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BOA 2-2024
CHAPTER 801
OREGON BOARD OF ACCOUNTANCY

FILING CAPTION: Streamlines licensure reinstatement requirements and pathways to licensure.

EFFECTIVE DATE: 07/01/2024

AGENCY APPROVED DATE: 06/06/2024

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RULES:
801-001-0060, 801-010-0010, 801-010-0065, 801-010-0130, 801-010-0140

AMEND: 801-001-0060

RULE TITLE: Refunds

NOTICE FILED DATE: 04/05/2024

RULE SUMMARY: Allows the Oregon Board of Accountancy to issue refunds when the Board receives a payment in an excess amount.

RULE TEXT:
In the event that the Board receives payment in an excess amount legally due and payable to the Board or money for which the Board has no legal interest, the Board will refund the excess money, or money the Board has no legal interest in, subject to the following requirements:
(1) If the amount overpaid was $50 or less, the payee must request in writing, a refund from the Board; and
(2) The written request for a refund from the payee must be made within four years from the day the money was paid to the Board.

STATUTORY/OTHER AUTHORITY: ORS 673.410

STATUTES/OTHER IMPLEMENTED: ORS 673.410

AMEND: 801-010-0010

RULE TITLE: Fees, Civil Penalties and Cost Recovery

NOTICE FILED DATE: 04/05/2024

RULE SUMMARY: Lowers the reinstatement fee for retired licensees in a lapsed status.

RULE TEXT:

For the purpose of ORS 673.010 to 673.455 and 297.670 to 297.740, the Board of Accountancy shall charge the following fees:

(1) Application fees. All application fees are non-refundable.

(a) CPA Examination: all fees associated with the CPA examination process are listed on the NASBA website.

(b) CPA or PA License application fee — $225.

(c) Municipal Auditor Roster Application — $150.

(d) Lapsed license reinstatement application fee for active and inactive status — $225.

(e) Lapsed retired status license reinstatement to retired status - $100.

(f) Reciprocity / Temporary Military application fee -- $225

(2) Initial license and registration fees:

(a) Initial / Reciprocity CPA or PA License — $255.

(b) Municipal Auditor — $150.

(c) Firm Registration — $265.

(3) Biennial renewal application fees:

(a) Active CPA or PA License — $255.

(b) Inactive CPA or PA — $50.

(c) Municipal Auditor — $100.

(d) Firm Registration — $265.

(e) Retired License — $50.

(4) Late renewal fees:

(a) Active CPA or PA License — $255.

(b) Inactive CPA and PA — $50.

(c) Municipal Auditor Late Fee — $100.

(d) Firm Registration — $265.

(e) Retired License — $50.

(5) Miscellaneous fees:

(a) Copies of existing mailing lists may be provided for a fee equal to the amount necessary to prepare each list, including the cost of materials, if any, and the cost of staff time.

(b) Municipal Auditor lists shall be provided at no charge to municipal entities that are subject to audit law.

(c) Copies of records made on a standard office copy machine may be charged.(d) Staff time required to research, locate, produce, summarize or otherwise provide records may be charged.

(6) Civil Penalties assessed for Specific Violations:

(a) Failure to provide change of address in 30 day — $100.

(b) Failure to renew firm registration by January 31 — $500.

(c) Failure to respond to Notice of CPE audit and all follow-up in 21 days — $250.

(7) Cost Recovery. The Board may recover costs associated with a contested case hearing in which the Board has prevailed. The following costs may be included in cost recovery:

(a) Attorney General Fees.

(b) Administrative Hearing Costs.

(c) Cost of Investigation.

(d) Expert Witness Fees.

(8) Form of Payment:

(a) Checks or money orders shall be made payable to “Oregon Board of Accountancy”.

(b) Credit card payments may be submitted online only. Any credit card that is rejected by the bank and requested to be confiscated will be retained and returned to the bank. All payments by credit card that are rejected must be paid in full by another credit card, check or money order within ten days from notification of rejection. All payments received after Board deadlines, including, but not limited to payments for renewals, applications and civil penalties, will be considered late and a late penalty will be assessed.

