

## **SECTION .0100 -RENEWALS AND REGISTRATIONS**

### **21 NCAC 08J .0101 ANNUAL RENEWAL OF CERTIFICATE, FORFEITURE, AND REAPPLICATION**

- (a) All active CPAs shall renew their certificates annually by the first day of July. The fee for such renewal is the maximum amount allowed by G.S. 93-12(8).
- (b) To renew a certificate a CPA shall submit to the Board:
- (1) a completed certificate renewal application form;
  - (2) a completed CPE report, as required by 21 NCAC 08G .0406(a); and
  - (3) the annual renewal fee set forth in G.S. 93-12(8).
- (c) Upon failure of a CPA to comply with any applicable part of Paragraph (b) of this Rule by July 1, the Board shall send notice of such failure in the form of a demand letter to the CPA at the most recent mailing address the Board has on file. Completed renewal application packages shall be postmarked with proper postage not later than 30 days after the mailing date of the demand letter, unless that date falls on a weekend, in which case the renewal package shall be postmarked or received in the Board office on the next business day. For renewal packages sent via the U.S. Postal Service, only a U.S. Postal Service cancellation shall be considered as the postmark. If the renewal package is sent to the Board office via a private delivery service, the date the package is received by the delivery service shall be considered as the postmark. Subsequent failure of the CPA to comply with any applicable part of Paragraph (b) of this Rule within 30 days after such notice is mailed by the Board automatically results in forfeiture of the CPA's certificate, as required by G.S. 93-12(15).
- (d) Upon forfeiture of a certificate, the certificate holder is no longer a CPA and the Board shall send notice of such forfeiture to the certificate holder by certified mail to the most recent mailing address the Board has on file. The certificate holder shall return the certificate to the Board office within 15 days after receipt of notice of forfeiture or, if the certificate has been destroyed or lost, shall submit an affidavit, on a form supplied by the Board, within 15 days of receipt of such notice that the certificate has been destroyed or has been lost and shall be returned to the Board if found.
- (e) A person who has forfeited a certificate pursuant to G.S. 93-12(15) for failure to renew his or her certificate may apply for reissuance under Rule .0106 of this Section.
- (f) If a check or credit card authorization for the annual renewal fee fails to clear the bank, the annual renewal shall be deemed incomplete and returned.
- (g) Any active CPA serving in the armed forces of the United States and to whom an extension of time to file a tax return is granted pursuant to G.S. 105-249.2, shall be granted the same extension of time to comply with the requirements of Paragraphs (a) and (b) of this Rule.

*History Note:* Authority G.S. 93-12(7a); 93-12(8); 93-12(8a); 93-12(8b); 93-12(15); 93B-15;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Legislative Objection Lodged Eff. July 20, 1982;  
Amended Eff. August 1, 1982;  
Curative Amended Eff. August 1, 1982;  
Temporary Amendment Eff. May 13, 1983 for a period of 111 days to expire on September 1, 1983;  
Amended Eff. February 1, 2011; August 1, 1998; February 1, 1996; April 1, 1994; March 1, 1990; May 1, 1989;  
Readopted Eff. February 1, 2016.

### **21 NCAC 08J .0102 SUPERVISION OF CPA OFFICES**

*History Note:* Authority G.S. 93-12(8a)(5); 93-12(9);  
Eff. February 1, 1977;  
Readopted Eff. September 26, 1977;  
Amended Eff. April 1, 1994; May 1, 1989; August 1, 1988; June 16, 1980;  
Repealed Eff. April 1, 1999.

### **21 NCAC 08J .0103 REPORTS/ANNUAL REGISTRATION OF OFFICES/PARTNERSHIPS**

*History Note:* Authority G.S. 93-12(9);  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. May 1, 1989; August 1, 1988;  
Repealed Eff. April 1, 1991.

## **21 NCAC 08J .0104 REGISTRATION OF FIRMS**

*History Note:* Authority G.S. 93-12(8a);  
Eff. June 16, 1980;  
Repealed Eff. October 1, 1984.

## **21 NCAC 08J .0105 INACTIVE STATUS: CHANGE OF STATUS**

(a) A CPA may apply to the Board for change of status to inactive status provided the CPA meets the description of inactive status as defined in 21 NCAC 08A .0301. Application for any status change shall be made on the form provided by the Board.

(b) A CPA who does not meet the definition of inactive may not remain on inactive status.

