

## **State Board of Accountancy**

### **Receiving a Connecticut Certified Public Accountant Certificate by Reciprocity**

#### **Statutory Provision**

Sec. 20-281d. Issuance of initial license to persons and license renewal. Holders of certificates from other states. Continuing education requirements. Fees. Applicants' disclosure requirements. (a) The board shall issue or renew licenses to persons who make application and demonstrate their qualifications in accordance with subsections (b) to (g), inclusive, of this section.

(b) Licenses shall be initially issued for one year and renewed annually. Applications for such licenses shall be made in such form, and in the case of applications for renewal, between such dates, as the board shall by regulation specify.

(c) An applicant for initial issuance of a license under this section shall show:

(1) That he holds a valid certificate;

(2) If the applicant's certificate was issued more than four years prior to his application for issuance of an initial license under this section, that he has fulfilled the requirements of continuing professional education that would have been applicable under subsection (e) of this section if he had secured his initial license within four years of issuance of his certificate and was now applying under subsection (e) of this section for renewal of such license.

(d) The board shall issue a certificate to a holder of a certificate issued by another state upon a showing that:

(1) The applicant passed the examination required for issuance of his certificate with grades that would have been passing grades at the time in this state; and

(2) The applicant meets all current requirements in this state for issuance of a certificate at the time the application is made; or the applicant, at the time of the issuance of the applicant's certificate in the other state, met all such requirements then applicable in this state; or the applicant has had five years of experience in the practice of public accountancy no earlier than the ten years immediately preceding the applicant's application or meets equivalent requirements prescribed by the board by regulation.

(e) For renewal of a license under this section an applicant shall show that he has completed forty hours of continuing professional education during each year from the date of issuance or last renewal. The board may prescribe, by regulation, the content, duration and organization of continuing professional education courses which contribute to the general professional competence of the applicant.

(f) For renewal of a license under this section, the board shall charge the following fees for failure to earn continuing education credits by the June thirtieth deadline:

(1) Three hundred fifteen dollars for reporting on a renewal application a minimum of forty hours of continuing professional education, any of which was earned after June thirtieth and on or by September thirtieth;

(2) Six hundred twenty-five dollars for reporting on a renewal application a minimum of forty hours of continuing professional education any of which was earned after June thirtieth and on or by December thirty-first.

(g) The board shall charge a fee of one hundred fifty dollars for the initial issuance and the professional services fee for class I, as defined in section 33-182I, for each annual renewal of such license.

(h) Applicants for initial issuance or renewal of licenses under this section shall in their applications list all states in which they have applied for or hold certificates or licenses, and each holder of or applicant for a license under this section shall notify the board in writing, within thirty days after its occurrence, of any issuance, denial, revocation or suspension of a certificate or license by another state.

(P.A. 92-212, S. 4; May Sp. Sess. P.A. 92-16, S. 51, 89; P.A. 04-36, S. 1; P.A. 05-287, S. 21; P.A. 08-52, S. 9; June Sp. Sess. P.A. 09-3, S. 235.)

History: May Sp. Sess. P.A. 92-16 replaced \$450 renewal fee with fee for professional service fee class I established pursuant to Sec. 33-182I; P.A. 04-36 amended Subsec. (d)(2) to eliminate requirement that 5 years of experience be performed outside of this state, effective April 28, 2004; P.A. 05-287 amended Subsec. (d)(2) to clarify the option to have 5 years of experience in the practice of public accountancy no earlier than the 10 years immediately preceding the applicant's application or to meet equivalent requirements prescribed by the board, effective July 13, 2005; P.A. 08-52 made a technical change in Subsec. (a), added new Subsec. (f) re license renewal fees for failure to earn continuing education credits by deadline and redesignated existing Subsecs. (f) and (g) as new Subsecs. (g) and (h), effective May 12, 2008; June Sp. Sess. P.A. 09-3 amended Subsec. (f) to increase fees from \$250 to \$315 in Subdiv. (1) and from \$500 to \$625 in Subdiv. (2) and amended Subsec. (g) to increase fee from \$75 to \$150.