STATUTORY/OTHER AUTHORITY: ORS 670.310, 673.040, 673.060, 673.100, 673.150, 673.160, 297.720, 673.153

STATUTES/OTHER IMPLEMENTED: 297.720, ORS 673, 192.440

AMEND: 801-010-0065

RULE TITLE: Qualifications for Licensure

NOTICE FILED DATE: 04/05/2024

RULE SUMMARY: Formally aligns licensure requirements in rule with passage of HB 2523 (2023) that allows sitting for the CPA exam earlier in the process. Provides a pathway to initial licensure if passage of CPA exam occurred more than eight years prior to application for licensure.

RULE TEXT:

(1) Requirements. Applicants for the license of Certified Public Accountant must meet the following requirements:

(a) Complete and pass all sections of the CPA exam

(b) Complete and pass an ethics exam that has been adopted by the Board with a score of 90 or above; and

(c) Show satisfactory evidence that the candidate has successfully completed 150 semester hours or 225 quarter hours of education that meet the requirements in OAR 801-010-0050(3); and

(d) Have a minimum of 12 months and at least 2000 hours of supervised employment.

(e) Applicants for the CPA license must obtain the experience in each of the seven competencies as described in sections (2) through (4) of this rule.

(f) Except as provided in section six (6) of this rule, the experience, ethics and examination requirements must be obtained and completed within eight years immediately preceding the date the application for license was received at the Board office.

(2) Experience Requirements:

(a) Supervisor Licensee is a person who qualifies under this rule as a supervisor for the purpose of verifying the experience requirement of an applicant for a CPA license under OAR 801-010-0065 or the experience requirement of an applicant for a public accountant license under 801-010-0100.

(b) To qualify as a supervisor licensee the person providing supervision must hold an active CPA license issued by any state or a PA license issued under ORS 673.100 during the period of supervision and for at least five of the past seven years immediately prior to such supervision. Notwithstanding, a public accountant (PA) may not act as a supervising licensee or verify an applicant's experience relating to attestation services.

(c) A supervisor licensee must provide direct supervision over an applicant and shall certify to the Board whether or not the applicant has gained qualifying experience under this rule.

(d) "Direct supervision" as used in this rule means that there is a regular and meaningful interaction between the supervisor licensee and the person being supervised in terms of planning, coordinating, guiding, inspecting, controlling, and evaluating activities, and having authority over the employee being supervised. A licensee acting as a consultant or independent contractor to the applicant's employer will not meet the requirement of direct supervision.

(e) The experience required under ORS 673.040 consists of activities generally performed by Oregon licensed CPAs and PAs engaged in the practice of public accountancy. Experience obtained while performing attest, compilations, financial advisory services or tax advisory services must be performed while employed at a public accounting firm.

(3) Experience requirement. The applicant must develop experience that demonstrates to the satisfaction of the Board that the applicant has achieved each of the following competencies, together with the supervisory licensee verification.

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

(b) Ability to assess the achievement of a client's objectives by demonstrating knowledge of various business organizations, understanding of the objectives and goals of business entities, ability to develop and analyze performance measures and critical success factors, and understanding of the economic and regulatory trends that affect the environment of a business entity.

(c) Experience in preparing working papers that include sufficient relevant data to support the analysis and conclusions required by the applicant's work.

(d) Understanding transaction streams and information systems, including the ability to understand how individual transactions aggregate at the organizational level, to infer how transactions impact the organization as a whole, and to

