

SUBCHAPTER 8G - CONTINUING PROFESSIONAL EDUCATION (CPE)

SECTION .0100 - GENERAL PROVISIONS

- 21 NCAC 08G .0101 COMPLIANCE WITH BOARD RULES OF PROFESSIONAL ETHICS/CONDUCT**
21 NCAC 08G .0102 DISCREDITABLE CONDUCT
21 NCAC 08G .0103 DISCIPLINE BY FEDERAL AND STATE AGENCIES OR BOARDS

History Note: Authority G.S. 55B-12; 93-12(9);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. September 1, 1992; October 1, 1992; May 1, 1989; July 1, 1987;
Repealed Eff. April 1, 1994.

- 21 NCAC 08G .0104 INELIGIBILITY DUE TO VIOLATION OF ACCOUNTANCY ACT**
21 NCAC 08G .0105 PUBLIC PRACTICE OF ACCOUNTANCY IN CORPORATE FORM

History Note: Authority G.S. 93-8; 93-12(9);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. August 1, 1983;
Repealed Eff. October 1, 1984.

- 21 NCAC 08G .0106 VIOLATION OF TAX LAWS**
21 NCAC 08G .0107 INDEPENDENCE
21 NCAC 08G .0108 INTEGRITY AND OBJECTIVITY
21 NCAC 08G .0109 COMPETENCE

History Note: Authority G.S. 55B-12; 93-12(9);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989; September 1, 1988; April 1, 1987; October 1, 1984;
Repealed Eff. April 1, 1994.

- 21 NCAC 08G .0110 INELIGIBILITY DUE TO VIOLATION OF ACCOUNTANCY ACT**

History Note: Authority G.S. 93-12(5),(9);
Eff. June 1, 1985;
Amended Eff. June 1, 1988;
Repealed Eff. May 1, 1989.

- 21 NCAC 08G .0111 PUBLIC PRACTICE OF ACCOUNTANCY IN CORPORATE FORM**

History Note: Authority G.S. 93-8; 93-12(9);
Eff. June 1, 1985;
Repealed Eff. March 1, 1987.

- 21 NCAC 08G .0112 DISCIPLINARY ACTIONS FOR VIOLATIONS**

History Note: Authority G. S. 55B-12; 93-12(9);
Eff. September 1, 1986;
Amended Eff. March 1, 1990; May 1, 1989; July 1, 1987;
Repealed Eff. April 1, 1994.

21 NCAC 08G .0113 REPORTING CONVICTIONS, JUDGMENTS AND DISCIPLINARY ACTIONS

History Note: Authority G.S. 55B-12; 93-12(9);
 Eff. October 1, 1987;
 Amended Eff. May 1, 1989; February 1, 1988;
 Repealed Eff. April 1, 1994.

21 NCAC 08G .0114 COOPERATION WITH BOARD INQUIRY

History Note: Authority G.S. 55B-12; 93-12(9);
 Eff. May 1, 1989;
 Repealed Eff. April 1, 1994.

SECTION .0200 - RESPONSIBILITIES TO CLIENTS AND COLLEAGUES

21 NCAC 08G .0201 AUDITING STANDARDS
21 NCAC 08G .0202 ACCOUNTING PRINCIPLES
21 NCAC 08G .0203 FORECASTS
21 NCAC 08G .0204 CONFIDENTIAL CLIENT INFORMATION
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History Note: Authority G.S. 55B-12; 93-12(8c); 93-12(9);
 Eff. February 1, 1976;
 Readopted Eff. September 26, 1977;
 Amended Eff. September 1, 1993; April 1, 1991; May 1, 1989; June 1, 1988;
 Repealed Eff. April 1, 1994.

21 NCAC 08G .0206 ENCROACHMENT

History Note: Authority G.S. 93-8; 93-12(9);
 Eff. February 1, 1976;
 Readopted Eff. September 26, 1977;
 Repealed Eff. November 6, 1979.

21 NCAC 08G .0207 OFFERS OF EMPLOYMENT

History Note: Authority G.S. 93-8; 93-12(9);
 Eff. February 1, 1976;
 Readopted Eff. September 26, 1977;
 Repealed Eff. August 7, 1978.

21 NCAC 08G .0208 ACCOUNTING AND REVIEW SERVICES STANDARDS
21 NCAC 08G .0209 MANAGEMENT ADVISORY SERVICES STANDARDS
21 NCAC 08G .0210 RESPONSIBILITIES IN TAX PRACTICE

History Note: Authority G.S. 55B-12; 93-12(9);
 Eff. January 1, 1983;
 Amended Eff. May 1, 1989; June 1, 1988; July 1, 1987; August 1, 1986;
 Repealed Eff. April 1, 1994.

