm name or otherwise of the plural terms “Certified Public Accountants”, “CPAs” or any other terms that indicate that the firm is composed of more than one licensee shall be governed by this policy.

**POLICY**

A. Except as specifically provided in section 20-12-.17 of the State Board of Accountancy rules the use of any of the above terms or plurals is only permitted when:

(1) More than one licensee has an ownership interest in the firm, or

(2) One licensee owns the firm but employs one or more additional licensees in the firm. A firm that initially qualifies under this item 2 and subsequently loses its qualifying employee licensee(s) shall have a grace period in which to hire new employee licensee(s). This grace period will end on the later of the date six months after the date of the disqualifying event or the date of the expiration of the firm’s current registration.

The use of any of the above terms or plurals is prohibited when a public accounting firm is owned solely by one licensee, and there are no licensee employees.

B. A CPA firm name is misleading within the meaning of O.C.G.A. 43-3-16 and 43-3-31 if among other things the CPA firm name:

(1) Contains any representation that would be likely to cause a reasonable person to misunderstand or be confused about the legal form of the firm, or about who the owners of members of the firm are, such as a reference to a type of organization or abbreviation thereof which does not accurately reflect the form under which the firm is organized. This includes, but is not limited to, a name that:

(a) Implies the existence of a corporation when the firm is not corporation such a through the use of the words “corporation”, “incorporated”, “LTD”, “professional corporation”. Or an abbreviation thereof as part of the firm name if the firm is not incorporated or is not a professional corporation.

- (b) Implies the existence of a partnership when there is not a partnership such as the use of the term “partnership” or “limited partnership”, or other the abbreviation “LLP” if the firm is not such an entity;
  - (c) Implies the existence of a limited liability company when there is not a limited liability company such as the use of the term “limited liability company, or the abbreviation “LLC” if the firm is not such an entity;
  - (d) Includes information about or indicates an association with or membership in a network of firms except as provided in C and D below;
  - (e) Includes information about or indicates an association with persons who are not members of the firm;
- (2) Contains any representation that would likely cause a reasonable person to have a false or unjustified expectation of favorable results or capabilities, through the use of false or unjustified statement of fact as to any material matters;
  - (3) Claims or implies the ability to influence a regulatory body or official ; or
  - (4) Includes the name of an owner whose license has been revoked for disciplinary reasons by the Board, whereby the licensee has been prohibited from practicing public accountancy or prohibited from using the title CPA or holding the licensee out as a certified public accountant.
- C. A network firm, as defined by the AICPA Code of Professional Code of Conduct, may use the common brand name, or share common initials, as part of the firm name.
- D. A network firm, as defined by the AICPA Code of Professional Code of conduct, may use the network firm’s name provided it also shares one or more of the following characteristics with other firms in the network:
- (1) common control, as defined by generally accepted accounting principles in the United States among the firms through ownership, management, or other means;
  - (2) profits or costs, excluding costs of operating the association, costs of developing audit methodologies, manuals and training courses, and other costs that are immaterial in the firm;
  - (3) a common business strategy that involves collaboration amongst the firms whereby the firms are responsible for implementing the association’s strategy and are held accountable for performance pursuant to the strategy;
  - (4) a significant portion of the professional resources; or

(5) common quality control policies and procedures that participating firms are required to implement and that are monitored by the association.

- E. Except as specifically provided in section 20-12-.17 of the State Board of Accountancy Rules the names of one or more past CPA owners may not be included in the name of a firm or its successor. A firm name may not include the name of a former CPA owner of the firm that has withdrawn from firm ownership and remains as an employee of the firm.



**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 14**

**(For use in administering O.C.G.A 43-3-16 of the Public Accountancy Act of 2014 and Section 20-9-.01 (2) and 20-9-.02 of the Rules of the State Board of Accountancy.)**

**RESIDENT MANAGER AND INTERNET PRACTICE**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

Each office established or maintained for practice in this State by a certified public accountant, partnership, professional association, or professional corporation of certified public accountants, or by a public accountant, partnership, or professional association of public accountants, or by a foreign accountant, shall register with the Board within sixty days after it is opened. Each such office shall be under the supervision of a resident manager, who may be a partner, principal, shareholder, or a staff employee, holding a license in this state.

