



North Carolina State Board of Certified Public Accountant Examiners

MEMORANDUM

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FROM: Robert N. Brooks, Executive Director 

DATE: July 30, 2019

RE: Report of Board Activities for Year Ended March 31, 2019

As required by Chapter 93B of the North Carolina General Statutes, the North Carolina State Board of Certified Public Accountant Examiners submits the following report of the Board's activities for the year ended March 31, 2019:

1) ADDRESS OF THE BOARD

The Board maintains its physical office at 1101 Oberlin Road, Suite 104, Raleigh, NC 27605-1169. The Board's mailing address in PO Box 12827, Raleigh, NC 27605-2827. The Board's primary telephone number is (919) 733-4222. The Board's website address is nccpaboard.gov.

MEMBERS OF THE BOARD

As of the date of this report, the members of the Board are as follows:

Name	City	Term Expires
Barton W. Baldwin, CPA	Mt. Olive, NC	06-30-2022
Bernita W. Demery, CPA	Greenville, NC	06-30-2022
Gary R. Massey, CPA	Raleigh, NC	06-30-2021
Michael S. Massey, CPA	Morrisville, NC	06-30-2021
Wanda B. Taylor, Esq.	Raleigh, NC	06-30-2021
Jeffrey J. Truitt, Esq.	Cary, NC	06-30-2019
Arthur M. Winstead, Jr., CPA	Greensboro, NC	06-30-2020

1a) LICENSEES SUPERVISED BY THE BOARD

The number of licensees supervised by the Board as of March 31, 2019, was 21,903.

2) EXAMINATION APPLICATIONS RECEIVED

The Board received 2,868 applications for the examination sections administered between April 1, 2018, and March 31, 2019.

3) EXAMINATION APPLICATIONS DENIED

The Board denied 36 applications received for the examination sections administered between April 1, 2018, and March 31, 2019. These applications were denied for failure to meet the requirements for examination as established by North Carolina General Statute 93-12 and Title 21, Chapter 08F of the North Carolina Administrative Code.

4) EXAMINATION APPLICANTS TAKING THE EXAM

Between April 1, 2018, and March 31, 2019, the Board approved 2,095 applicants to take the examination and 3,803 sections of the examination were taken.

5) INITIAL LICENSES ISSUED

During the fiscal year, the Board issued 584 original CPA licenses.

5a) EXAMINATION APPLICANTS FAILING THE EXAMINATION

Between April 1, 2018, and March 31, 2019, 1,429 individuals failed one of the four sections of the examination.

6) RECIPROCAL LICENSES APPLIED FOR

During the fiscal year, the Board received 395 applications for licensure by reciprocity.

7) RECIPROCAL LICENSES ISSUED

During the fiscal year, the Board issued 377 reciprocal CPA licenses.

7a) COMPLAINTS

During the fiscal year, the Board received 451 complaints against licensees and non-CPAs.

7b) DISCIPLINARY ACTIONS

During the fiscal year, the Board took disciplinary or other action against 60 licensees and non-CPAs.

8) LICENSES SUSPENDED OR REVOKED

During the fiscal year, the Board suspended 16 licenses. The Board revoked nine licenses during the fiscal year.

9) LICENSES TERMINATED

During the fiscal year, the Board terminated one CPA license for reasons other than failure to pay the required renewal fee.

10) ANTICIPATED AMENDMENTS TO BOARD STATUTES

At this time, no amendments to Board statutes are anticipated.

11) ANTICIPATED CHANGES OR ADOPTIONS TO BOARD RULES

The Board is in process of rule-making during its fiscal year (see attached Notices of Rule-Making Hearings).

Enclosure 2018-2019 Financial Audit Report

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 Board of Certified Public Accountant Examiners intends to amend the rule cited as 21 NCAC 08F .0105.

