

**ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY
ADMINISTRATIVE CODE**

**CHAPTER 30-X-5
CONTINUING PROFESSIONAL EDUCATION**

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30-X-5-.01 Applicability.

(1) The continuing professional education requirement applies to all registered Public Accountants and Certified Public Accountants holding annual permits issued by the Board and all non-licensee owners registered with the Board.

(2) The Board may make exceptions from the continuing professional education rules where:

(a) Reasons of health, certified by a medical doctor, prevent compliance by the permit holder; or

(b) The requirement does not apply to individuals over the age of 55 who are retired from the practice of public accountancy. For purposes of this regulation, retirement is defined as not performing any of the duties of Public Accountancy, although nothing in this section shall preclude a retired CPA or PA, at least 55 years of age, from providing the following volunteer, uncompensated services: tax preparation services, participating in a government-sponsored business mentoring program, serving on the board of directors for a non-profit or governmental organization, or serving on a government-appointed advisory body. In addition, retired CPAs and PAs, at least 55 years of age, should place the word "retired" adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears. Such individuals shall notify the Board upon retirement. Retirement from the practice of public accountancy

after reaching the age of 55 shall be deemed to be reasonable cause for the failure of a certificate holder to report continuing professional education and renew his annual permit to practice under Code of Ala. 1975, §34-1-11, so as not to constitute grounds for revocation or suspension of the individual's certificate under Code of Ala. 1975, §34-1-12. If the retiree wishes to reenter the practice of public accountancy, he shall make application to the Board for an annual permit to practice. The Board, in its discretion, may require the retiree to obtain continuing professional education hours in excess of 40 so as to ensure the retiree is competent to practice.

(c) The licensee informs the Board in writing that he wishes to leave the practice of public accountancy and be placed on inactive status with the Board. For purposes of this regulation, inactive status is defined as not performing any of the duties of public accountancy. Election of inactive status shall be deemed to be reasonable cause for the failure of a certificate holder to report continuing professional education and renew his annual permit to practice under Code of Ala. 1975, §34-1-11, so as not to constitute grounds for revocation as suspension of the individual's certificate under Code of Ala. 1975, §34-1-12. Effective October 1, 2007, Certified Public Accountants or Public Accountants granted inactive status by the Board must place the word "inactive" adjacent to their CPA title or PA Registration, on which their CPA or PA title appears. If a licensee who has elected inactive status wishes to reenter the practice of public accountancy, he shall make application to the Board for an annual permit to practice with proof that he has obtained forty (40) hours of continuing professional education (CPE) for each year that he was on inactive status, not to exceed a total of 120 hours of CPE. Fifty percent of the hours submitted to the Board must be obtained in accounting and auditing courses, twenty-five percent of the hours obtained must be in tax courses, and all of the hours must be obtained during the three-year period preceding the date of request for an annual permit to practice. Upon satisfaction of the Board that the applicant has completed the above requirement, the Board shall issue him a permit to practice and transfer him to active status.

(d) Other good cause exists.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §§34-1-1, et seq.

History: Filed September 3, 1982. **Amended:** Filed November 7, 1985; June 27, 1986; January 31, 1991. **Amended:** Filed January 23, 2004; effective February 27, 2004. **Amended:** Filed July 30, 2018; effective September 13, 2018.

30-X-5-.02 Hours Required.

(1) Each person to whom the continuing professional education requirement applies must complete forty (40) hours of acceptable continuing professional education each fiscal year ending September 30. At least eight of the forty hours reported must be obtained in the subject of accounting and auditing. The Board will accept a maximum of eight hours of the forty in behavioral courses.

(2) A person who passes the Certified Public Accountant examination, remaining in public practice, must complete at least forty (40) acceptable professional continuing education hours within the period ending one year after the September 30 following the date of passage of the examination.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §§34-1-3, 34-1-11.

History: Filed September 3, 1982. **Amended:** Filed June 27, 1986; August 10, 1990.

30-X-5-.03 Calculations Of Hours Of Credit. The following standards will be used to measure the hours of credit to be given for acceptable continuing professional education (CPE).