21 NCAC 08G .0211 GOVERNMENTAL ACCOUNTING STANDARDS

History Note: Authority G.S. 55B-12; 93-12(9);

Eff. August 1, 1986;
Amended Eff. May 1, 1989; June 1, 1988; July 1, 1987;
Repealed Eff. April 1, 1994.

21 NCAC 08G .0212 ATTESTATION STANDARDS

History Note: Authority G.S. 55B-12; 93-12(9);
Eff. February 1, 1987;
Amended Eff. May 1, 1989; June 1, 1988;
Repealed Eff. April 1, 1994.

21 NCAC 08G .0213 RETENTION OF CLIENT RECORDS

History Note: Authority G.S. 55B-12; 93-12(9);
Eff. May 1, 1989;
Repealed Eff. April 1, 1994.

SECTION .0300 - OTHER RESPONSIBILITIES

21 NCAC 08G .0301 ADVERTISING OR OTHER FORMS OF SOLICITATION
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History Note: Authority G.S. 55B-5; 93-12(9);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. March 1, 1992; October 1, 1991; April 1, 1991; May 1, 1989;
Repealed Eff. April 1, 1994.

21 NCAC 08G .0307 COMPLAINTS

History Note: Authority G.S. 55B-12; 93-12(9);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. October 1, 1984; April 1, 1982; June 16, 1980;
Repealed Eff. March 1, 1987.

21 NCAC 08G .0308 RESERVED FOR FUTURE CODIFICATION

21 NCAC 08G .0309 RESERVED FOR FUTURE CODIFICATION

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History Note: Authority G.S. 55B-12; 93-12(8c); 93-12(9);
Eff. April 1, 1991;
Repealed Eff. April 1, 1994.

21 NCAC 08G .0313 FIRM NAME

History Note: Filed as a Temporary Adoption Eff. September 25, 1991 For a Period of 180 Days to Expire on March 22, 1992;
Statutory Authority G.S. 55B-5; 93-12(9);
Temporary Adoption Expired Eff. March 22, 1992.

SECTION .0400 - CPE REQUIREMENTS

21 NCAC 08G .0401 CPE REQUIREMENTS FOR CPAS

- (a) In order for a CPA to receive credit for CPE activities:
- (1) the CPA shall attend or complete the activity and receive a certificate of completion as set forth in the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Professional Education (CPE) Programs, including subsequent amendments and editions, are hereby incorporated by reference. Copies of the Standards for CPE Program Sponsors can be found at no cost on the NASBA website at www.nasbaregistry.org/the-standards;
 - (2) the activity shall meet the requirements set out in Rule .0404 of this Section; and
 - (3) the activity shall increase the professional competency of the CPA.
- (b) An activity that increases the professional competency of a CPA shall be an activity in an area of the profession in which the CPA practices or is planning to practice, or in the area of professional ethics.
- (c) Because of differences in the education and experience of CPAs, an activity may contribute to the professional competence of one CPA but not another. Each CPA shall therefore exercise judgment in selecting activities for which CPE credit is claimed and choose only those that contribute to that CPA's professional competence.
- (d) Active CPAs shall complete 2,000 CPE minutes computed in accordance with Rule .0409 of this Section by December 31 of each year, except as follows:
- (1) CPAs having certificate applications approved by the Board in April to June shall complete 1,500 CPE minutes during the same calendar year;
 - (2) CPAs having certificate applications approved by the Board in July to September shall complete 1,000 CPE minutes during the same calendar year; or
 - (3) CPAs having certificate applications approved by the Board in October to December shall complete 500 CPE minutes during the same calendar year; and
- Any CPE minutes completed during the calendar year in which the certificate application is approved may be used for that year's requirement even if the minutes were completed before the certificate was granted.
- (e) A CPA shall complete a minimum of 50 CPE minutes annually in activities on regulatory or behavioral professional ethics and conduct. Ethics CPE shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.
- (f) There shall be no CPE requirements for inactive CPAs.
- (g) When a CPA has completed more than the required number of minutes of CPE in any one calendar year, up to 1,000 minutes shall be carried forward and treated as minutes earned in the following year. Ethics CPE minutes may not be included in any carry forward minutes to meet the requirement of Paragraph (e) of this Rule. A CPA shall not claim CPE credit for activities taken in any year prior to the year of certification.
- (h) Any CPE minutes used to satisfy the requirements for change of status as set forth in 21 NCAC 08J .0105, for reissuance as set forth in 21 NCAC 08J .0106, or for application for a new certificate as set forth in Rule 08I .0104 of this Chapter may be used to satisfy the annual CPE requirement set forth in Paragraph (d) of this Rule.
- (i) It shall be the CPA's responsibility to maintain records substantiating the CPE credits claimed for the current year and for each of the four calendar years prior to the current year.
- (j) A non-resident licensee may satisfy the annual CPE requirements in the jurisdiction where the CPA is licensed and currently works or resides. If there is no annual CPE requirement in the jurisdiction where the CPA is licensed and currently works or resides, the CPA shall comply with Paragraph (d) of this Rule. A non-resident licensee whose office is in North Carolina shall comply with Paragraph (e) of this Rule. All other non-resident licensees may satisfy Paragraph (e) of this Rule by completing the ethics requirements in the jurisdiction in which the non-resident licensee is licensed as a CPA and works or resides. If there is no ethics CPE requirement in the jurisdiction where the non-resident licensee is licensed and currently works or resides, the non-resident licensee shall comply with Paragraph (e) of this Rule.