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

Proposed Effective Date: *January 1, 2020*

Public Hearing:

Date: *May 23, 2019*

Time: *10:00 a.m.*

Location: *1101 Oberlin Road, Suite 104, Raleigh, NC 27605*

Reason for Proposed Action: *21 NCAC 08F .0105 explains how many times a Uniform CPA Examination (Exam) candidate can take the same section of the Exam. The Exam vendor is changing when an Exam candidate may retake the same section of the Uniform CPA Examination.*

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

Comment period ends: *July 1, 2019*

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. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- State funds affected
- Local funds affected
- Substantial economic impact (\geq \$1,000,000)
- Approved by OSBM
- No fiscal note required

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

SECTION .0100 - GENERAL PROVISIONS

21 NCAC 08F .0105 CONDITIONING REQUIREMENTS

- (a) **Passing Grades.** A candidate shall pass all sections of the examination with a grade of 75 or higher on each section.
- (b) **Military Service.** A candidate who is on active military service shall not have the time on active military service counted against Subparagraph (c)(1) of this Rule unless the candidate applies to take the examination during the active military service, in which case each month a candidate sits shall be counted toward Subparagraph (c)(1) of this Rule.
- (c) A candidate is subject to the following conditioning requirements:
- (1) a candidate shall obtain a passing grade on all sections of the examination within an 18-month period;
 - (2) a candidate may sit for any section of the examination individually;
 - (3) a candidate may sit for each retake the same section of the examination ~~up to four~~ as many times during a one-year period ~~but not more than one time in a three-month testing window as defined by~~ as determined by the examination ~~vendors(s); vendor(s);~~ and
 - (4) credit awarded by the Board for passage of a section of the examination is valid for an 18-month period beginning on the date the section is taken.

*History Note: Authority G.S. 93-12(3); 93-12(5);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. February 1, 2011; January 1, 2006; January 1, 2004; August 1, 1998; April 1, 1994; April 1, 1991;
March 1, 1990;*

*Readopted Eff. February 1, 2016;
Amended Eff. January 1, 2020.*

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 Board of Certified Public Accountant Examiners intends to amend the rules cited as 21 NCAC 08G .0401, .0403, .0404, .0406, .0409 and repeal the rules cited as 21 NCAC 08G .0405 and .0410.

Pursuant to G.S. 150B-21.17, the Codifier has determined it impractical to publish the text of rules proposed for repeal unless the agency requests otherwise. The text of the rule(s) are available on the OAH website at <http://reports.oah.state.nc.us/ncac.asp>.

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

Proposed Effective Date: January 1, 2020

Public Hearing:

Date: September 23, 2019

Time: 10:00 a.m.

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

Reason for Proposed Action: All the rules in Subchapter 08G Continuing Professional Education (CPE) were reviewed, clarified, and amended to comply with current professional standards by a Joint Task Force of the NC State Board of CPA Examiners (Board and the North Carolina Association of CPAs and reviewed and approved by the Board for rule-making.

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

Comment period ends: September 30, 2019

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. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- State funds affected
- Local funds affected
- Substantial economic impact (\geq \$1,000,000)
- Approved by OSBM
- No fiscal note required

SUBCHAPTER 08G - CONTINUING PROFESSIONAL EDUCATION (CPE)

SECTION .0400 - CPE REQUIREMENTS

21 NCAC 08G .0401 CPE REQUIREMENTS FOR CPAS

(a) In order for a CPA to receive ~~CPE credit for a course;~~ credit for CPE activities;

- (1) the CPA shall attend or complete the ~~course activity~~ and receive a certificate of completion as set forth ~~in Rule .0403(e)(13) of this Section;~~ in the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Professional Education (CPE) Programs, including subsequent amendments and editions, which are hereby incorporated by reference. Copies of the Standards for CPE Program Sponsors can be found at no cost on the NASBA website at www.nasbaregistry.org/the-standards;
- (2) the ~~course activity~~ shall meet the requirements set out in ~~Rule .0404(a) and (e) Rule .0404~~ of this Section; and
- (3) the ~~course activity~~ shall increase the professional competency of the CPA.

(b) ~~A course~~ An activity that increases the professional competency of a CPA shall be ~~a course an activity~~ in an area ~~of accounting of the profession~~ in which the CPA practices or is planning to ~~practice in the future, practice, or~~ in the area of professional ~~ethics, or an area of the profession.~~ ethics.

(c) Because of differences in the education and experience of CPAs, ~~a course an activity~~ may contribute to the professional competence of one CPA but not another. Each CPA shall therefore exercise judgment in selecting ~~courses activities~~ for which CPE credit is claimed and choose only those that contribute to that CPA's professional competence.

