



North Carolina State Board of Certified Public Accountant Examiners
1101 Oberlin Road, Suite 104 • PO Box 12827 • Raleigh NC 27605
Phone (919) 733-4222 • Facsimile (919) 733-4209 • Web www.nccpaboard.gov

Rule-Making Hearing Scheduled for November 20, 2017

The North Carolina State Board of CPA Examiners (Board) has filed a Notice of Text with the [Office of Administrative Hearings \(OAH\)](#) to proceed to a public rule-making hearing (Hearing) to consider the attached rules.

New language is indicated by an underline and deleted language is indicated by a ~~strike-through~~.

A person may submit written comments and/or be present at the hearing to make oral comments on the attached rules. The Hearing is scheduled for 11:30 a.m. on Monday, November 20, 2017, at the Board office at 1101 Oberlin Road, Raleigh, NC 27605.

Anyone wishing to be present to speak at the hearing must notify Robert N. Brooks, the Board's Executive Director, no later than 10:00 a.m. on Monday, November 13, 2017.

Anyone wishing to submit a written comment on the rules must send the comment(s) to one of the following:

MAIL Robert N. Brooks, Executive Director
NC State Board of CPA Examiners
PO Box 12827
Raleigh NC 27605-2827

FAX (919) 733-4209, ATTN. ROBERT N. BROOKS

EMAIL rbrooks@nccpaboard.gov

All written comments must be received by the Board no later than 5:00 p.m. on December 16, 2017.

No fiscal note is required regarding these proposed rules as there is no fiscal impact on any local, state, state budget, or federal funds. No federal certification of these proposed rule changes is required as these rules are not mandated by any federal statutes or rules.



NOTICE OF TEXT

[Authority G.S. 150B-21.2(c)]

OAH USE ONLY

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

- Notice with a scheduled hearing
- Notice without a scheduled hearing
- Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 13. If a hearing is scheduled, complete block 5.
Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: NC State Board of CPA Examiners	FILED 2017 SEP 25 PM 3:30 OFFICE OF ADMIN HEARINGS
2. Link to agency website pursuant to G.S. 150B-19.1(c): www.nccpaboard.gov	
3. Proposed Action -- Check the appropriate box(es) and list <u>rule citation(s)</u> beside proposed action: <input type="checkbox"/> ADOPTION: <input type="checkbox"/> READOPTION <u>with</u> substantive changes: <input type="checkbox"/> READOPTION <u>without</u> substantive changes: <input checked="" type="checkbox"/> AMENDMENT: 21 NCAC 08F .0103 and .0502 <input type="checkbox"/> REPEAL:	
4. Proposed effective date: February 1, 2018	
5. Is a public hearing planned? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes: Public Hearing date: November 20, 2017 Public Hearing time: 11:30 am Public Hearing Location: NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104 Raleigh, NC 27605	
6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:	

7. Explain Reason For Proposed Rule(s):

21 NCAC 08F .0103 and .0502 are being amended to provide for criminal background checks for Uniform CPA Examination applicants and applicants for licensure in North Carolina to be able to determine good moral character of the applicants.

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Robert N. Brooks

Address:

NC State Board of CPA Examiners
1101 Oberlin Road Suite 104 Raleigh, NC 27605

Phone (optional): 919-733-1425

Fax (optional): 919-733-4209

E-Mail (optional): rbrooks@nccpaboard.gov

10. Comment Period Ends: December 15, 2017

11. Fiscal impact (check all that apply).

If this form contains rules that have different fiscal impacts, list the rule citations beside the appropriate impact.

- State funds affected
- Environmental permitting of DOT affected
Analysis submitted to Board of Transportation
- Local funds affected
- Substantial economic impact (≥\$1,000,000)
- Approved by OSBM
- No fiscal note required by G.S. 150B-21.4
- No fiscal note required by G.S. 150B-21.3A(d)(2)

12. Rule-making Coordinator:

Felecia F. Ashe

Address:

NC State Board of CPA Examiners
1101 Oberlin Road Suite 104
Raleigh, NC 27605

Phone: 919-733-4223

E-Mail: feleciaa@nccpaboard.gov

Agency contact, if any:

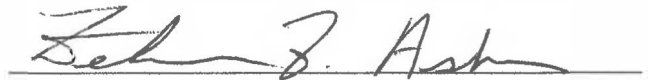
Phone:

E-mail:

13. The Agency formally proposed the text of this rule(s) on

Date: September 18, 2017

14. Signature of Agency Head* or Rule-making Coordinator:



***If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.**

Typed Name: Felecia F. Ashe

Title: Accounting Specialist

TITLE 21 – OCCUPATIONAL LICENSING BOARDS AND COMMISSIONS

CHAPTER 08 – BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Notice is hereby given in accordance with G.S. 150B-21.2 that the State Board of CPA Examiners intends to amend the rules cited as 21 NCAC 08F .0103 and .0502.