### **Regulation Provisions**

20-280-21 Requirements to obtain a certified public accountant certificate (Effective April 21, 1995)

To obtain a certified public accountant certificate an applicant shall fulfill the following requirements:

(1) Application. File an application prescribed by the board.

(2) Fee. Pay the applicable statutory fee at the time the application is filed.

(3) Good character. Submit evidence satisfactory to the board of good character, as defined in subsection (b) of section 20-281c of the general statutes.

(4) Education. Possess the educational qualifications set forth in section 20-280-22 of these regulations.

(5) Examination. Pass the examination as provided in section 20-280-23 of these regulations.

(6) Ethics. Attain a grade specified by the board on such examination in professional ethics as the board may prescribe.

(7) Experience. Obtain and document the experience as provided in section 20-280-24 of these regulations.

20-280-22 Education Requirements to obtain a certified public accountant certificate (Effective June 1, 2008)

The following educational requirements shall be met before an applicant is eligible to apply for a certified public accountant certificate pursuant to section 20-280-21 of these regulations:

(a) An applicant who takes the examination prior to January 1, 2000 shall be a graduate of an accredited college with a degree of bachelor. The college shall be accredited by the regional accrediting commission subscribing to the national policies and procedures established by the Council for Higher Education Accreditation – Regional Accreditation Organization; or a college of equivalent accreditation as determined by the Connecticut State Board of Accountancy. The candidate shall have received credit for at least 46 semester hours from such an accredited college in the study of accounting and related subjects, including, but not limited to business law, economics, and finance; of which at least twenty-four semester hours shall be in the study of accounting.

(b) Notwithstanding any other provision of these regulations to the contrary, an applicant who takes the examination prior to January 1, 2000 need only have the educational qualifications set forth in subsection (a) of this section to retake any or all parts of the examination on or after January 1, 2000.

(c) An applicant who takes the examination for the first time on or after January 1, 2000 shall have completed 150 semester hours of college education, including a baccalaureate degree, at a college or university accredited by a regional accrediting commission subscribing to established national policies and procedures or of equivalent accreditation as determined by the Board. Such an applicant shall have received credit for at least 36 semester hours in accounting education, which may include the basic or introductory accounting course; at least 30 semester hours in economics and business administration education other than accounting; and at least 60 semester hours in general education. The balance may consist of any for-credit courses, including courses in excess of the minimums set forth in the preceding sentence.

(d) In lieu of subsections (a), (b) or (c) above, an applicant shall hold an authority to practice as a public accountant in the state of Connecticut under Section 20-281b of the General Statutes.

20-280-23 Examination (Effective September 9, 2008)

(a) Educational qualifications to sit for the certified public accountant's examination.

An applicant shall be eligible to apply for the examination for the first time on or after May 26, 2007 if he or she is a graduate of an accredited college with a degree of bachelor. The college shall be accredited by the regional accrediting commission subscribing to the national policies and procedures established by the Council for Higher Education Accreditation – Regional Accreditation Organization; or a college of equivalent accreditation

as determined by the Connecticut State Board of Accountancy. The candidate shall have received credit for at least 46 semester hours from such an accredited college in the study of accounting and related subjects, including, but not limited to business law, economics, and finance; of which at least twenty-four semester hours shall be in the study of accounting.

(b) Application process.

(1) Requirements to take the examination. An applicant shall:

(A) Submit to the examination service authorized by the board to administer the examination any application, documentation and proof of identity that the examination service may require, and pay any fee that the examination service may require;

(B) Submit documentation that, prior to applying for the examination, the applicant has met the educational qualifications set forth in subsection (a) of this section;

(C) Submit to the board satisfactory evidence of good character, as defined in subsection (b) of section 20-281C of the Connecticut General Statutes.