(d) Active CPAs shall complete ~~40 CPE hours, 2,000 CPE minutes~~ computed in accordance with Rule .0409 of this Section by December 31 of each year, except as follows:

- (1) CPAs having certificate applications approved by the Board in ~~April-June~~ April to June shall complete ~~30 CPE hours~~ 1,500 CPE minutes during the same calendar year;
- (2) CPAs having certificate applications approved by the Board in ~~July-September~~ July to September shall complete ~~20 CPE hours~~ 1,000 CPE minutes during the same calendar year; or
- (3) CPAs having certificate applications approved by the Board in ~~October-December~~ October to December shall complete ~~10 CPE hours~~ 500 CPE minutes during the same calendar year; and

Any CPE minutes completed during the calendar year in which the certificate application is approved may be used for that year's requirement even if the minutes were completed before the certificate was granted.

~~(e) There shall be no CPE requirements for inactive CPAs. A CPA shall complete a minimum of 50 CPE minutes annually in activities on regulatory or behavioral professional ethics and conduct. Ethics CPE shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.~~

~~(f) There shall be no CPE requirements for inactive CPAs.~~

~~(f)(g) Any CPE hours completed during the calendar year in which the certificate is approved may be used for that year's requirement even if the hours were completed before the certificate was granted. When a CPA has completed more than the required number of hours minutes of CPE in any one calendar year, the extra hours, not in excess of 20 hours, up to 1,000 minutes shall be carried forward and treated as hours minutes earned in the following year. Ethics CPE hours minutes may shall not be included in any carry forward hours. minutes to meet the requirement of Paragraph (e) of this Rule. A CPA shall not claim CPE credit for courses activities taken in any year prior to the year of certification.~~

~~(g)(h) Any CPE hours minutes used to satisfy the requirements for change of status as set forth in 21 NCAC 08J .0105, for reissuance as set forth in 21 NCAC 08J .0106 21 NCAC 08J .0106, or for application for a new certificate as set forth in Rule 08I .0104 of this Chapter may be used to satisfy the annual CPE requirement set forth in Paragraph (d) of this Rule.~~

~~(h)(i) It shall be the CPA's responsibility to maintain records substantiating the CPE credits claimed for the current year and for each of the four calendar years prior to the current year.~~

~~(i)(j) A non-resident licensee may satisfy the annual CPE requirements including this Rule in the jurisdiction in which he or she where the CPA is licensed and currently works or resides. If there is no annual CPE requirement in the jurisdiction in which he or she where the CPA is licensed and currently works or resides, he or she the CPA shall comply with Paragraph (d) of this Rule. A non-resident licensee whose office is in North Carolina shall comply with Paragraph (e) of this Rule. All other non-resident licensees may satisfy Paragraph (e) of this Rule by completing the ethics requirements in the jurisdiction in which the non-resident licensee is licensed as a CPA and works or resides. If there is no ethics CPE requirement in the jurisdiction where the non-resident licensee is licensed and currently works or resides, the non-resident licensee shall comply with Paragraph (e) of this Rule.~~

History Note: Authority G.S. 93-12(3); 93-12(8b);

Eff. May 1, 1981;

Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; August 1, 1995; April 1, 1994; May 1, 1989; September 1, 1988;

Readopted Eff. February 1, 2016;

Amended Eff. January 1, 2020.

21 NCAC 08G .0403 QUALIFICATION OF CPE SPONSORS

~~(a) The Board shall not register either CPE activities nor sponsors or providers of CPE courses or CPE courses. activities.~~

~~(b) CPE providers not in good standing on the NASBA National Registry of CPE Sponsors shall comply with the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Professional Education (CPE) Programs found on the NASBA website at www.nasbaregistry.org.~~

~~(b)(c) Sponsors of continuing education programs activities that are listed in good standing on the NASBA National Registry of CPE Sponsors shall be considered by the Board as compliant with the CPE requirements of Paragraph (e) of this Rule. Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Profession Education (CPE) Programs found on the NASBA website at www.nasbaregistry.org.~~

~~(e) CPE providers not in good standing on the NASBA National Registry of CPE Sponsors shall meet the following requirements:~~