Link to agency website pursuant to G.S. 150B-19.1(c): www.nccpaboard.gov

Proposed Effective Date: *February 1, 2018*

Public Hearing:

Date: *November 20, 2017*

Time: *11:30 a.m.*

Location: *NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104, Raleigh, NC 27605*

Reason for Proposed Action: *21 NCAC 08F .0103 and .0502 are being amended to provide for criminal background checks for Uniform CPA Examination applicants and applicants for licensure in North Carolina to be able to determine good moral character of the applicants.*

Comments may be submitted to: *Robert N. Brooks, NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104, Raleigh, NC 27605; phone (919) 733-1425; fax (919) 733-4209; email rbrooks@nccpaboard.gov*

Comment period ends: *December 15, 2017*

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

Fiscal impact (check all that apply).

- State funds affected**
- Environmental permitting of DOT affected**
Analysis submitted to Board of Transportation
- Local funds affected**
- Substantial economic impact (≥\$1,000,000)**
- Approved by OSBM**
- No fiscal note required by G.S. 150B-21.4**

SUBCHAPTER 08F - REQUIREMENTS FOR CERTIFIED PUBLIC ACCOUNTANT EXAMINATION AND CERTIFICATE APPLICANTS

SECTION .0100 - GENERAL PROVISIONS

21 NCAC 08F .0103 FILING OF EXAMINATION APPLICATIONS AND FEES

(a) All applications for CPA examinations shall be filed with the Board and accompanied by the examination fee. The Board sets the fee for each examination at the amount that enables the Board to recover its actual costs of examination services. If a check or credit card authorization fails to clear the bank, the application shall be deemed incomplete and returned. CPA Exam applications and fee information are on the Board's website at www.nccpaboard.gov and may be requested from the Board.

(b) The initial application filed to take the examination shall include supporting documentation demonstrating that all legal requirements have been met, including:

- (1) minimum legal age;
- (2) education; and
- (3) good moral character.

(c) Any person born outside the United States shall furnish to the Board office evidence of citizenship; evidence of resident alien status; or

- (1) other bona fide evidence that the applicant is legally allowed to remain in the United States;
- (2) a notarized affidavit of intention to become a U.S. citizen; or
- (3) evidence that the applicant is a citizen of a foreign jurisdiction that extends to citizens of this State like or similar privileges to be examined.

- (d) Official transcripts (originals-, not photocopies) signed by the college registrar and bearing the college seal are required to prove education and degree requirements. A letter from the college registrar of the school may be filed as documentation that the applicant has met the graduation requirements if the degree has not been awarded and posted to the transcript. No examination grades shall be released until an official transcript is filed with the Board confirming the education requirement as stated in the college registrar's letter.
- (e) Applicants for re-examination shall not re-submit official transcripts, additional statements, or affidavits regarding education.
- (f) To document good moral character as required by G.S. 93-12(5), three persons not related by blood or marriage to the applicant shall sign the application certifying the good moral character of the ~~applicant~~. applicant and the Board shall conduct a background check of the applicant including a check of criminal records.
- (g) An applicant shall include as part of any application for the CPA examination a statement of explanation and a certified copy of the final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense. An applicant shall not be required to disclose any arrest, charge, or conviction that has been expunged by the court.
- (h) If an applicant has been denied any license by any state or federal agency, the applicant shall include as part of the application for the CPA examination a statement explaining such denial. An applicant shall include a statement of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by a state or federal agency and has been disciplined by that agency.
- (i) Two identical photographs shall accompany the application for the CPA examination. These photographs shall be of the applicant alone, 2x2 inches in size, front view, full face, taken in normal street attire without a hat or dark glasses, printed on paper with a plain light background and taken within the last six months. Photographs may be in black and white or in color. Retouched photographs shall not be accepted. Applicants shall write their names on the back of their photographs.
- (j) If an applicant's name has legally changed and is different from the name on any transcript or other document supplied to the Board, the applicant shall furnish copies of the documents legally authorizing the name change.
- (k) Candidates shall file initial and re-exam applications to sit for the CPA Examination on forms provided by the Board.
- (l) Examination fees are valid for a six-month period from the date of the applicant's notice to schedule for the examination from the examination vendor.
- (m) No application for examination shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having pled to a criminal charge.

Authority G.S. 93-2; 93-9(12); 93-10; 93-12(3); 93-12(4); 93-12(5); 93-12(7).