The resident manager of the office of the firm within this state in the practice of public accountancy shall be a certified public accountant of this state in good standing. The resident manager must assume full responsibility for the supervision of the office to which he has been designated as resident manager. Notice shall be given to the Board, within thirty days, of any change in the position of Resident Manager.

In the event any office shall be temporarily without a Resident Manager, a grace period must be requested. The grace period may extend to six months.

**POLICY**

**Resident Manager**

The Board construes the requirements of O.C.G.A. 43-3-16 of the Public Accountancy Act of 2014 and Sections 20-9-.01 (2) and 20-9-.02 as partially stated above to mean that each office established in this state shall have as resident manager a Georgia licensee who is ordinarily on site at that office to supervise the activities of that office during its normal and customary business hours and who has designated that office as their primary place of work.

However, a licensee may act as resident manager for more than one office provided that not more than one office for which the licensee acts as resident manager is open for operation at any one time. No firm in this state having only one Georgia licensee shall be open for business at more than one office at any one point in time. This shall not preclude a licensee from operating one office at certain times of the week and an office at another location at different times of the week. However, in that instance both offices may not be open at the same time.

**Internet Practice**

A CPA firm offering or rendering professional services via a Web site shall provide in the Web site's homepage, a name, an address and principal state of licensure as a means for regulators and the public to contact a responsible licensee in charge at the firm regarding complaints, questions, or regulatory compliance.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 15**

**(For use in administering O.C.G.A. 43-3-9 of the Public Accountancy Act of 2014 and Section 20-3-.02  
and 20-3-.08 of the rules.)**

**COURSE CREDITS AND EXPERIENCE HOURS FOR INTERNSHIP PROGRAMS**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

In order to be eligible to sit for the Uniform CPA Exam, an applicant must have received a baccalaureate degree conferred or completed the requirements for the baccalaureate degree, by a college or university accredited by a national or regional accrediting organization recognized by the Board with a concentration in accounting. Applicants must have completed 30 quarter hours or 20 semester hours in accounting subjects above the elementary level at a four-year accredited college or university which offers a baccalaureate degree.

In order to be certified after January 1, 1998, a candidate who has not previously sat for the Uniform CPA Exam must have completed a total of 150 semester hours or 225 quarter hours of college education, including a baccalaureate degree awarded by a college or university accredited by either a national or regional accrediting organization recognized by the Board. The educational program shall include an undergraduate accounting concentration and related courses in other areas of business administration. A candidate who has completed 45 quarter hours or 30 semester hours in accounting above the elementary level and 36 quarter hours or 24 semester hours in general business subjects at a four year accredited college or university which offers a baccalaureate degree will be deemed to have satisfied the accounting concentration and related business course requirements.

In order to be certified, a candidate must have completed a specified period of meaningful accounting experience supervised by a person who holds a license as a certified public accountant.

**Policy**

For qualifying course hours, no more than 3 semester hours or 5 quarter hours will be allowed for the accounting concentration under a qualified accounting internship program offered by a four year college or university accredited by a national or regional accrediting organization recognized by the Board.

No more than an additional 3 semester hours or 5 quarter hours will be allowed for the related business course requirements under a qualified business internship program offered by a four year college or university accredited by a national or regional accrediting organization recognized by the Board. Under a qualified internship program, the internship must be pre-approved by the sponsoring accredited college or university.

Internships for which course credit is allowed by the accredited four year college or university will not count toward the experience requirement for certification, regardless of whether such course credit hours are used to meet the education requirements for sitting for the Uniform CPA Examination or for certification under the accounting concentration or related business course requirements.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 16**

**(For use in administering O.C.G.A. 43-3-31(c) of the Public Accountancy Act of 2014 and Section 20-2-.16 of the Rules of the Georgia State Board of Accountancy)**

**USE OF A DESIGNATION THAT INCLUDES “ACCOUNTANT”**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

No individual, firm, or any other person or entity not holding a valid certificate or license issued under The Public Accountancy Act shall assume or use: (1) any title or designation likely to be confused with “certified public accountant” including, without limiting the generality of the foregoing “certified accountant”, “enrolled accountant”, “licensed accountant”, “licensed public accountant”, “registered accountant”, “chartered public accountant”, or “chartered accountant”; or any abbreviation likely to be confused with “C.P.A.” including, without limiting the generality of the foregoing, “C.A.”, “E.A.”, “R.A.”, “L.A.”, or “L.P.A.”.