(2) Notice. The Board, or its designee, shall for each application and eligible candidate:

(A) Determine the eligibility of each applicant;

(B) Forward notice of the time and place of the examination to each eligible candidate; and

(C) Forward notification of eligibility for the computer-based examination to the National Association of the State Boards of Accountancy's National Candidate Database;

(3) Failure to appear for the examination. A candidate who fails to appear for the examination shall forfeit all fees charged for both the application and the examination.

(c) Content. The examination shall consist of the following sections:

(1) Auditing and Attestation;

(2) Financial Accounting and Reporting;

(3) Regulation;

(4) Business Environment and Concepts.

(d) Passing Grade. A candidate shall attain a scaled score of seventy-five points in each section.

(e) Granting of Credit. The exam shall be administered four times annually during three month examination periods as scheduled by the board or its designee. A candidate may take the required exam sections individually and in any order. Credit for any section(s) passed shall be valid for eighteen months from the actual date the candidate took that exam section, without having to attain a minimum score on any failed exam section and without regard to whether the candidate has taken other exam sections.

(1) Except as provided in subdivision (3) of this subsection, candidates shall pass all four exam sections of the examination within a rolling eighteen-month period, which begins on the date that the first exam section passed in taken. Any exam section passed outside the eighteen-month period shall expire and that exam section must be retaken.

(2) Candidates cannot retake a failed exam section during the same examination period.

(3) For reason of health, military service, or other individual hardship, the board may, in its discretion, extend the time limit for passing all remaining subjects beyond that set forth in section (1) of this subdivision.

(f) Credit for examinations taken out-of-state

(1) Any individual who has obtained credit for any section of the uniform certified public accountant examination as graded by the Board of Examiners of the American Institute of Certified Public Accountants from a state other than Connecticut or other examination approved by the board, and who qualifies under subsection (a) of this section to take the examination in Connecticut shall receive credit for such sections subject to the provisions of this section.

(2) A candidate who has received full credits from a state other than Connecticut shall make application on forms prescribed by the board, and such application shall be filed with the board. A candidate's out-of-state credits shall not be accepted unless at the time the candidate received his out-of-state credits the state of issuance had in effect credit procedures and standards equivalent to or stricter than those credit procedures and standards then in effect in state of Connecticut.

(g) Transitional rules for conditional credit. Candidates who, on the date a computer-based examination approved by the board is first administered in this state, have unexpired credit for passing one or more sections of the paper-and-pencil examination:

(1) Shall receive credit for passing the corresponding sections of the computer-based examination, as follows:

(A) Credit for having passed auditing in a paper and pencil format shall be deemed credit for auditing and attestation in the computer-based examination;

(B) Credit for having passed financial accounting and reporting in a paper and pencil format shall be deemed credit for financial accounting and reporting in the computer-based examination;

(C) Credit for having passed accounting and reporting taxation, managerial, and governmental and not-for-profit organizations in a paper and pencil format shall be deemed credit for regulation in the computer-based examination;

(D) Credit for having passed business law and professional responsibilities in a paper and pencil format shall be deemed credit for business environment and concepts in the computer-based examination.

(2) Shall be allowed a transition period to pass all remaining sections of the computer-based exam. The transition period shall equal the remaining number of opportunities under the paper and pencil examination, multiplied by three months. Any exam section passed outside the transition period shall expire and that exam section must be retaken.

(h) Hardship. For reason of health, military service, or other individual hardship, the board may, in its discretion, extend the term of any credit.

( i ) Cheating.

(1) Cheating by a candidate shall be deemed to invalidate any grade earned by that candidate on any section of the examination, and may warrant summary expulsion from the test site and disqualification from taking the examination for a period of time ranging from until the next administration of the examination up to a life-time ban.

(2) Actions including, but not limited to, the following may be considered cheating:

(A) Falsifying or misrepresenting educational credentials or other information required for admission to the examination;

(B) Communication between candidates inside or outside the examination site or copying another candidate's answers while the examination is in progress;

(C) Communication with others inside or outside the examination site while the examination is in process;

(D) Substitution of another person to sit in the examination site in the stead of the candidate;

(E) Possession of or reference to crib sheets, textbooks or other material or electronic media (other than that provided to the candidate as part of the examination) inside or outside the test site while the examination is in progress;

(F) Violating the nondisclosure prohibitions of the examination or aiding or abetting another in doing so;

(G) Retaking or attempting to retake an examination section by an individual who has unexpired credit for having already passed the same examination section, unless the individual has been directed to retake an examination section pursuant to Board order to participate in a "Secret Shopper" program.