History Note: Authority G.S. 93-12(3); 93-12(8b);
Eff. May 1, 1981;
Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; August 1, 1995; April 1, 1994; May 1, 1989; September 1, 1988;

*Readopted Eff. February 1, 2016;
Amended Eff. January 1, 2020.*

21 NCAC 08G .0402 DEFINITIONS

*History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1981;
Amended Eff. January 1, 1989; October 1, 1984;
Repealed Eff. May 1, 1989.*

21 NCAC 08G .0403 QUALIFICATION OF CPE SPONSORS

- (a) The Board shall not register CPE activities nor sponsors or providers of CPE activities.
- (b) CPE providers not in good standing on the NASBA National Registry of CPE Sponsors shall comply with the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Professional Education (CPE) Programs found on the NASBA website at www.nasbaregistry.org.
- (c) Sponsors of continuing education activities that are listed in good standing on the NASBA National Registry of CPE Sponsors shall be considered by the Board as compliant with the Standards for CPE Program Sponsors in the NASBA/AICPA Statement on Standards for Continuing Profession Education (CPE) Programs found on the NASBA website at www.nasbaregistry.org.
- (d) Failure of a National Registry of CPE Sponsor to comply with this Rule shall be grounds for the Board to disqualify the sponsor as a CPE sponsor with this Board and to notify NASBA and the public of this action.

*History Note: Authority G.S. 93-12(3); 93-12(8b);
Eff. May 1, 1981;
Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; March 1, 1990; May 1, 1989; August 1, 1988; February 1, 1983;
Readopted Eff. February 1, 2016;
Amended Eff. January 1, 2020.*

21 NCAC 08G .0404 REQUIREMENTS FOR CPE CREDIT

- (a) A CPA shall not be granted CPE credit for an activity unless the activity is in one of the fields of study listed in the NASBA Fields of Study, including subsequent amendments and editions, which are hereby incorporated by reference. Copies of the NASBA Fields of Study can be found at no cost on the NASBA website at www.nasbaregistry.org/the-standards.
- (b) The following shall qualify as acceptable types of CPE activities, provided the activities comply with the requirements set forth in Rule .0403(b) or (c) of this Section:
 - (1) professional development activities of national and state accounting organizations;
 - (2) technical sessions at meetings of national and state accounting organizations and their chapters;
 - (3) courses taken at regionally accredited colleges and universities;
 - (4) educational activities that are designed and intended for continuing professional education activity conducted within a business, accounting firm, or an association of accounting firms; or
 - (5) correspondence activities that are designed and intended for continuing professional education.
- (c) CPE credit shall be granted for instructing or authoring a CPE activity as long as the CPA's professional competency was increased and was in one of the fields of study recognized by the Board, as set forth in Paragraph (a) of this Rule.
- (d) CPE credit shall not be granted for a self-study activity if the material that the CPA must study to take the examination is not designed for CPE purposes. This includes periodicals, guides, magazines, subscription services, books, reference manuals, and supplements that contain an examination to test the comprehension of the material read.
- (e) A CPA may claim credit for an activity offered by a provider if the activity meets the requirements of this Rule and Rule .0409 of this Section. The CPA shall maintain documentation proving the activity met these standards.

*History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1981;
Amended Eff. January 1, 2007; January 1, 2004; August 1, 1998; February 1, 1996; March 1, 1990; May 1, 1989; August 1, 1988; February 1, 1983;
Readopted Eff. February 1, 2016;
Amended Eff. January 1, 2020.*

21 NCAC 08G .0405 ADMINISTRATION OF REQUIREMENT

History Note: *Authority G.S. 93-12(8b);*
 Eff. May 1, 1981;
 Amended Eff. October 1, 1984; January 1, 1982;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014;
 Repealed Eff. January 1, 2020.

21 NCAC 08G .0406 COMPLIANCE WITH CPE REQUIREMENTS

(a) All active CPAs shall file a reporting of CPE minutes by the July 1 renewal date of each year. The Board may audit information submitted by licensees who apply for a renewal license.