- ~~(1) have an individual who did not prepare the course review each course to be sure it meets the standards for CPE;~~
- ~~(2) state the following in every brochure or other publication or announcement concerning a course:
 - ~~(A) the general content of the course and the specific knowledge or skill taught in the course;~~
 - ~~(B) any prerequisites for the course and any advance preparation required for the course and if none, that shall be stated;~~
 - ~~(C) the level of the course, such as basic, intermediate, or advanced;~~
 - ~~(D) the teaching methods to be used in the course;~~
 - ~~(E) the amount of sponsor recommended CPE credit a CPA who takes the course may claim; and~~
 - ~~(F) the date the course is offered, if the course is offered only on a certain date, and, if applicable, the location;~~~~
- ~~(3) ensure that the instructors or presenters of the course are qualified to teach the subject matter of the course and to apply the instructional techniques used in the course;~~
- ~~(4) evaluate the performance of an instructor or presenter of a course to determine whether the instructor or presenter is suited to serve as an instructor or presenter in the future as follows:
 - ~~(A) before the course's conclusion, provide for the attendees an opportunity to evaluate the quality of the course by questionnaires, oral feedback, or other means, in order to determine whether the course's objectives have~~~~

been met, its prerequisites were necessary, the facilities used were satisfactory, and the course content was appropriate for the level of the course; and

(B) systematically review the evaluation process to ensure its effectiveness;

- (5) encourage participation in a course only by those who have the education and experience for the level of the course;
- (6) distribute course materials to participants;
- (7) use physical facilities for conducting the course that are consistent with the instructional techniques used;
- (8) assign the number of CPE credits each participant may be eligible to receive by either:
 - (A) monitoring attendance at a group course; or
 - (B) testing in order to determine if the participant has learned the material presented;
- (9) inform instructors and presenters of the results of the evaluation of their performances;
- (10) retain for five years from the date of the course presentation or completion:
 - (A) a record of participants completing course credit requirements;
 - (B) an outline of the course;
 - (C) the date and location of presentation;
 - (D) the participant evaluations or summaries of evaluations;
 - (E) the documentation of the instructor's qualifications; and
 - (F) the number of contact hours recommended for each participant;
- (11) have a visible, continuous, and identifiable contact person who is charged with the administration of the sponsor's CPE programs that has the responsibility and shall be accountable for assuring and demonstrating compliance with this Rule by the sponsor or by any other organization working with the sponsor for the development, distribution, or presentation of CPE courses;
- (12) develop and promulgate policies and procedures for the management of grievances including tuition and fee refunds; and
- (13) provide persons completing course requirements with written proof of completion indicating the participant's name, the name of the course, the date the course was held or completed, the sponsor's name and address, and the number of CPE hours calculated and recommended in accordance with Rule .0409 of this Section.

(d) Failure of a National Registry of CPE Sponsor to comply with the terms of this Rule shall be grounds for the Board to disqualify the sponsor as a CPE sponsor with this Board and to notify NASBA and the public of this action.

History Note: Authority G.S. 93-12(3); 93-12(8b);

Eff. May 1, 1981;

Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; March 1, 1990; May 1, 1989; August 1, 1988;

February 1, 1983;

Readopted Eff. February 1, 2016.

Amended Eff. January 1, 2020.

21 NCAC 08G .0404 REQUIREMENTS FOR CPE CREDIT

(a) A CPA shall not be granted CPE credit for a ~~course~~ an activity unless the ~~course~~ activity is in one of the fields of study listed in the NASBA Fields of Study, including subsequent amendments and editions, which are hereby incorporated by reference. Copies of the NASBA Fields of Study can be found at no cost on the NASBA website at www.nasbaregistry.org/the-standards.

- (1) ~~is in one of the seven fields of study recognized by the Board and set forth in Paragraph (b) of this Rule;~~
- (2) ~~is developed by an individual who has education and work experience in the subject matter of the course; and~~
- (3) ~~uses instructional techniques and materials that are current and accurate as set forth by Rule .0403 of this Section.~~

(b) ~~The seven fields of study recognized by the Board are:~~

- (1) Accounting and Auditing
 - (A) Accountancy
 - (B) Accounting—Governmental
 - (C) Auditing
 - (D) Auditing—Governmental
- (2) Consulting Services
 - (A) Administrative Practice
 - (B) Social Environment of Business
- (3) Ethics
 - (A) Behavioral Ethics
 - (B) Regulatory Ethics
- (4) Management
 - (A) Business Law
 - (B) Business Management and Organization
 - (C) Finance
 - (D) Management Advisory Services
 - (E) Marketing
- (5) Personal Development
 - (A) Communications
 - (B) Personal Development
 - (C) Personnel/HR