“Practice of, or practicing public accountancy” means offering to perform or performing attest or compilation services while holding oneself out in such a manner as to state or imply that one is a licensee, offering to perform or performing an individual or entity one or more types of services involving the use of accounting or auditing skills, or management advisory or other consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

**POLICY**

An individual or firm not holding a valid certificate or license issued under The Public Accountancy Act is prohibited from using a title that 1) implies a license or certification, 2) includes the words “accountant”, “auditor”, “accounting”, or related abbreviation, and 3) is used in connection with the practice of public accountancy. However, a designation of CPA or Certified Public Accountant is permitted where such individual or firm is currently licensed by this State or by the duly constituted laws of any other sovereign U.S. state or jurisdiction.

An individual or firm not holding a valid certificate or license issued under The Public Accountancy Act or a current license issued by the duly constituted laws of any other sovereign U.S. state or jurisdiction may not designate any statement, report or transmittal letter as an “audit” report.

An individual who holds a license or certification which includes the term “Accountant” from a generally recognized national or international organization or a foreign jurisdiction may refer to such license or certification in limited circumstances, including business cards and biographical descriptions of such individual. Advertising, promotional materials and letterhead for firms licensed in the practice of public accountancy should not include prohibited references to such licenses and certifications. Signatures by individuals should not include prohibited references to such licenses and certifications.

The Board reserves its right to approve or deny the use of any title that includes "Accountant" or related abbreviation other than an individual or firm currently licensed by this State or by the duly constituted laws of any other sovereign U.S. state or jurisdiction.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF POLICY NO. 17**

**(For use in administering O.C.G.A. 43-3-9(b) and 43-3-10 of the Public Accountancy Act of 2014 and Sections 20-3-.04(2)(c) and 20-3-.04(5) of the Rules of the State Board of Accountancy.)**

**EXTENSION OF CPA EXAMINATION CREDITS FOR SUBSTANTIAL HARDSHIP**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

An applicant for a certificate as a Certified Public Accountant shall have passed an examination approved by the Board in such related subjects as the Board deems appropriate. The Uniform CPA Examination is the examination provided for in O.C.G.A. Section 43-3-10.

In the event all four test sections of the examination are not passed within a rolling eighteen months period beginning on the date that credit is given for the first part passed, credit for any test section(s) passed outside the eighteen-month period will expire and that test section(s) must be retaken. The Board may extend the term of the conditional credit validity in cases of substantial hardship as determined by the Board.

**POLICY**

The executive director of the Board shall have the authority to approve the extension of the term of the credit for any section(s) of the CPA examination that expires or may expire due to that section having been passed outside the rolling eighteen month period for an applicant who applies for such extension and who demonstrates that a substantial hardship has prevented or will prevent the applicant from passing all four test sections during the eighteen month period. The hardship as demonstrated by the applicant shall be related to the health or well being of the applicant, the applicant's spouse or children, or any other member of the applicant's household.

The executive shall determine whether such hardship qualifies and is substantial enough to have prevented or to prevent the applicant from meeting the requirements of O.C.G.A. 43-3-10 and Section 20-3-.04(2) of the rules of the Georgia State Board of Accountancy. The executive director shall have discretion as to the length of the extension granted to the applicant.

All such extensions granted by the executive director shall be reported to the Board and documented in the minutes of the meeting of the Board next following such action by the executive director. All requests for such extensions not so approved shall be presented at the meeting of the Board next following such action by the executive director.