SECTION .0500 - APPLICATIONS FOR CERTIFICATES

21 NCAC 08F .0502 APPLICATION FOR CPA CERTIFICATE

- (a) A person applying for a certificate of qualification shall file with the Board an application and an experience affidavit on forms provided by the Board and supporting documentation to determine that the applicant has met the statutory and rule requirements. CPA certificate applications and fee information are on the Board's website at www.nccpaboard.gov or may be requested from the Board.
- (b) The application for a CPA certificate shall include three certificates of good moral character provided by the Board and completed by ~~CPAs~~. CPAs and the Board shall conduct a background check of the applicant including a check of criminal records.
- (c) An applicant shall include as part of any application for a CPA certificate a statement of explanation and a certified copy of final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense. An applicant shall not be required to disclose any arrest, charge, or conviction that has been expunged by the court.
- (d) If an applicant has been denied any license by any state or federal agency, the applicant shall also include as part of the application for the CPA certificate a statement explaining such denial. An applicant shall include a statement of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by a state or federal agency and has been disciplined by that agency.
- (e) No application for a certificate shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having pled to a criminal charge.

Authority G.S. 93-2; 93-9(12); 93-10; 93-12(3); 93-12(5).

1 21 NCAC 08F .0103 is proposed to be amended as follows:

2
3 **21 NCAC 08F .0103 FILING OF EXAMINATION APPLICATIONS AND FEES**

4 (a) All applications for CPA examinations shall be filed with the Board and accompanied by the examination fee.
5 The Board sets the fee for each examination at the amount that enables the Board to recover its actual costs of
6 examination services. If a check or credit card authorization fails to clear the bank, the application shall be deemed
7 incomplete and returned. CPA Exam applications and fee information are on the Board's website at
8 www.nccpaboard.gov and may be requested from the Board.

9 (b) The initial application filed to take the examination shall include supporting documentation demonstrating that
10 all legal requirements have been met, including:

- 11 (1) minimum legal age;
- 12 (2) education; and
- 13 (3) good moral character.

14 (c) Any person born outside the United States shall furnish to the Board office evidence of citizenship; evidence of
15 resident alien status; or

- 16 (1) other bona fide evidence that the applicant is legally allowed to remain in the United States;
- 17 (2) a notarized affidavit of intention to become a U.S. citizen; or
- 18 (3) evidence that the applicant is a citizen of a foreign jurisdiction that extends to citizens of this State
19 like or similar privileges to be examined.

20 (d) Official transcripts (originals-, not photocopies) signed by the college registrar and bearing the college seal are
21 required to prove education and degree requirements. A letter from the college registrar of the school may be filed as
22 documentation that the applicant has met the graduation requirements if the degree has not been awarded and posted
23 to the transcript. No examination grades shall be released until an official transcript is filed with the Board
24 confirming the education requirement as stated in the college registrar's letter.

25 (e) Applicants for re-examination shall not re-submit official transcripts, additional statements, or affidavits
26 regarding education.

27 (f) To document good moral character as required by G.S. 93-12(5), three persons not related by blood or marriage
28 to the applicant shall sign the application certifying the good moral character of the ~~applicant~~. applicant and the
29 Board shall conduct a background check of the applicant including a check of criminal records.

30 (g) An applicant shall include as part of any application for the CPA examination a statement of explanation and a
31 certified copy of the final disposition if the applicant has been arrested, charged, convicted or found guilty of,
32 received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense. An applicant shall
33 not be required to disclose any arrest, charge, or conviction that has been expunged by the court.

34 (h) If an applicant has been denied any license by any state or federal agency, the applicant shall include as part of
35 the application for the CPA examination a statement explaining such denial. An applicant shall include a statement
36 of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed
37 by a state or federal agency and has been disciplined by that agency.

1 (i) Two identical photographs shall accompany the application for the CPA examination. These photographs shall
2 be of the applicant alone, 2x2 inches in size, front view, full face, taken in normal street attire without a hat or dark
3 glasses, printed on paper with a plain light background and taken within the last six months. Photographs may be in
4 black and white or in color. Retouched photographs shall not be accepted. Applicants shall write their names on the
5 ~~back of their photographs.~~

6 (j) If an applicant's name has legally changed and is different from the name on any transcript or other document
7 supplied to the Board, the applicant shall furnish copies of the documents legally authorizing the name change.

8 (k) Candidates shall file initial and re-exam applications to sit for the CPA Examination on forms provided by the
9 Board.

10 (l) Examination fees are valid for a six-month period from the date of the applicant's notice to schedule for the
11 examination from the examination vendor.

12 (m) No application for examination shall be considered while the applicant is serving a sentence for any criminal
13 offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally
14 suspended sentence, any of which are imposed as a result of having been convicted or having pled to a criminal
15 charge.

16
17 *History Note: Authority G.S. 93-2; 93-9(12); 93-10; 93-12(3); 93-12(4); 93-12(5); 93-12(7);*

18 *Eff. February 1, 1976;*

19 *Readopted Eff. February 1, 2016; September 26, 1977;*

20 *Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; August 1,*
21 *1998; February 1, 1996; April 1, 1994; March 1, 1990; May 1, 1989;*

22 *Readopted Eff. February 1, 2016;*

23 *Amended Eff. February 1, 2018.*