(b) If a CPA fails to complete the CPE requirements prior to the end of the previous calendar year but the CPA has completed them by June 30, the Board may:

- (1) issue a letter of warning for the first such failure within a five-calendar year period; and
- (2) deny the renewal of the CPA's certificate for a period of not less than 30 days and until the CPA meets the reinstatement requirements set forth in 21 NCAC 08J .0106 for the second such failure within a five-calendar year period.

History Note: *Authority G.S. 93-12(8b); 93-12(9)(e);*
 Eff. May 1, 1981;
 Amended Eff. January 1, 2007; January 1, 2004; April 1, 1994; March 1, 1990; May 1, 1989; October 1, 1988;
 Readopted Eff. February 1, 2016;
 Amended Eff. January 1, 2020.

21 NCAC 08G .0407 EXEMPTION AND SUBSEQUENT REINSTATEMENT

History Note: *Authority G.S. 93-12(8b);*
 Eff. May 1, 1981;
 Amended Eff. September 1, 1988; April 1, 1987; October 1, 1984; August 1, 1984;
 Repealed Eff. May 1, 1989.

21 NCAC 08G .0408 REQUIRED COURSES ON ACCOUNTANCY LAWS AND RULES

History Note: *Authority G.S. 93-12(8b);*
 Eff. April 1, 1987;
 Repealed Eff. April 1, 1988.

21 NCAC 08G .0409 COMPUTATION OF CPE CREDITS

(a) Group Activity. CPE credit for a group activity shall be given based on contact minutes.

(b) Completing a College Course. CPE credit for completing a college course in the college curriculum shall be granted based on converting the number of credit hours the college gives the CPA for completing the course into minutes. One semester hour of college credit shall be 750 CPE minutes. No CPE credit shall be given to a CPA who audits a college course. No more than 50 percent of the CPE credits required for a year shall be credits for completing a college course.

(c) Self Study Activity. CPE credit for a self-study activity shall be given based on the number of minutes needed to complete the activity as determined by the sponsor.

(d) Preparing or Presenting a CPE Activity. CPE credit for preparing or presenting a CPE activity for CPAs shall be given based on the number of minutes spent in preparing or presenting the activity. Preparing includes activities such as authoring or conducting a technical review. No more than 50 percent of the CPE credits required for a year shall be credits for preparing for or presenting CPE activities. CPE credit for preparing or presenting an activity shall be allowed only once a year for an activity prepared or presented more than once in the same year by the same CPA.

(e) Authoring a Publication. CPE credit for published articles and books shall be given based on the number of minutes the CPA spent writing the article or book. No more than 25 percent of a CPA's required CPE credits for a year shall be credits for published articles or books. An article written for a CPA's client or business newsletter shall not receive CPE credit.

(f) Instructing a College Course. CPE credit for instructing a college course above the level of accounting principles shall be given based on the number of credit hours the college gives a student for completing the course, using the calculation set forth in Paragraph (b) of this Rule. No more than 50 percent of the CPE credits required for a year shall be credits for instructing a college course.

(g) Nano Learning Activity. CPE credit for Nano Learning, a tutorial activity without interaction with a real-time instructor that is designed to permit a participant to learn a given subject through electronic media including technology applications/processes, computer-based or web-based technology, shall be based on the number of contact minutes. Nano Learning is not a group program. This CPE activity shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.

(h) Blended Learning Activity. A Blended Learning program offers participants learning in multiple formats or delivery methods. Activities can include lectures, discussion, guided practice, games, case studies, and simulation. The varied delivery methods include Group Live, Group Internet Based, Self Study, or Nano Learning. The primary component of the program may be concurrent (a group program) or nonconcurrent, allowing the participant to control a portion of the time and place of the learning. CPE credit for Blended Learning shall be based on the number of contact minutes incorporated in all the learning formats in the Blended Learning activity. This CPE activity shall be offered by a CPE sponsor registered with NASBA pursuant to Rule .0403(c) of this Section.

(i) No more than 50 percent of the CPE credits required for a year shall be credits claimed under Paragraphs (b), (d), and (f) of this Rule.

History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1989;
Amended Eff. July 1, 2015; January 1, 2014; February 1, 2012; January 1, 2007; January 1, 2004;
February 1, 1996; April 1, 1994; March 1, 1990;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014;
Amended Eff. January 1, 2020.

21 NCAC 08G .0410 PROFESSIONAL ETHICS AND CONDUCT CPE

History Note: Authority G.S. 93-12(3); 93-12(8b); 93-12(9);
Eff. January 1, 2005;
Amended Eff. January 1, 2014; February 1, 2012; January 1, 2007; January 1, 2006;
Readopted Eff. February 1, 2016;
Repealed Eff. January 1, 2020.