Except as provided in this policy all applications for the extension of term of conditional credit for any section(s) of the CPA examination passed by an applicant shall be approved by the Board.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF BOARD POLICY NO. 18**

**(For use in administering O.C.G.A. 43-3-7 and 43-3-10 of the Public Accountancy Act of 2014, and Sections 20-3-.07, 20-3-.08, and 20-3-.09 of the Rules of the State Board of Accountancy.)**

**EXAMINATION FEE, FEE FOR THE APPLICATION FOR A CPA LICENSE AND APPLICATION FEE FOR A  
RECIPROCAL LICENSE**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

Section 20-3-.07 of the rules of the State Board of Accountancy authorizes the Board to establish fees for the administration of the examination provided for in O.C.G.A. Section 43-3-10 and designated by the Board in Section 20-3-.01 of the rules as the Uniform CPA Examination by policy of the Board.

Section 20-3-.08(1)(f) of the rules of the State Board of Accountancy authorizes the Board to establish a fee for the application for a CPA license by policy of the Board.

Section 20-3-.09(1) of the rules of the State Board of Accountancy authorizes the Board to establish a fee for the application for a reciprocal license by policy of Board.

**POLICY**

The fees provided for in Section 20-3-.07 of the rules of the State Board of Accountancy for the Uniform CPA Examination shall consist of an initial application fee of \$150, registration fees and examination fees. The fee for registration to sit for one to four sections of the examination shall be \$75. The fee for each section of the examination shall be the fee established by the providers of the examination. These fees are published at [www.nasba.org/exams/cpaexam/Georgia](http://www.nasba.org/exams/cpaexam/Georgia).

The fee provided for in Section 20-3-.08(1)(f) of the rules of the State Board of Accountancy for the application for a CPA license shall be \$53 plus any fee charged by an agency designated by the board to process or review such applications. The total fee is published at [www.nasba.org/licensure/nasbalicensing/Georgia-2](http://www.nasba.org/licensure/nasbalicensing/Georgia-2).

The fee provided for in Section 20-3-.09(1) of the rules of the State Board of Accountancy for the application for a reciprocal license shall be \$133 plus any fee charged by an agency designated by the board to process or review such applications.

The total fee is published at [www.nasba.org/licensure/nasbalicensing/Georgia-2](http://www.nasba.org/licensure/nasbalicensing/Georgia-2).

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF BOARD POLICY NO. 19**

**(For use in administering O.C.G.A. 43-3-9, 43-3-12. and 43-3-16 of the Public Accountancy Act of 2014, and Section 20-3-.08, 20-3-.09, and 20-7-.01 of the Rules of the State Board of Accountancy.)**

**DESIGNATION OF THE BOARD'S AGENT FOR PROCESSING APPLICATIONS FOR LICENSES**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

With the approval of the Board the executive director may contract with any person or agency who is not an employee of the State Accounting Office to implement any provision of this chapter and to fulfill the responsibilities of the Board.

**POLICY**

The Board designates the National Association of State Boards of Accountancy as its agent for the processing of applications for an initial license as a CPA, a reciprocal license as a CPA, and for reviewing applications for the initial registration of a firm for the practice of public accountancy.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF BOARD POLICY NO. 20**

**(For use in administering O.C.G.A. 43-3-17 of the Public Accountancy Act of 2014, and Sections 20-8-.01, 20-13-.03 of the Rules of the State Board of Accountancy)**

**BOARD APPROVED PEER REVIEWS**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

Board approved peer reviews shall be those reviews conducted under the administration of organizations that register with and are approved by the Board based on their adherence to peer review minimum standards as outlined in Section 20-13-.03(4) of the State Board of Accountancy Rules.

**POLICY**

The Board recognizes as approved peer reviews those reviews conducted by entities that are Administrating Entities for the AICPA Peer Review Program.

The Board recognizes the various State CPA Societies that are Administrating Entities for the AICPA Peer Review Program, the New England Peer Review, and the National Peer Review Committee as being registered and approved by the Board in accordance with Section 20-13-.03(2) of the State Board of Accountancy Rules.

A list of these entities is maintained on at [www.aicpa.org/InterestAreas/PeerReview/Community](http://www.aicpa.org/InterestAreas/PeerReview/Community).



