



## North Carolina State Board of Certified Public Accountant Examiners

### NOTICE OF PUBLIC RULEMAKING HEARING

The North Carolina State Board of CPA Examiners will conduct a public rulemaking hearing on Monday, November 20, 2023, at 10:00 a.m. to consider amendments to 21 NCAC 08F .0105, *Conditioning Requirements*, and 21 NCAC 08F .0401, *Work Experience Required of Candidates for CPA Certification*.

The proposed amendment to 21 NCAC 08F .0105 would move the Uniform CPA Exam credit window from its current 18-month timeframe to a 30-month timeframe in line with the Uniform Accountancy Act (UAA) and the timeframe being implemented for passing the Uniform CPA Exam by boards of accountancy (jurisdictions).

The proposed amendment to 21 NCAC 08F .0401 is to return a qualifying statement removed from the rule in error, effective September 1, 2023. The North Carolina General Statutes allow work experience to be earned under the direct supervision of a licensed CPA or through other means, including obtaining four years of accounting experience. The removal of the qualifying clause “to be under the direct supervision of a CPA” appears to indicate that all experience that is required shall be under the direct supervision of a CPA, thereby eliminating the alternative options. Reinsertion of the qualifying clause will identify that the experience earned under the direct supervision of a licensed CPA must occur within one of the US jurisdictions.

The North Carolina Office of Administrative Hearings published the proposed changes in the [November 1, 2023, issue of the North Carolina Register](#).

Interested parties are encouraged to attend the Hearing to make oral comments or present written testimony on the proposed changes. Stakeholders who plan to attend the Hearing to speak on the proposed amendments must notify the Board in writing by 5:00 p.m. on Monday, November 13, 2023. The notification should include if the stakeholder supports or opposes the amendments.

Written testimony on the proposed amendments may be submitted by mail, email, or fax.

Mail: Rulemaking Comments, State Board of CPA Examiners, PO Box 12827, Raleigh, NC 27605

Email: [dnance@nccpaboard.gov](mailto:dnance@nccpaboard.gov)

Fax: (919) 733-4209, Attn: Rulemaking Comments

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

*Published to [nccpaboard.gov](http://nccpaboard.gov) on 11/01/2023 in accordance with NCGS 150B-19.*



## 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 - 14. If a hearing is scheduled, complete block 5.

Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency: Board of Certified Public Accountant Examiners

2. Link to agency website pursuant to G.S. 150B-19.1(c): <https://nccpaboard.gov/>

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

ADOPTION:

AMENDMENT: 21 NCAC 08F .0105, .0401

REPEAL:

READOPTION with substantive changes:

READOPTION without substantive changes:

REPEAL through READOPTION:

4. Proposed effective date: 04/01/2024

5. Is a public hearing planned? Yes

If yes:

Date	Time	Location
11/20/2023	10:00 am	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):**

The proposed amendments to 08F .0105 to move the score credit window from its current 18-month timeframe to a 30-month timeframe in line with the Uniform Accountancy Act and the timeframe being implemented for the Uniform CPA Exam across all jurisdictions nationwide. The proposed amendment to 08F .0401 is to return a qualifying statement that was recently removed from the rule in error. The NC general statutes allow experience to be earned both under the direct supervision of a licensed CPA or through other means including obtaining 4 years of experience in the field of accounting. The removal of the qualifying clause "to be under the direct supervision of a CPA" appears to indicate that all experience that is required shall be under the direct supervision of a CPA, eliminating the alternative options. Reinsertion of the qualifying clause will identify that the supervision earned under the direct supervision of a licensed CPA must occur under a CPA licensed within one of the US jurisdictions.

**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 email. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

**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: David R. Nance  
Address: 1101 Oberlin Rd  
Raleigh, NC 27605  
Phone (optional): 919-733-4215  
Fax (optional):  
EMail (optional) dnance@nccpaboard.gov

**10. Comment Period Ends:** 01/12/2024

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

No fiscal note required

**12. Rule-making Coordinator:**

Name: Felecia F. Ashe  
919-733-4223  
feleciaa@nccpaboard.gov

**Agency contact, if any:**

Name: David Nance  
Phone: 919-733-4215  
Email: dnance@nccpaboard.gov

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

**Date:** 09/25/2023

# ***NORTH CAROLINA REGISTER***

**VOLUME 38 • ISSUE 09 • Pages 535 – 599**

**November 1, 2023**

<b>I. EXECUTIVE ORDERS</b>	
Executive Order 287-290.....	535 – 543
<b>II. PROPOSED RULES</b>	
<b>Environmental Quality, Department of</b>	
Department.....	544 – 549
<b>Secretary of State, Department of</b>	
Department.....	549 – 580
<b>Occupational Licensing Boards and Commissions</b>	
Certified Public Accountant Examiners, Board of.....	581 – 582
<b>III. APPROVED RULES.....</b>	<b>583 – 595</b>
<b>Health and Human Services, Department of</b>	
Child Care Commission	
Medical Care Commission	
Radiation Protection Commission	
Public Health, Commission for	
<b>Justice, Department of</b>	
Sheriffs' Education and Training Standards Commission	
<b>Public Safety, Department of</b>	
Private Protective Services Board	
<b>Environmental Quality, Department of</b>	
Public Health, Commission for	
<b>State Treasurer, Department of</b>	
Local Governmental Employees' Retirement System Board of Trustees	
<b>IV. RULES REVIEW COMMISSION.....</b>	<b>596 – 599</b>

**PUBLISHED BY**

*The Office of Administrative Hearings  
Rules Division  
1711 New Hope Church Road  
Raleigh, NC 27609  
Telephone 984-236-1850  
Fax 984-236-1947*

*Donald R. van der Vaart, Director  
Ashley B. Snyder, Codifier of Rules  
Dana McGhee, Publications Coordinator  
Cathy Matthews-Thayer, Editorial Assistant  
Julie B. Eddins, Register Drafter*

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 08F .0105 and .0401.

