

ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

NOTICE OF INTENDED ACTION

AGENCY NAME: The Alabama State Board of Public Accountancy

RULE NO. & TITLE: Section 30-X-5-.02: Hours Required

INTENDED ACTION: The Alabama State Board of Public Accountancy intends to amend Rule 30-X-5-.02

SUBSTANCE OF PROPOSED ACTION: Rule will be amended to clarify when licensees must report initial continuing professional education (CPE).

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may present their views in writing to the Executive Director of the Alabama State Board of Public Accountancy at any time until and including May 14, 2021 following the 26th day of February 2021, or, if requested in advance, by personally appearing at the Alabama State Board of Public Accountancy Board Meeting to be held at the Board's office, 770 Washington Ave, Montgomery, Alabama, 36104, at 10:00 a.m., Friday, May 14, 2021

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: May 14, 2021.

CONTACT PERSON AT AGENCY:



D. Boyd Busby, CPA
Executive Director
Alabama State Board of Public Accountancy
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Montgomery, AL 36130-0375
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TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 30 Department or Agency Alabama State Board of Public Accountancy
Rule No. 30-X-5-.02
Rule Title: Hours Required

 New X Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer *D. Boyd Busby*
D. Boyd Busby, CPA, Executive Director

Date February 15, 2021

(DATE FILED)
(STAMP)

**ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY
ADMINISTRATIVE CODE**

**CHAPTER 30-X-5
CONTINUING PROFESSIONAL EDUCATION**

TABLE OF CONTENTS

30-X-5-.01	Applicability
30-X-5-.02	Hours Required
30-X-5-.03	Calculations Of Hours Of Credit
30-X-5-.04	Programs Which Qualify
30-X-5-.05	Controls And Reporting
30-X-5-.06	Annual Permits To Practice And Experience

30-X-5-.01 Applicability.

(1) The continuing professional education requirement applies to all registered Public Accountants and Certified Public Accountants holding annual permits issued by the Board and all non-licensee owners registered with the Board.

(2) The Board may make exceptions from the continuing professional education rules where:

(a) Reasons of health, certified by a medical doctor, prevent compliance by the permit holder; or

(b) The requirement does not apply to individuals over the age of 55 who are retired from the practice of public accountancy. For purposes of this regulation, retirement is defined as not performing any of the duties of Public Accountancy, although nothing in this section shall preclude a retired CPA or PA, at least 55 years of age, from providing the following volunteer, uncompensated services: tax preparation services, participating in a government-sponsored business mentoring program, serving on the board of directors for a non-profit or governmental organization, or serving on a government-appointed advisory body. In addition, retired CPAs and PAs, at least 55 years of age, should place the word "retired" adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears. Such individuals shall notify the Board upon retirement. Retirement from the practice of public

accountancy after reaching the age of 55 shall be deemed to be reasonable cause for the failure of a certificate holder to report continuing professional education and renew his annual permit to practice under Code of Ala. 1975, §34-1-11, so as not to constitute grounds for revocation or suspension of the individual's certificate under Code of Ala. 1975, §34-1-12.

(c) The licensee informs the Board in writing that he wishes to leave the practice of public accountancy and be placed on inactive status with the Board. For purposes of this regulation, inactive status is defined as not performing any of the duties of public accountancy. Election of inactive status shall be deemed to be reasonable cause for the failure of a certificate holder to report continuing professional education and renew his annual permit to practice under Code of Ala. 1975, §34-1-11, so as not to constitute grounds for revocation as suspension of the individual's certificate under Code of Ala. 1975, §34-1-12. Certified Public Accountants or Public Accountants granted inactive status by the Board must place the word "inactive" adjacent to their CPA title or PA Registration, on which their CPA or PA title appears.

(d) Other good cause exists.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §§34-1-1, et seq.

History: Filed September 3, 1982. **Amended:** Filed November 7, 1985; June 27, 1986; January 31, 1991. **Amended:** Filed January 23, 2004; effective February 27, 2004. **Amended:** Filed July 30, 2018; effective September 13, 2018. **Amended:** Filed August 16, 2019; effective September 30, 2019.

30-X-5-.02 Hours Required.

(1) Each person to whom the continuing professional education requirement applies must complete forty (40) hours of acceptable continuing professional education each fiscal year ending September 30.

(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.

(b) At least 2 hours must be earned in a qualifying ethics course.

(c) 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.

(2) A person who ~~passes the Certified Public Accountant examination~~ elects active licensure within 5 years of passing the Certified Public Accountant examination, ~~remaining in public practice,~~ must complete at least forty (40) acceptable professional continuing education hours within the period ending one year after the September 30 following the date of ~~passage of the examination~~ initial election of active licensure.

(3) 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.

(4) 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.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §§34-1-3, 34-1-11.

History: Filed September 3, 1982. **Amended:** Filed

June 27, 1986; August 10, 1990. **Amended:** Filed August 16, 2019; effective September 30, 2019. Amended: Filed November 30, 2020