**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF BOARD POLICY NO. 21**

**(For use in administering O.C.G.A. 43-3-9 of the Public Accountancy Act of 2014, and Sections 20-3-.02  
and 20-3-.08 of the Rules of the State Board of Accountancy)**

**CREDIT FOR CERTAIN ACCOUNTING AND GENERAL BUSINESS COURSES**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

In order to be eligible for examination, an applicant must have received a baccalaureate degree conferred or completed the requirements for the baccalaureate degree, by a college or university accredited by a national or regional accrediting organization recognized by the Board with a concentration in accounting or, with a non-accounting concentration, supplemented by what the Board determines to be the substantial equivalent to an accounting concentration. Applicants must have completed 30 quarter hours or 20 semester hours in accounting subjects above the elementary level at a four-year accredited college or university which offers a baccalaureate degree.

In order to apply for a license as a CPA after January 1, 1998, any individual who has not previously sat for the uniform written examination for the certificate of CPA must have completed a total of 150 semester hours or 225 quarter hours of college education, including a baccalaureate degree awarded by a college or university accredited by either a national or regional accrediting organization recognized by the Board. The total educational program shall include an undergraduate accounting concentration and related courses in other areas of business administration or the substantial equivalent of the foregoing. An applicant who has completed 45 quarter hours or 30 semester hours in accounting subjects above the elementary level and 36 quarter hours or 24 semester hours in general business subjects at a four year accredited college or university which offers a baccalaureate degree will be deemed to have satisfied the accounting concentration and related business course requirements.

**POLICY**

**Accounting Courses at the Elementary Level**

The hours credited for each of the first two courses in accounting subjects completed by an applicant to take the CPA examination or an applicant for a license as a CPA are considered as being at the elementary level. These hours will not be counted toward the minimum hours required to take the CPA examination or to apply for license as a CPA. This shall be the case without respect to the title or number under which the course is designated by the educational institution.

**Courses Transferred From an Accredited Two-Year College**

The Board will credit an applicant to take the CPA examination or an applicant for a license as a CPA with hours in accounting subjects above the elementary level and hours in general business subjects obtained from an accredited two-year college which have been transferred to and accepted by an accredited

four-year college or university in the same manner as courses provided by that four-year college or university.

Except as provided herein hours in accounting subjects above the elementary level and hours in general business subjects obtained at an accredited two-year college not transferred to and accepted by an accredited four-year college or university as described above will not be counted toward either the requirements to sit for the CPA examination or for licensure as a CPA.

At its discretion and on a case by case basis the Board may credit an applicant with hours in accounting courses above the elementary level obtained at an accredited two-year college that have not been transferred to an accredited four-year college or university that would be accepted in an application to sit for the CPA examination or for licensure as a CPA as the case may be by the board of accountancy in the state in which the college is located. It is incumbent on the applicant to demonstrate that such hours would be so accepted. In considering whether or not to accept such hours the Board will also consider the circumstances under which such hours were obtained.

**Courses Designated as “for Accountants”**

The Board shall be the final arbiter as to whether any course provided by an educational institution will qualify for credit as a course in an accounting subject above the elementary level. Credit towards the accounting hours required to sit for the CPA examination or for licensure as a CPA for courses designated as “for accountants”, i.e. “Business Law for Accountants” shall be determined by the board at its discretion without respect to the either the title or the number of the course.

The board will not review or approve such courses in advance at the request of either an applicant or an educational institution.

**GEORGIA STATE BOARD OF ACCOUNTANCY  
STATEMENT OF BOARD POLICY NO. 22**

**(For use in administering O.C.G.A. 43-1-19(a), 43-19-6 and 43-19-26, and O.C.G.A. 43-3-21, 43-3-22, 43-3-24 and 43-3-25 of the Public Accountancy Act of 2014.)**

**AUTHORITY TO ACCEPT PUBLIC AND PRIVATE BOARD ORDERS**

**Adopted by Georgia State Board of Accountancy at its meeting on November 18, 2015.**

**Policy**

Signed public or private consent orders, which have been prepared in accordance with a prior vote and disposition of the Georgia State Board of Accountancy, may be accepted by the Board upon receipt.

Consent orders that bear the notarized signature of an applicant or respondent may be signed by the Executive Director on behalf of the Board Chair with express permission, and then docketed.

If the Board wishes to review and vote to accept an order instead of accepting the order upon receipt, the Board shall so direct in its motion.