evaluate the integrity and reliability of various client information systems, including relevant computer aspects.
(e) Skills in risk assessment and verification demonstrated by a sufficient understanding of accounting and other information systems to;
(A) Assess the risk of misstatement in an information system;
(B) Obtain sufficient relevant data based on the risk of misstatement and the nature of the engagement to determine the appropriateness of underlying data in terms of its completeness, existence and occurrence, valuation and allocation, rights and obligations, presentation and disclosures.
(f) Skills in decision making, problem solving, critical analytical thinking, including the ability to evaluate and interpret sufficient relevant data in a variety of engagements and settings.
(g) Ability to express scope of work, findings, and conclusions, including the ability to determine when it is appropriate to issue reports on financial statements, system reliability, or reports expressing scope of work, findings and conclusions.
(4) Qualifying experience. An applicant must demonstrate to the satisfaction of the Board that the portfolio of experience submitted is of sufficient quality and diversity to meet the requirements of this rule. Qualifying experience may be obtained in the following categories:
(a) Attest Experience that demonstrates the competencies prescribed in section (3) of this rule must be obtained while the applicant is:
(A) Employed in public practice on the staff of a certified public accountant or a firm of certified public accountants;
(B) Employed in an organization where employment is equivalent to that described in paragraph (4)(a)(A) of this rule if a peer review is conducted or if such employment is with audit agencies, internal audit departments or other organizations where a peer review is conducted and the audit agency, internal audit department, or other organization is independent of the entity.
(C) Experience under this subsection must include:
(i) Conducting attest-oriented functions where third party reliance is an objective of the report;
(ii) Drafting reports in accordance with professional standards;
(iii) Drafting or evaluating the completeness and accuracy of financial statements with footnotes in accordance with generally accepted accounting principles or applicable reporting framework.
(D) "Third party reliance" as used in this rule means:
(i) Actual third party reliance, such as takes place with respect to the reader of financial statements upon which an audit opinion has been rendered by a public accountant licensed in Oregon or a certified public accountant;
(ii) Audits performed by government agencies, including tax authorities, on organizations which are not subject to management control by the auditing agency; or
(iii) Financial audits performed by independent working groups where the purpose of the audit is reliance by the board of directors on the fairness of the presentation of internally generated financial statements in accordance with generally accepted accounting principles or applicable reporting framework.
(E) Attest experience may be evaluated on a case-by-case basis to ensure that experience meets the criteria of subsections (3)(a) through (g).
(b) Tax Experience that demonstrates the competencies prescribed in section (3) of this rule must be obtained while the applicant is:
(A) Employed in public practice on the staff of a public accountant, a certified public accountant or a firm of public accountants or certified public accountants;
(B) Engaged in employment that is equivalent to that described in paragraph (4)(b)(A) of this rule.
(C) Tax experience related to subsection (3)(a) of this rule will include the practice of tax with integrity, objectivity, independence, professional judgment, due professional care, and professional skepticism.
(D) Tax experience related to subsection (3)(b) of this rule will be in the context of federal and state tax law, federal and state tax regulation, judicial precedence and other technical tax sources applied to a variety of taxable and nontaxable business entities, non-business entities, individuals, families, estates and trusts.