(3) In any case where it appears that cheating has occurred or is occurring, the Board or its designee may summarily expel the candidate involved from the examination or move the candidate to a position in the examination center away from other examinees.

(4) In any case where the Board or its designee believes that it has evidence that a candidate has cheated on the examination, it shall conduct an investigation. Such investigation may include hearings conducted in accordance with Chapter 54 of the Connecticut General Statutes.

(5) Whenever the Board or its designee determines that a candidate has cheated on the examination, a hearing shall be conducted in accordance with Chapter 54 of the Connecticut General Statutes. Such remedy may include, but need not be limited to:

(A) Full or partial invalidation of credit for any session of the examination completed for that session;

(B) Permanently or temporarily barring the candidate from taking all, or any of the section of the examination.

(6) Whenever the Board or its designee determines that a candidate has cheated on the examination, it shall notify the national candidate database, the American Institute of Certified Public Accountants, and the test center where the examination was administered.

(7) The Board or its designee shall provide information to any State Board of Accountancy, concerning its finding its finding and actions in such cases when a candidate has applied to take the CPA examination in such other state.

(j) Scheduling changes. The Board or its designee may postpone scheduled examination, the release of grades, or the issuance of certificates due to:

(1) A breach of examination security;

(2) Unauthorized acquisition or disclosure of the contents of an examination; or

(3) Suspected or actual negligence, errors, omissions, or irregularities in conducting an examination.

#### Section 20-280-24. Experience

(Amended September 24, 2009)

(a) Amount of experience. An applicant for an initial certificate shall have the following experience:

(1) Three years if the applicant first took the examination required by subsection (e) of section 20-281-21 of the regulations of Connecticut State Agencies prior to January 1, 2000 and possesses the educational qualifications set forth in section 20-280-23 of of the regulations of Connecticut State Agencies but does not possess the educational qualifications set forth in section 20-280-22 of the regulations of Connecticut State Agencies.

(2) In all other cases, two years.

(b) When experience can be obtained. For experience to be credited toward the satisfaction of the requirements of this section, such experience shall have been obtained no earlier than 10 years prior to the date of receipt by the Connecticut State Board of Accountancy (the "Board") of a complete application for initial certification.

(c) Verification of experience.

(1) For experience to be credited toward the satisfaction of the requirements of this section, such experience shall be verified, in such form as the Board may require, by a person acting in one of the following capacities in relation to the applicant:

(A) As a supervising certified public accountant holding a valid certified public accountant certificate for no less than three years prior to the verification of such experience;

(B) As a supervising public accountant holding a public accountant license for no less than 3 years prior to the verification of such experience;

(C) As human resources personnel, at the direction of a supervising certified public accountant holding a valid certified public accountant license for no less than 3 years prior to verifying such experience;

(D) As human resources personnel at the direction of a supervising public accountant holding a valid public accountant license for no less than 3 years prior to verifying such experience; or

(E) As an Auditor of Public Accounts for the State of Connecticut for an applicant whose experience was obtained, in whole or in part, while employed by the Office of the Auditors of Public Accounts if no one who had held a certified public accountant license or a public accountant license for three years was in a supervisory capacity over said applicant.

(2) The Board may require an interview of an applicant and an inspection of working papers, reports and other documentation relating to the applicant's claimed experience. Such inspection may, at the option of the Board, be conducted at the Board's office or at such other location as the Board may designate, in which case any person having custody of such documentation shall produce it upon request of the Board. All verifications relative to experience shall be made under penalty of perjury.

