

Upcoming CPE Rule Changes

The Alabama State Board of Public Accountancy has reviewed the CPE Rules that are currently in place and approved some significant changes and updates in CPE requirements. The changes are extensive and are outlined in detail below. Please review this guide carefully so that you are aware of all that is new in CPE. If you have any questions about these changes, please contact Nicole Robinson at the state Board office:

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Most importantly, please note that these changes will be effective on October 1, 2019. This means that the CPE you report on your 2019-2020 Registration form, which is earned from October 1, 2018 through September 30, 2019 must follow the current CPE Rules in place. Beginning October 1, 2019, all active CPAs, PAs and NLOs will follow the new CPE Rules outlined below. These new CPE Rules must be reflected in CPE earned from October 1, 2019 through September 30, 2020, which will be reported on the 2020-2021 Registration Form.

RULE REFERENCE	OVERVIEW OF CHANGE	RULE DETAIL
30-X-5-.02(1)(a)	Clarification of software courses qualifying for A&A	At least eight of the forty hours reported must be obtained in the subject of accounting and auditing. Computer software and applications courses dealing with the general use of software will not qualify for accounting and auditing CPE; although, software courses that focus on the application of the software in accounting or audit will qualify as accounting and auditing CPE
30-X-5-.02(1)(b)	Addition of 2 hours of ethics CPE	At least 2 hours must be earned in a qualifying ethics course
30-X-5-.02(1)(c)	Expanding/clarifying the definition of behavioral/personal development CPE, maximum hours increased from 8 to 12.	The Board will accept a maximum of twelve hours of the forty in behavioral/personal development courses. CPE classified as behavioral/personal development center on workplace behaviors, including but not limited to time management, leadership, team building, goal setting, and other soft skills related to working in an office or professional setting
30-X-5-.02(3)	Catch-up CPE for those who have previously been actively licensed; change in make-up of catch-up CPE from 50% A&A and 25% tax to 20% A&A.	If a CPA or PA who has been licensed previously (active status) and who has since elected any status other than active wishes to return to active status, he shall make application to the Board for an annual permit to practice with proof that he has obtained forty (40) hours of continuing professional education (CPE) for each year that he was not on active status, not to exceed a total of 120 hours of CPE. Twenty percent of the hours submitted to the Board must be obtained in accounting and

		auditing courses, and all of the hours must be obtained during the three-year period preceding the date of request for an annual permit to practice. Upon satisfaction of the Board that the applicant has completed the above requirement, the Board shall issue him a permit to practice and transfer him to active status
30-X-5-.02(4)	Catch-up CPE for those who have never been actively licensed; change in make-up of catch-up CPE, up to 120 hours with 20% A&A.	If a licensee has never elected active status, has elected inactive status for more than five years, and wishes to enter the practice of public accountancy, he shall make application to the Board for an annual permit to practice with proof that he has obtained forty (40) hours of continuing professional education (CPE) for each year that he was on inactive status, not to exceed a total of 120 hours of CPE. Twenty percent of the hours submitted to the Board must be obtained in accounting and auditing courses, and all of the hours must be obtained during the three-year period preceding the date of request for an annual permit to practice. Upon satisfaction of the Board that the applicant has completed the above requirement, the Board shall issue him a permit to practice and transfer him to active status
30-X-5-.03	Chart detailing calculation of credit for various delivery methods	SEE CHART BELOW
30-X-5-.03(a)	Addition of 1/5 increment level after earning credit minimum	Credit will be given based on program length, with one fifty (50)-minute period equal to one CPE hour. One-fifth CPE hour increments (equal to 10 minutes) and one-half CPE hour increments (equal to 25 minutes) are permitted after the first CPE hour has been earned in a given learning activity for all delivery methods, except nano-learning, which is always only one-fifth credit in length. The minimum allowable credit for self-study CPE is one-half hour (25 minutes). For group and blended learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be counted as three CPE hours. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 10, the CPE hours granted should be rounded down to the nearest one-fifth hour
30-X-5-.03(b)	Addition of 1/2 credit minimum for self-study and 1/5 credit for nano-learning; Clarification of six hours course equal to 8 hours of CPE	In order to qualify, a group and blended learning program must be at least one hour (fifty-minute period) in length, a self-study program must be at least one-half hour (twenty-five minutes) in length, and a nano-learning program must be at least one-fifth hour (ten minutes) in length. Eight hours credit will be granted for a one-day or split-day session or program, provided the course or program, exclusive of the time taken by introductions, announcements or other activity which may be a part of the program, is in actual session at least six clock hours (360 minutes)