(E) Tax experience related to subsection (3)(c) of this rule will be in the context of records that are clearly organized, complete, cross-referenced and with adequate documentation and support for positions taken or proposed within the context of federal and state tax law, federal and state tax regulations, judicial precedence and other technical tax sources.
(F) Tax experience related to subsection (3)(d) of this rule will be in the context of the application of tax law to various types of transactions both individually and in the aggregate and both actual and proposed.
(G) Tax experience related to subsection (3)(e) of this rule will be in the context of the evaluation of the reasonableness of data provided by clients and the sufficiency and adequacy of the data to support reasonable tax positions and conclusions.
(H) Tax experience related to subsection (3)(f) of this rule will be in the context of identifying tax issues, researching technical guidance, choosing appropriate courses of action and proposing solutions.
(I) Tax experience related to subsection (3)(g) of this rule will be in the context of researching and preparing supporting documents for technical tax positions.
(J) Tax experience may be evaluated on a case-by-case basis to ensure that experience meets criteria of subsections (3)(a) through (g).
(c) Industry, goverment and not-for-profit experience. Experience that demonstrates the competencies described in section (3) of this rule may also be obtained while the applicant is employed under the direct supervision of a public accountant or certified public accountant as provided under this rule.
(A) Industry experience related to subsection (3)(a) of this rule, will include the practice of accountancy with integrity, objectivity, independence, professional judgment, due professional care and professional skepticism.
(B) Industry experience related to subsection (3)(b) of this rule, will be in the context of assessing the objectives and goals, performance measures, critical success factors and the economic and regulatory trends affecting the applicant's company and industry.
(C) Industry experience related to subsection (3)(c) will be in the context of documenting an analysis of a financial accountancy issue affecting the applicant's company from the collection and summarization of financial data to the identification of alternative conclusions such that others of equal training and experience can trace information to source data and draw similar conclusions.
(D) Industry experience related to subsection (3)(d) of this rule will be in the context of understanding the entity's transactions streams and information systems and evaluating the integrity and reliability of the resultant information.
(E) Industry experience related to subsection (3)(e) of this rule will be in the context of evaluating risks of misstated financial data within the applicant's company and taking action to mitigate those risks.
(F) Industry experience related to subsection (3)(f) of this rule will be in the context of identifying significant data trends and the impact of the trends on the applicant's company on both a short and long term basis.
(G) Industry experience related to subsection (3)(g) of this rule will be in the context of both written and oral presentation of financial information and related accounting conventions within the applicant's company that include the significance of the financial information, applicable accounting rules and consideration of alternatives and conclusions drawn.
(H) Industry, government, and not-for-profit experience may be evaluated on a case-by-case basis to ensure that experience meets criteria of subsections (3)(a) through (g).
(d) Experience, other than experience described in subsections (4)(a), (b), and (c) of this rule will be evaluated by the Board on a case-by-case basis to ensure that experience meets the criteria of subsections (3)(a) through (g).
(5) Submitting applications to the Board.
(a) An applicant's file must be complete in every particular within three months of the date of application or the file will be closed. The application fee is not refundable.
(b) An applicant's file may be included on the agenda of any meeting of the Board if the file is complete in every particular no less than fourteen days prior to the date of a scheduled Board meeting.
(6) If more than eight years have lapsed since an applicant completed and passed all sections of the CPA exam, an

applicant may apply for a Certified Public Accountant license as follows:
(a) Submit a completed application on a form provided for by the Board;
(b) Pay an initial application fee as provided for in OAR 801-010-0010(1)(b);
(c) Complete and report 80 CPE hours which must be completed within the 12 month period immediately preceding the date the application for a restored permit is received at the Board office and which are subject to the following:
(i) Credit for programs in non-technical subjects is limited to 16 CPE hours; and
(ii) Submit proof of completion certificates for each CPE course submitted; and
(iii) CPE hours used to qualify for initial licensure under this section cannot be claimed on a renewal application.
(d) Provide proof of passing a Board approved ethics exam with a score of 90 percent or higher within the 12 month period immediately preceding the date the application for a restored permit is received at the Board office (any CPE credit obtained in the course of completing the ethics exam can be applied to the 80 hours of CPE in subsection (c) above); and
(e) Provide proof of completion of one year of supervised public accountancy experience completed within three years immediately preceding the date the application for initial licensure is received at the board office. The one year of experience must comply with the experience requirements as provided for in OAR 801-010-0065(2),(3),(4).

STATUTORY/OTHER AUTHORITY: ORS 670.310, 673.410

STATUTES/OTHER IMPLEMENTED: ORS 673.040

AMEND: 801-010-0130

REPEAL: Temporary 801-010-0130 from BOA 1-2024

RULE TITLE: Reinstatement Requirements: Lapsed, Suspended, Retired or Inactive to Active Status.

NOTICE FILED DATE: 04/05/2024

RULE SUMMARY: Updates reinstatement rules for lapsed licenses.

RULE TEXT:

(1) CPE Requirements applicable to all reinstatements.

(a) CPE taken for reinstatement purposes must comply with the CPE requirements in Division 40 of the Board's CPE rules, including but not limited to contributing to the licensee's professional competence and relevancy to their practice as required by OAR 801-040-0030(1).

(b) Upon reinstatement, licensee shall complete CPE requirements described in these rules on a pro rata monthly basis, including the month of reinstatement, until the end of the renewal period in which reinstatement occurs.

(c) CPE hours used for reinstatement may not be claimed on a future renewal application in this jurisdiction.