- (6) Special Knowledge and Applications
 - (A) Computer Science
 - (B) Economics
 - (C) Mathematics
 - (D) Production
 - (E) Specialized Knowledge and Applications
 - (F) Statistics
- (7) Tax

~~(e)(b)~~ The following ~~may shall~~ qualify as acceptable types of ~~continuing education programs, CPE activities~~, provided the ~~programs activities~~ comply with the requirements set forth in ~~Paragraph (a) of this Rule: Rule .0403(b) or (c) of this Section:~~

- (1) professional development ~~programs activities~~ of national and state accounting organizations;
- (2) technical sessions at meetings of national and state accounting organizations and their chapters;
- (3) courses taken at regionally accredited colleges and universities;
- (4) educational ~~programs activities~~ that are designed and intended for continuing professional education activity conducted within a business, accounting firm, or an association of accounting firms; or
- (5) correspondence ~~courses activities~~ that are designed and intended for continuing professional ~~education activity-education.~~

~~(d)(c)~~ CPE credit ~~may shall~~ be granted for ~~teaching a CPE course instructing~~ or authoring a ~~publication CPE activity~~ as long as the ~~preparation to teach or write~~ increased the CPA's professional competency ~~was increased~~ and was in one of the seven fields of study recognized by the Board and ~~Board, as~~ set forth in Paragraph ~~(b)(a)~~ of this Rule.

~~(e)(d)~~ CPE credit shall not be granted for a self-study ~~course activity~~ if the material that the CPA must study to take the examination is not designed for CPE purposes. This includes periodicals, guides, magazines, subscription services, books, reference ~~manuals manuals~~, and supplements that contain an examination to test the comprehension of the material read.

~~(f)(e)~~ A CPA may claim credit for a ~~course an activity~~ offered by a ~~non-registered sponsor provided that provider if~~ the ~~course activity~~ meets the requirements of this Rule and ~~Rules .0403(e), and .0409 Rule .0409~~ of this Section. The CPA shall maintain documentation proving ~~that the course activity~~ met these standards.

*History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1981;
Amended Eff. January 1, 2007; January 1, 2004; August 1, 1998; February 1, 1996; March 1, 1990; May 1, 1989;
August 1, 1988; February 1, 1983;
Readopted Eff. February 1, 2016.
Amended Eff. January 1, 2020.*

21 NCAC 08G .0405 ADMINISTRATION OF REQUIREMENT

*History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1981;
Amended Eff. October 1, 1984; January 1, 1982;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014.
Repealed Eff. January 1, 2020.*

21 NCAC 08G .0406 COMPLIANCE WITH CPE REQUIREMENTS

(a) All active CPAs shall file ~~with the Board a completed a reporting of CPE reporting form minutes~~ by the July 1 renewal date of each year. The Board may audit information submitted by licensees who apply for a renewal license.

(b) If a CPA fails to complete the CPE requirements prior to the end of the previous calendar year but the CPA has completed them by June 30, the Board may:

- (1) issue a letter of warning for the first such failure within a ~~five-calendar five-calendar~~ year period; and
- (2) deny the renewal of the CPA's certificate for a period of not less than 30 days and until the CPA meets the reinstatement requirements set forth in 21 NCAC 08J .0106 for the second such failure within a ~~five-calendar five-calendar~~ year period.

*History Note: Authority G.S. 93-12(8b); 93-12(9)(e);
Eff. May 1, 1981;
Amended Eff. January 1, 2007; January 1, 2004; April 1, 1994; March 1, 1990; May 1, 1989; October 1, 1988;
Readopted Eff. February 1, 2016.
Amended Eff. January 1, 2020.*

21 NCAC 08G .0409 COMPUTATION OF CPE CREDITS

(a) ~~Group Courses: Non-College Activity.~~ CPE credit for a group ~~course activity that is not part of a college curriculum~~ shall be given based on contact ~~hours, minutes.~~ A contact hour shall be 50 minutes of instruction and one-half contact hour shall be equal to 25 minutes of instruction. For example, a group course lasting 100 minutes shall be two contact hours equaling two CPE credits. A group course lasting 75 minutes shall be one and one-half contact hours equaling one and one-half CPE credits. A group course lasting 25 minutes shall be one-half contact hour and equal to one-half CPE credit. When individual segments of a group course are less than 50 minutes, the sum of the individual segments shall be added to determine the number of contact hours. For example, five 30-minute presentations

shall be 150 minutes, which shall be three contact hours and three CPE credits. No credit shall be allowed for a segment unless the participant completes the entire segment. Internet-based programs shall employ a monitoring mechanism to verify that participants are participating during the duration of the course. No credit shall be allowed for a group course having fewer than 25 minutes of course instruction.