(d) Computation of time. In computing experience for the purpose of this section, the Board shall consider thirty-five (35) hours per week as full-time employment. If an applicant worked in excess of thirty-five (35) hours in any one week, he or she shall receive a maximum of one week's full-time employment credit. The Board may accept part-time employment in satisfaction of the experience requirement, provided no credit shall be given for part-time employment for any week in which the applicant has worked for less than twenty (20) hours. The Board shall convert all part-time employment claimed for credit into full-time employment equivalents on the basis of a thirty-five (35) hour week. One year of experience shall consist of fifty-two (52) weeks and shall include vacation, holidays, and time for illness not to exceed two-hundred and forty (240) hours in the aggregate.

(e) Qualifying experience. The applicant shall demonstrate to the satisfaction of the Board that he or she has experience consisting of having provided services or advice involving the use of accounting, attest, management advisory, tax or consulting skills all of which was supervised by a licensed certified public accountant or public accountant unless otherwise specified. Such experience shall be obtained in the following categories, or any combination thereof:

(1) Public Practice: Experience may be gained through employment as a staff accountant of a firm of certified public accountants where such experience is of a non-routine accounting nature, such that it requires independent thought and judgment on accounting matters. The work shall involved application of appropriate technical and behavioral standards such as the standards contained in the Code of Professional Conduct, Generally Accepted Accounting Principles (GAAP), including International Financial Reporting Standards promulgated by the International Accounting Standards Board; Generally Accepted Auditing Standards (GAAS), including those auditing standards promulgated by the Public Company Accounting Oversight Board (PCAOB); Statements on Standards for Attestation Engagements (SSAE); Statements on Standards for Accounting and Review Services (SSARS); the Statement on Standards for Tax Services (SSTA) or the Statements on Standards for Management Consulting Services (SSMCS), collectively known as "the Professional Standards", as defined by the American Institute of Certified Public Accountants (AICPA).

Examples of work qualifying under this subsection include, but are not limited to:

(A) review and evaluation of internal control policies and procedures;

(B) testing of compliance with internal control policies and procedures;

(C) preparation of working papers or electronic documentation in connection with elements of work accomplished;

(D) planning, revision or updating of audit programs to be followed;

(E) drafting or reviewing memoranda, conclusions, notes;

(F) preparation or analysis of financial statements or reports.

(G) performance of procedures for the verification of the following kinds of accounts: accounts receivable; inventory accounts, including valuation and physical verification; bank accounts; investment accounts; fixed asset accounts, including depreciation; intangible assets; accounts payable, accrued liabilities; reserves, in accordance with specific industry requirements; unrecorded liabilities; and appropriate analytical review of revenues and expenses

(H) review and preparation of tax provisions and reserves including research for determination of tax provision and related tax reserves, research for determination of taxable earnings and profits, reconciliation of books to tax return adjustments, review of tax returns to determine adequacy of income tax reserves, analysis of tax positions taken in making judgments affecting tax provisions and reserves;

(I) preparation of financial statements from accounting records without audit and the preparation of related tax returns; performance of other related services requiring a knowledge of generally accepted accounting principles (GAAP); tax related activities; review of financial projections; accountings for estates and fiduciaries;

(J) preparation of books of original entry, preparation of payrolls, checks, payroll tax reports, sales and similar tax returns, posting to subsidiary ledgers; or

(K) design and installation of accounting, cost or other systems when not related to an extension of auditing assignments; other management advisory services.

(2) Government Practice: Experience may be gained through employment with accounting agencies or within federal, state or municipal government where such experience is of a non-routine accounting nature, such that it requires independent thought and judgment on accounting matters. The applicant shall obtain experience in assessing the adequacy of the agency's internal controls by developing an understanding of the accounting agency transaction processes and information systems. Such experience includes obtaining an understanding of the areas or industries with which the applicant's agency operates, including the operations of similar service providers. The Board will review on a case-by-case basis, experience that does not clearly match the following categories of government employment:

(A) Employment in state government as an accountant or an auditor;

(B) Employment in federal government as an accountant or auditor at a GS-7 level or higher;

(C) Employment as a special agent in accounting with the Federal Bureau of Investigations;

(D) Military service as an accountant or auditor; and

(E) Employment with other government entities, including, but not limited to municipalities, as an accountant or auditor.

