



## North Carolina State Board of Certified Public Accountant Examiners

### FAQs: Non-CPA Ownership of a Firm

**Q. Am I allowed to have non-CPAs own interest in my CPA firm?**

- A.** Non-CPAs may have ownership in your CPA firm under the following conditions:
- Non-CPAs may have a minority ownership up to 49%;
  - Non-CPAs owners must be natural persons, a general partnership, or a limited liability partnership directly owned by the natural persons;
  - Non-CPAs owners must be active participants in the business;
  - The business must be the primary occupation of the non-CPA owners; and
  - Non-CPA owners must be of good moral character.

**Q. Through which forms of practice may a CPA firm with non-CPA ownership practice?**

- A.** A CPA firm with non-CPA ownership is permitted to practice through a partnership, limited liability partnership, professional corporation, or professional limited liability company.

**Q. May I use the name(s) of non-CPA owner(s) in the name of my CPA firm?**

- A.** The name(s) of non-CPA owner(s) may be used in the name of a CPA firm if "certified public accountant(s)" or "CPA(s)" is not included in or with the firm name. The CPA firm name may not use the terms "and associates" or "and company" unless the CPA firm has a minimum of two CPA partners in addition to the non-CPA partner(s).

**Q. May I list the name(s) of the non-CPA owner(s) on the CPA firm stationery and business cards? May I list the name(s) of the non-CPA owner(s) in the yellow pages?**

- A.** You are permitted to list the name(s) of any non-CPA owner(s) on the CPA firm stationery. However, if you place the term "partner" beside any partner's name, then the term "partner" must be placed beside every partner's name. The non-CPA owner(s) may have business cards indicating his or her name and title. He or she may also use the term "partner" on business cards. Non-CPA owners may not be listed in any yellow page listing under the heading "Certified Public Accountants." Membership in accounting organizations or their logos may not be used on CPA firm stationery, business cards, or advertising materials unless all partners are members of the organization and have attained the certification indicated by the logo.

**Q. Are non-CPA owners required to register with the Board?**

- A.** All non-CPA owners of a CPA firm are required to register with the Board using the ownership form provided by the Board. The name, home address, home telephone number, Social Security number/tax ID number of each non-CPA owner must be listed on the form. A sample of the CPA firm's stationery must also be provided to the Board.

- Q. Who is responsible for ensuring that the non-CPA owners of a CPA firm comply with the Board's rules on professional ethics and conduct?**
- A.** The Board does not have the authority to discipline non-CPA owners of a CPA firm for violations of the Board's rules on professional ethics and conduct. Therefore, the CPA partner who has been designated as the supervising partner of the CPA firm will be held accountable for the non-CPA owners' compliance with the Board's rules on professional ethics and conduct.
- Q. If I decide to open an additional office of the firm in another location, may a non-CPA owner supervise that office?**
- A.** The non-CPA owner may manage the office, but a CPA partner or CPA employee must actively and locally supervise the office.
- Q. Are there any Board rules that I should read and understand before forming a CPA firm with non-CPA owners?**
- A.** Before forming a CPA firm with non-CPA owners, you should be familiar with the following Board rules found in 21 NCAC:
- 08A. .0301 Definitions
  - 08J .0108 CPA Firm Registration
  - 08N .0202(b)(10) Deceptive Conduct Prohibited
  - 08N .0302 Forms of Practice
  - 08N .0307 CPA Firm Names

Questions about non-CPA ownership should be submitted, in writing, to Robert Brooks (rbrooks@nccpaboard.gov), Executive Director of the Board, and David R. Nance, CPA (dnance@nccpaboard.gov), Deputy Director. You may also contact the Board's Staff Attorney, Frank Trainor, Esq. (ftrainor@nccpaboard.gov).