30-X-5-.03(d)	Addition of instructor/developer for credit and not just instructor	The credit to be granted for service as a lecturer, instructor/developer or discussion leader of an acceptable program will be equal to twice the number of actual hours of the lecture or session. However, no additional credit will be allowed for repetition of a program
30-X-5-.04(3)(b)	Removes prior 8-hour cap on technical sessions & clarifies that only instructional portion may qualify	Educational portions of technical sessions at meetings of recognized national and state accounting organizations and their chapters. Portions of each meeting devoted to administrative and other organizational matters cannot be included.
30-X-5-.04(3)(c)	Addition of technical committee sessions for credit	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. Portions of each meeting devoted to administrative and other organizational matters cannot be included
30-X-5-.04(3)(h)	Clarifies the requirements for group internet-based to be live webinars that provide for real-time interaction with instructors	Group internet-based education programs (live webinars) that provide for real-time interaction with the instructors.
30-X-5-.04(4)(a)	Clarification of on-demand webinars as self-study CPE & additional language requiring a qualified assessment for self-study; Removes the cap on the number of hours that can be earned through self-study	Formal self-study programs (including internet-based non-interactive programs and on-demand webinars). Permit holders claiming credit for such courses will be required to obtain evidence of satisfactory completion of the course from the sponsor. Credit will be allowed in the renewal period in which the course is completed. The Board will not approve any program of learning that does not offer sufficient evidence that the work has actually been accomplished. The amount of credit to be allowed in each case shall be determined by the Board. A qualified assessment must be used to evaluate completion before credit is allowed.
30-X-5-.04(4)(b)	Change in percentage of credit allowed for authorship from 25% to 50%	Credit may be allowed for published articles and books provided they contribute to the professional competence of the permit holder. The amount of credit so awarded will be determined by the Board. Credit for preparation of such publications may be given on a self-declaration basis up to fifty percent of the renewal period requirement. In exceptional circumstances a permit holder may request additional credit by submitting the article(s) or book(s) to the Board with an explanation of the circumstances which he feels justify a greater credit
30-X-5-.04(4)(c)	Blended-learning defined	Credit may be allowed for formal learning activities in which multiple learning formats are incorporated. CPE credit must equal the sum of the CPE credit determination for the various components of the program. A qualified assessment must be used to evaluate completion of any self-study portions of the course before credit is allowed

30-X-5-.04(4)(d)	Nano Learning defined	Credit may be allowed for tutorial programs designed to permit a participant to learn a given subject in a 10-minute time frame through the use of electronic media and without interaction with a real-time instructor. A nano learning program focuses on a single learning objective and is not paper-based. A qualified assessment must be used to evaluate completion before credit is allowed. No more than twenty-five percent of the total required hours will be allowed for nano learning courses
30-X-5-.05(5)	Remove the requirement for other states to reciprocate CPE treatment; allows for full CPE reciprocity for our out of state CPAs	A non-resident licensee seeking renewal of an annual permit in this state shall be deemed to have met the CPE requirements of this state by meeting the CPE requirements for renewal of a certificate in the state in which the licensee's principal office is located. (a) Non-resident licensees applying for renewal of an annual permit in this state shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal office is located by signing a statement to that effect on the annual registration form of this state. (b) If a non-resident licensee's principal office state has no CPE requirements for renewal of a certificate, the non-resident licensee must comply with all the CPE requirements for renewal of an annual permit in this state.

CALCULATIONS OF HOURS OF CREDIT CHART		
Qualifying CPE Program	Minimum initial credit that must be earned	After first credit has been earned, credit may be earned in these increments
Group	One (50 minutes)	One-fifth or one-half
Blended learning	One (50 minutes)	One-fifth or one-half
Self-study	One-half (25 minutes)	One-fifth or one-half
Nano-learning	One-fifth (10 minutes)	Not applicable (single nano-learning program is one-fifth credit)