(3) Industry: Experience may be gained in industry where such experience is of a non-routine accounting nature such that it continually requires independent thought and

judgment on accounting matters. The applicant shall obtain experience in assessing the adequacy of the employer's internal controls by developing an understanding of the employer's transaction processes and information systems. The applicant shall also obtain experience in tax return preparation and research, preparation and analysis of financial statements, cost accounting, budgeting, and the application of accounting principles. Such experience includes obtaining an understanding of the industry in which the applicant's employer operates, including the employer's competition and key competitiveness factors that affect the industry. Professional services performed under this category include any service offered in the course of practicing public accountancy, as defined in Section 20-279b of the Connecticut General Statutes, even though such services are not offered to the public.

(f) Content of experience: In order to be granted an initial certificate, the applicant shall demonstrate that the experience gained in the categories specified in this section included:

(1) Understanding of the Code of Conduct promulgated and adopted by the Board;

(2) The ability to assess the achievement of an entity's objectives by demonstrating knowledge of various business organizations, understanding of the goals and objectives of various business entities, the ability to develop and analyze factors, and understanding of the economic and regulatory trends that affect an entity's environment;

(3) Experience in preparing documentation that includes sufficient relevant data to support the analysis and conclusions required and reflected in the applicant's work;

(4) Experience in preparation and analysis of financial statements together with explanations and notes thereon; and

(5) Understanding transaction processes and information systems, including the ability to understand how individual transactions aggregate at the organizational level, to infer how transactions effect the organization as a whole, and to evaluate the integrity and reliability of various client information systems, including relevant computer aspects.

(g) Non conforming experience: petitioning the Board

An applicant who wishes to submit experience to support his or her application for an initial certified public accountant certificate, which does not match the scope and breadth set forth above, including, but not limited to, experience gained as an instructor at a college or university, shall bear the burden of proof to demonstrate that the experience submitted is of sufficient quality and diversity to fulfill the requirements in subsection (e) of this section.

(h) Evidence of applicant's experience

(1) Any licensee who has been requested by an applicant to submit to the Board evidence of the applicant's experience and has refused to do so shall, upon the request of the Board, explain in writing or in person the basis for such refusal.

(2) Any licensee who has furnished evidence of an applicant's experience to the Board shall, upon request by the Board, document the information in writing, by exhibit, in person, or by a combination thereof.

(3) Any applicant may be required to appear before the Board or its representative(s) to respond to questions or to supplement or verify evidence of experience in writing, by exhibit, in person or by a combination thereof.

(4) The Board may require inspection of any and all documentation relating to an applicant's claimed experience including, but not limited to, any underlying tax returns, financial statements, work papers or other documentation. The inspections may be made at the Board offices or, at Board option, at any other locations that the Board may designate. A licensee in custody of the requested documentation shall produce such documentation upon request. All documents made available to the Board pursuant to this section, shall remain protected by all applicable confidentiality and privileges.

(i) Additional ongoing experience requirements for licensees who perform or supervise attest or compilation services and who sign or authorize another to sign reports on financial statements. Any individual licensee who performs or is responsible for supervising attest or compilation services or who signs or authorizes another person to sign reports on financial statements on behalf of the firm shall meet the following additional requirements:

(1) Certified public accountant license. The individual shall hold a current valid license to practice public accountancy, in good standing, issued by the Connecticut State Board of Accountancy or by a State Board of Accountancy located in jurisdiction designated by the National Association of the State Boards of Accountancy as substantially equivalent.

(2) Competency. The individual shall meet the competency requirements set forth in the Statements on Quality Control Standards contained in the Professional Standards issued by the AICPA; and

(3) Continuing professional education. The individual shall earn 16 hours of the 40 hours of continuing professional education, required pursuant to section 20-280-25 (a) of the regulations of Connecticut State Agencies, in the subject area of attest or compilation services.