(2) Lapsed licenses. Licenses that are not properly renewed shall lapse. Lapsed licensees are not permitted to practice public accounting or work at a public accounting firm. A Lapsed license may be reinstated to active, inactive or retired status. To reinstate to active status an individual holding a lapsed license must:

(a) Provide a detailed written description of the business and professional activities of the individual during the period of lapse, and indicate whether the individual was holding out as a CPA or PA during the period of lapse;

(b) Submit an application for reinstatement on a form provided by the Board;

(c) Submit payment of the application fee and the active renewal fee for each renewal period that the license was lapsed;

(d) Complete and report 80 CPE hours including 4 hours of ethics;

(e) Submit proof of completion certificates no older than 24 months from the date of the reinstatement application for each CPE course supporting the application for reinstatement.

(f) Credit for programs in non-technical subjects is limited to 16 CPE hours.

(3) Reinstatement from Lapsed Status to Inactive Status: A person who is lapsed may apply to reinstate the license to inactive status by:

(a) Submitting an application for reinstatement on a form provided by the Board;

(b) Paying the application and the inactive renewal fee for the renewal period in which the application is submitted;

(c) Providing a detailed written description of the business and professional activities of the individual during the period of lapse, and indicating whether the individual was holding out as a CPA or PA during the period of lapse; and

(d) Completing and submitting 32 hours of CPE including 4 hours of ethics CPE with proof of completion certificates for CPE courses taken within 24 months immediately preceding the date the reinstatement application is received at the Board office.

(e) Credit for programs in non-technical subjects is limited to 8 CPE hours.

(4) Reinstatement from Lapsed status to Retired Status: A person who is lapsed may apply to reinstate to retired status by:

(a) Submitting an application for reinstatement on a form provided by the Board;

(b) Paying the application and retired renewal fee for the renewal period in which the application is submitted; and

(c) Verifying eligibility for retired status as defined in OAR 801-010-0120(6).

(5) A license that is lapsed for more than six years or three renewal periods expires and cannot be reinstated. If a license has expired the person can:

(a) Elect to take and pass the CPA exam and apply for initial licensure. A person who elects this option must meet the requirements of OAR 801-010-0050, 801-010-0060, and 801-010-0065;

(b) If the person is licensed in another state the person can submit a reciprocity application as outlined in OAR 801-010-0080; or

(c) Seek to have the expired permit restored pursuant to OAR 801-010-0140.

(6) Inactive Status licenses reinstating to Active Status. To reinstate a license from inactive status to active status, the holder of such license shall:
(a) Submit an application for reinstatement on a form provided by the Board together with payment of the application fee and active license fee;
(b) Provide a detailed written description of the business and professional activities of the individual during the period of inactive status, and indicate whether the individual was holding out as a CPA or PA during the period of inactive status; and
(c) Complete and report 80 hours of CPE including 4 hours of ethics CPE completed within the 24 month period immediately preceding the date the application for reinstatement is received at the Board office, together with proof of completion certificates for all hours reported.
(d) Credit for programs in non-technical subjects is limited to 16 CPE hours.
(7) Reinstatement from Retired Status to Inactive Status: A retired status licensee may apply to reinstate the license to inactive status by:
(a) Submitting an application for reinstatement on a form provided by the Board together with payment of the application fee and inactive license fee;
(b) Providing a detailed written description of the business and professional activities of the individual during the period of retired status, and indicating whether the individual was holding out as a CPA or PA during the period of retired status; and
(c) Completing and submitting 32 hours of CPE including 4 hours of ethics CPE with proof of completion certificates that were taken within 24 months immediately preceding the date the reinstatement application is received at the Board office.
(d) Credit for programs in non-technical subjects is limited to 8 CPE hours.
(8) Reinstatement from Retired Status to Active Status: A retired status licensee may apply to reinstate the license to active status by:
(a) Submitting an application for reinstatement on a form provided by the Board together with payment of the application fee and active license fee;
(b) Providing a detailed written description of the business and professional activities of the individual during the period of retired status, and indicating whether the individual was holding out as a CPA or PA during the period of retired status; and
(c) Submitting 80 hours CPE including a minimum of 4 hours of ethics CPE, completed within the 24 month period immediately preceding the date the application for reinstatement is received at the Board office, together with proof of completion certificates for all hours reported.
(d) Credit for programs in non-technical subjects is limited to 16 CPE hours.
(9) Reinstatement of Suspended licenses. To reinstate a license that is suspended under ORS 673.170 to active status, the holder of such license shall:
(a) Provide evidence of satisfaction or completion of all terms and conditions stated in the order suspending the license;
(b) Provide a detailed written description of the business and professional activities engaged in by the suspended licensee during the period of suspension and certify that the suspended licensee was not holding out or otherwise representing him/herself as a CPA or PA during the period of suspension;
(c) Submit an application for reinstatement on a form provided by the Board;
(d) Submit payment of the application fee and the active renewal fee for each renewal period that the license was suspended;
(e) Complete and report the appropriate CPE hours as follows:
(A) If the license has been suspended for less than two years, complete and report 80 CPE hours plus a 16-hour CPE penalty, which must be completed within the 12 month period immediately preceding the date the reinstatement application is received at the Board office together with proof of completion certificates; or
(B) If the license has been suspended two years or more, complete and report 160 CPE hours plus a 16-hour CPE