(a) Credit will be given based on program length, with one fifty (50)-minute period equal to one CPE hour. One-half CPE hour increments (equal to 25 minutes) are permitted after the first CPE hour has been earned in a given learning activity. For learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be counted as three CPE hours. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE hours granted should be rounded down to the nearest one-half hour. Thus, learning activities with segments totaling 140 minutes should be granted two and one-half CPE hours; however, learning activities with segments totaling 120 minutes should be granted two CPE hours.

(b) In order to qualify, a program must be at least one hour (fifty minute period) in length. Eight hours credit will be granted for a one-day or split-day session or program, provided the course or program, exclusive of the time taken by introductions, announcements or other activity which may be a part of the program, is in actual session at least six hours.

(c) Only class hours, actual hours of attendance, or equivalent (and not student hours devoted to preparation) will be counted.

(d) The credit to be granted for service as a lecturer, instructor or discussion leader of an acceptable program will be equal to twice the number of actual hours of the lecture or session. However, no additional credit will be allowed for repetition of a program.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §34-1-3.

History: Filed September 3, 1982. **Amended:** Filed January 24, 2005; effective February 28, 2005.

30-X-5-.04 Programs Which Qualify.

(1) The overriding consideration in determining whether a specific program qualifies as acceptable continuing professional education CPE is that it be a formal program of learning which contributes directly to the professional competence of a person who is required by Section 30-X-5-.01 to meet the Board's CPE requirements. It is left up to each individual to determine the course of study to be pursued, provided that the course of study meets all applicable CPE requirements. For example, the individual in public practice may study accounting and auditing, tax, or other topics concerning their practice; individuals in government may study government related topics; and individuals in business or industry may study topics related directly to their specific business or industry.

(2) Continuing professional education programs requiring class or meeting attendance must be conducted by persons approved by the Board whose background, training, education and experience qualify them as appropriate instructors, discussion leaders or lecturers on the subject matter of the particular programs. The following programs will qualify provided all other requirements of this regulation are met:

(a) Professional development programs of recognized national and state accounting organizations.

(b) Technical sessions at meetings of recognized national and state accounting organizations and their chapters. Credit allowed for attendance at technical sessions of chapter meetings cannot exceed eight hours per year.

(c) University or college credit courses. Each semester hour credit shall equal fifteen hours toward the requirement. Each quarter hour credit shall equal ten hours.

(d) University or college noncredit courses. Each classroom hour will equal one qualifying hour.

(e) Formal organized in-firm and inter-firm education programs. Portions of each meeting devoted to administrative and firm matters cannot be included.

(f) Programs in other recognized organizations (accounting, industrial, professional, etc.).

(g) Formal internet-based education programs that provide for interaction with the instructors (interactive).

(3) Subject to condition that the subject matter meets the definition in Rule 30-X-5-.04(1), the following programs also qualify for credit:

(a) Formal correspondence or other individual study programs (including internet-based non-interactive programs). Permit holders claiming credit for such courses will be required to obtain evidence of satisfactory completion of the course from the sponsor. Credit will be allowed in the renewal period in which the course is completed. The Board will not approve any program of learning that does not offer sufficient evidence that the work has actually been accomplished. The amount of credit to be allowed in each case shall be determined by the Board. No more than one-half of the total required hours will be allowed for individual self-study programs.

(b) Credit may be allowed for published articles and books provided they contribute to the professional competence of the permit holder. The amount of credit so awarded will be determined by the Board. Credit for preparation of such publications may be given on a self-declaration basis up to twenty-five percent of the renewal period requirement. In exceptional circumstances a permit holder may request additional credit by submitting the article(s) or book(s) to the Board with an explanation of the circumstances which he feels justify a greater credit.

(4) Continuing professional education program sponsors must provide program participants with documentation of their participation, which includes the following:

(a) Continuing professional education program sponsor name and contact information.

- (b) Participant's name.
- (c) Course title.
- (d) Course field of study.
- (e) Date offered or completed.
- (f) If applicable, location and instructor name.
- (g) Type of instructional/delivery method used.
- (h) Amount of continuing professional education credit hours recommended.
- (i) Verification by continuing professional education sponsor representative.

(5) Continuing professional education program sponsors must retain adequate documentation for five years to support their compliance with these rules and the reports that may be required of participants.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §§34-1-3, 34-1-4.

History: Filed September 3, 1982. **Amended:** Filed July 9, 1987.

Amended: Filed January 24, 2005; effective February 28, 2005.

30-X-5-.05 Controls And Reporting.