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

Proposed Effective Date: April 1, 2024

Public Hearing:

Date: November 20, 2023

Time: 10:00 a.m.

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

Reason for Proposed Action: The proposed amendments to 08F .0105 is to move the score credit window from its current 18-month timeframe to a 30-month timeframe in line with the Uniform Accountancy Act and the timeframe being implemented for the Uniform CPA Exam across all jurisdictions nationwide. The proposed amendment to 08F .0401 is to return a qualifying statement that was recently removed from the rule in error. The NC general statutes allow experience to be earned both under the direct supervision of a licensed CPA or through other means including obtaining 4 years of experience in the field of accounting. The removal of the qualifying clause "to be under the direct supervision of a CPA" appears to indicate that all experience that is required shall be under the direct supervision of a CPA, eliminating the alternative options. Reinsertion of the qualifying clause will identify that the supervision earned under the direct supervision of a licensed CPA must occur under a CPA licensed within one of the US jurisdictions.

Comments may be submitted to: David R. Nance, 1101 Oberlin Rd, Raleigh, NC 27605; phone (919) 733-4215; email dnance@nccpaboard.gov

Comment period ends: January 12, 2024

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 a written objection to the Rules Review Commission. 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 letters via U.S. Mail, private courier service, or hand delivery to

1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

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 (>= \$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 earn a passing grade on all sections of the examination within an 18-month period; a 30-month period;
(2) a candidate may sit for any section of the examination individually and in any order;
(3) a candidate may retake the same section of the examination as many times during a one-year period as determined by the examination vendors but shall not retake a failed test section until the candidate has been notified of the score of the most recent attempt of that failed section;
(4) credit awarded by the Board for passage of a section of the examination shall be valid for an 18-month period a 30-month period from the date the passing scores are released by the examination vendors;
(5) the 18-month period 30-month period begins on the date the first passing score is released to the candidate and concludes with the sit date of the final passed examination section, regardless of when the score is released by the examination vendors for the final passed section. A candidate, after earning credit for the initial passed section, must complete the remaining test sections of the examination by the last day of the 18-month period 30-month period. If all four sections of the examination are not passed

within the ~~18-month period~~, 30-month period, credit for any test section passed outside of the ~~18-month period~~ 30-month period shall expire; and

- (6) notwithstanding Subparagraphs (c)(1), (c)(4), and (c)(5) of this Rule, the period of time in which to pass all test sections of the examination may be extended by the Board upon a showing that the credit was lost by reason of circumstances beyond the testing candidate's control.

to calculate how much work experience a candidate has acquired. Dividing that number by 52 results in the years of work experience the candidate has acquired.

- (3) Full-time-equivalent weeks are determined by the number of actual part-time hours the candidate has worked. Actual part-time hours do not include hours paid for sick leave, vacation leave, attending continuing education courses, or other time not spent directly performing accounting services. For each calendar week during which the candidate worked actual part-time hours of 30 hours or more, the candidate receives one full-time-equivalent week. The actual part-time hours worked in the remaining calendar weeks are added together and divided by 30. The resulting number is the additional number of full-time-equivalent weeks to which the candidate is entitled.

- (4) The candidate shall submit experience affidavits on a form provided by the Board from all of the relevant employers; provided that when such experience was not acquired while employed with a CPA firm, the candidate shall also submit details of the work experience and supervision on a form provided by the Board. Experience affidavits for part-time work shall contain a record of the actual part-time hours the candidate has worked for each week of part-time employment. Both the experience affidavit and the form for additional detail shall be certified by the employer's office supervisor or an owner of the firm who is a certificate holder.

- (c) Rule .0409 of this Section applies to teaching experience acquired pursuant to G.S. 93-12(5)(c)(2) and (4).

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

Authority G.S. 93-12(3); 93-12(4); 93-12(5).

**SECTION .0400 - EXPERIENCE**

**21 NCAC 08F .0401 WORK EXPERIENCE REQUIRED OF CANDIDATES FOR CPA CERTIFICATION**

(a) G.S. 93-12(5)(c) sets forth work experience alternatives, one of which is required of candidates applying for CPA certification. In connection with those requirements, the following provisions apply:

- (1) the work experience shall be acquired prior to the date a candidate applies for certification; and
- (2) all experience that is required to be under the direct supervision of a CPA shall be under the direct supervision of a licensed CPA on active status in one of the U.S. states or jurisdictions.

(b) The following provisions apply to all candidates seeking to meet the work experience requirement of G.S. 93-12(5)(c)(3) by working in the field of accounting:

- (1) One year of work experience is 52 weeks of full-time employment. The candidate is employed full-time when the candidate is expected by the employer to work for the employer at least 30 hours each week. Any other work is working part-time.
- (2) All weeks of actual full-time employment are added to all full-time equivalent weeks in order