penalty, which must be completed within the 12 month period immediately preceding the date the reinstatement application is received at the Board office together with proof of completion certificates;
(C) Complete and report (4) CPE hours of ethics.
(D) Credit for programs in non-technical subjects is limited to 16 CPE hours.
(f) The holder of a suspended license shall remain in suspended status until the holder's application for reinstatement has been approved by the Board.
(10) License holders in other jurisdictions. Licensees who hold an active license to practice public accountancy issued under the laws of another jurisdiction, whose principal place of business is in such other jurisdiction, and who wish to reinstate an Oregon license to active status must:
(a) Submit a reinstatement application provided by the Board along with evidence that the applicant holds a valid license to practice public accountancy issued by another jurisdiction; and
(b) Submit payment of the reinstatement application fee stated in OAR 801-010-0010(1)(d) together with the renewal application fee stated in OAR 801-010-0010(3)(a).
(11) 20 Hour Minimum annual CPE requirement for active status permits. Licensees whose licenses are reinstated under this rule to active status are required to meet the 20 hour minimum annual CPE requirement on a pro-rated basis, including the month of reinstatement, until the end of the renewal period in which the licensee is reinstated.

STATUTORY/OTHER AUTHORITY: ORS 670.310, 673.220

STATUTES/OTHER IMPLEMENTED: ORS 673.220

ADOPT: 801-010-0140

RULE TITLE: Restoration of an Expired Permit

NOTICE FILED DATE: 04/05/2024

RULE SUMMARY: Pathway back into the practice of public accountancy for holders of an expired permit.

RULE TEXT:

(1) A permit that is not renewed for six years after the close of the permit period expires pursuant to ORS 673.150(5)(c). The Board may restore an expired permit upon determination of just cause pursuant to ORS 673.150(5)(d). The determination of just cause is in the discretion of the Board.

(2) The Board may determine that an expired permit can be restored for just cause when a person with an expired permit submits the following:

(a) A completed application to request to restore an expired permit on a form provided for by the Board;

(b) A fee in the amount of $990;

(c) Complete and report 80 CPE hours which must be completed within the 12 month period immediately preceding the date the application for a restored permit is received at the Board office and is subject to the following:

(i) Credit for programs in non-technical subjects is limited to 16 CPE hours;

(ii) Complete and report four CPE hours in ethics; and

(iii) Submit proof of completion certificates for each CPE course submitted; and

(iv) CPE hours used for restoration of an expired permit cannot be claimed on a renewal application.

(d) Proof of passing a Board approved ethics exam with a score of 90 percent or higher; and

(e) Proof of completion of one year of supervised public accountancy experience within 3 years immediately preceding the date the application for a restored permit is received at the Board office. The one year of experience must comply with the experience requirements as provided for in OAR 801-010-0065(2) - (4).

STATUTORY/OTHER AUTHORITY: ORS 673.150

STATUTES/OTHER IMPLEMENTED: ORS 673.150