(1) Annual permits to practice expire on the last day of September of each year. Applications and fees for renewal of annual permits shall be submitted to the Board no later than the last day of December of each year. Each licensee applying for renewal of an annual permit to practice public accounting must submit a signed statement to the Board, under penalty of perjury, that all applicable continuing professional education (CPE) requirements have been met and must disclose at a minimum the following information pertaining to each educational program submitted for the purpose of meeting the CPE requirements:

- (a) School, firm or organization conducting or sponsoring the course, program or study.
- (b) Location of course, program or study.
- (c) Title of program or description of content.

- (d) Principal instructor.
- (e) Dates attended.
- (f) For self-study programs, the synopsis of the study.
- (g) Number of CPE hours.

(2) Licensees shall maintain written evidence of satisfactory completion in the form of certificates of completion, attendance records, examination results, transcripts, or other such independently verifiable evidence of completion acceptable to the Board. All such evidence of completion shall be maintained for a period of five years following completion of each learning activity. The Board at its discretion may require other information it deems necessary to determine the acceptability of a program for the purposes of the continuing professional education requirements or for administration of these rules.

(3) The Board will verify on a test basis the information submitted by licensees for renewal of their annual permits. In cases where the Board determines that the CPE requirement is not met, the Board may grant an additional period of time in which the deficiencies can be resolved. Subsequent tests that reveal repeated noncompliance may result in disciplinary action by the Board. Fraudulent reporting is a basis for disciplinary action.

(4) In all cases, the responsibility for establishing that a particular course or other program for which credit is claimed is acceptable and meets these CPE rules rests solely on the licensee.

(5) A non-resident licensee seeking renewal of an annual permit in this state shall be deemed to have met the CPE requirements of this state by meeting the CPE requirements for renewal of a certificate in the state in which the licensee's principal office is located. However, this section is applicable only if the principal office state grants reciprocal treatment to its licensees residing in this state.

(a) Non-resident licensees applying for renewal of an annual permit in this state shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal office is located by signing a statement to that effect on the annual registration form of this state.

(b) If a non-resident licensee's principal office state has no CPE requirements for renewal of a certificate, the non-resident licensee must comply with all the CPE requirements for renewal of an annual permit in this state.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §34-1-3.

History: Filed September 3, 1982. **Amended:** Filed September 12, 1989. **Amended:** Filed January 24, 2005; effective February 28, 2005.

30-X-5-.06 Annual Permits To Practice And Experience.

(1) Permits to engage in the practice of public accounting shall be issued by the Board to a holder of a certified public accountant certificate issued under the laws of this state to a person who shall have furnished evidence satisfactory to the Board of one year of experience in public accounting, or its equivalent as defined in (2) below. For the purposes of this section "public accounting shall mean full-time employment by a public accounting firm as a staff accountant and supervised by a practicing certified public accountant or registered public accountant holding a valid permit to practice in this or any other state. In addition, experience as a registered public accountant shall qualify as public accounting experience.

(2) The following shall be deemed the equivalent of one year of experience in public accounting: Two years' full-time employment in the accounting field in industry, business, government or college teaching; or any combination of the above; or any combination of the above and experience in public accounting. Such experience in industry, business, government or college teaching must be properly supervised, have sufficient quality and depth, and meet one of the following criteria for the duration of that qualifying experience:

(a) For qualifying experience in industry or business, the candidate must have been employed by a person or entity in the performance of duties primarily involving the use of financial accounting and auditing skills; the installation of internal control systems; the use of management advisory, financial advisory, or consulting skills; or compliance with accounting aspects of tax or regulatory laws.

(b) For qualifying experience in government, the candidate must have been employed by a government agency recognized by the Board as having the responsibility and

organizational structure for performing auditing and accounting functions.

(c) For qualifying teaching experience, the candidate must have taught courses primarily in the accounting discipline for academic credit at a college or university accredited by the Southern Association of Colleges and Schools or its regional equivalent.

(3) The following are required for issuing a permit to practice:

(a) Compliance with the continuing education requirement.

(b) Paying the annual fee.

Author: Alabama Board of Public Accountancy

Statutory Authority: Code of Ala. 1975, §§34-1-1, et seq.

History: Filed September 13, 1991. **Amended:** Filed January 23, 2004; effective February 27, 2004.