(b) ~~Completing a College Course. CPE credit for completing a college course in the college curriculum shall be granted based on converting the number of credit hours the college gives the CPA for completing the course. course into minutes. One semester hour of college credit shall be 15 750 CPE credits; minutes. one quarter hour of college credit shall be 10 CPE credits; and one continuing education unit shall be 10 CPE credits.~~ No CPE credit shall be given to a CPA who audits a college course. No more than 50 percent of the CPE credits required for a year shall be credits for completing a college course.

(c) ~~Self Study. Study Activity. CPE credit for a self-study course activity shall be given based on the average number of contact hours needed to complete the course. minutes needed to complete the activity as determined by the sponsor. The average completion time shall be allowed for CPE credit. A sponsor shall determine on the basis of pre-tests or NASBA word count formula the average number of contact hours of course material it takes to complete a course. A contact hour shall be 50 minutes and one-half contact hour shall be 25 minutes of course material. No self-study course may contain less than 25 minutes of course material.~~

(d) ~~Instructing Preparing or Presenting a CPE Course. Activity. CPE credit for teaching preparing or presenting a CPE course activity for CPAs shall be given based on the number of contact hours minutes spent in preparing and or presenting the course. activity. Preparing includes activities such as authoring or conducting a technical review. No more than 50 percent of the CPE credits required for a year shall be credits for preparing for and or presenting CPE courses. activities. CPE credit for preparing or presenting a course an activity shall be allowed only once a year for a course an activity prepared or presented more than once in the same year by the same CPA.~~

(e) ~~Authoring a Publication. CPE credit for published articles and books shall be given based on the number of contact hours minutes the CPA spent writing the article or book. No more than 25 percent of a CPA's required CPE credits for a year shall be credits for published articles or books. An article written for a CPA's client or business newsletter shall not receive CPE credit.~~

(f) ~~Instructing a Graduate Level College Course. CPE credit for instructing a graduate level college course above the level of accounting principles shall be given based on the number of credit hours the college gives a student for completing the course, using the calculation set forth in Paragraph (b) of this Rule. Credit shall not be given for instructing a course in which there is credit given towards an undergraduate degree. No more than 50 percent of the CPE credits required for a year shall be credits for instructing a college course.~~

(g) ~~Nano Learning Activity. CPE credit for Nano Learning, a tutorial activity without interaction with a real-time instructor that is designed to permit a participant to learn a given subject through electronic media including technology applications/processes, computer-based or web-based technology, shall be based on the number of contact minutes. Nano Learning is not a group program. This CPE activity shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.~~

(h) ~~Blended Learning Activity. A Blended Learning program offers participants learning in multiple formats or delivery methods. Activities can include lectures, discussion, guided practice, games, case studies, and simulation. The varied delivery methods include Group Live, Group Internet Based, Self Study, or Nano Learning. The primary component of the program may be concurrent (a group program) or nonconcurrent, allowing the participant to control a portion of the time and place of the learning. CPE credit for Blended Learning shall be based on the number of contact minutes incorporated in all the learning formats in the Blended Learning activity. This CPE activity shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.~~

~~(g)(i) No more than 50 percent of the CPE credits required for a year shall be credits claimed under Paragraph (d) and (f) Paragraphs (b), (d), and (f) of this Rule.~~

History Note: Authority G.S. 93-12(8b);

Eff. May 1, 1989;

Amended Eff. July 1, 2015; January 1, 2014; February 1, 2012; January 1, 2007; January 1, 2004; February 1, 1996;

April 1, 1994; March 1, 1990;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014.

Amended Eff. January 1, 2020.

21 NCAC 08G .0410 PROFESSIONAL ETHICS AND CONDUCT CPE

History Note: Authority G.S. 93-12(3); 93-12(8b); 93-12(9);

Eff. January 1, 2005;

Amended Eff. January 1, 2014; February 1, 2012; January 1, 2007; January 1, 2006;

Readopted Eff. February 1, 2016;

Repealed Eff. January 1, 2020.