(c) A CPA on inactive status may change to active status by:

- (1) paying the certificate renewal fee for the license year in which the application for change of status is received;
- (2) furnishing the Board with evidence of satisfactory completion of 40 hours of CPE courses during the 12-month period immediately preceding the application for change of status. Eight of the required hours shall be credits derived from a course or examination in North Carolina accountancy statutes and rules (including the Code of Professional Ethics and Conduct as set forth in 21 NCAC 08N contained therein) as set forth in 21 NCAC 08F .0504; and
- (3) submitting three certificates of good moral character and completed by CPAs.

*History Note:* Authority G.S. 93-12(3); 93-12(8); 93-12(8b);  
Eff. December 1, 1982;  
Curative Adopted Eff. January 25, 1983;  
Legislative Objection Lodged Eff. January 31, 1983;  
Amended Eff. January 1, 2014; February 1, 2012; February 1, 2011; August 1, 1998; August 1, 1995; April 1, 1994; March 1, 1990; May 1, 1989;  
Readopted Eff. February 1, 2016.

## **21 NCAC 08J .0106 FORFEITURE OF CERTIFICATE AND REISSUANCE**

(a) A person who has forfeited a certificate is no longer a CPA and thus is not subject to the renewal fee or CPE requirements contained in these Rules.

(b) A person who requests reissuance of a forfeited certificate shall make application and provide the following to the Board:

- (1) payment of the current certificate application fee;
- (2) three certificates of moral character provided by the Board and completed by CPAs; and
- (3) evidence of satisfactory completion of the CPE requirement described in Rule .0105(c)(2) of this Section.

(c) The certificate may be reissued if determined by the Board that the person meets the requirements as listed in Paragraph (b) of this Rule.

*History Note:* Authority G.S. 93-12(3); 93-12(5); 93-12(8a); 93-12(8b);  
Eff. October 1, 1984;  
Amended Eff. January 1, 2014; July 1, 2010; August 1, 1998; February 1, 1996; April 1, 1994;  
May 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 28, 2014.

## **21 NCAC 08J .0107 MAILING ADDRESSES OF CERTIFICATE HOLDERS AND CPA FIRMS**

All certificate holders and CPA firms shall notify the Board in writing within 30 days of any change in home address and phone number; CPA firm address and phone number; business location and phone number; and email address.

*History Note: Authority G.S. 55B-12; 57D-2-02; 93-12(3); 93-12(7b)(5);  
Eff. October 1, 1984;  
Amended Eff. January 1, 2014; April 1, 1999; April 1, 1991; August 1, 1986;  
Readopted Eff. February 1, 2016.*

## **21 NCAC 08J .0108 CPA FIRM REGISTRATION**

(a) All CPA firms shall register with the Board within 30 days after opening a North Carolina office or beginning a new CPA firm unless they are a professional corporation, professional limited liability company, or registered limited liability partnership, in which case they shall register prior to formation pursuant to 21 NCAC 08K .0104 and .0301.

(b) In addition to the registration required by Paragraph (a) of this Rule, all CPA firms shall renew annually by January 31 with the Board upon forms provided by the Board.

(c) The information provided by the registration shall include:

- (1) Either an application for exemption from peer review, a request to be deemed in compliance with peer review or registration for peer review, pursuant to 21 NCAC 08M .0105;
- (2) For all CPA firms not exempt from the peer review program, with the registration immediately following its review, the information required by 21 NCAC 08M .0106(a);
- (3) For all North Carolina offices, an office registration form indicating the name of the office supervisor, the location of the office and its telephone number;
- (4) For all partnerships or registered limited liability partnerships, a list of all resident and nonresident partners of the partnership;
- (5) For all professional limited liability companies, the information set forth in 21 NCAC 08K .0104(d);
- (6) For all incorporated CPA firms, the information set forth in 21 NCAC 08K .0104(d);
- (7) For all CPA firms, the appropriate registration fees as set forth in 21 NCAC 08J .0110; and
- (8) For all new CPA firms, the percentage of ownership held individually by each non-CPA owner who has five percent or more of ownership:
  - (A) in the new CPA firm; and
  - (B) at the year-end in each CPA firm in which that owner was an owner during the preceding two years.
- (9) For all changes in ownership of a CPA firm, the percentage of ownership held individually by each owner who has five percent or more of ownership.

(d) All information provided for registration with the Board shall pertain to events of and action taken during the year preceding the year of registration. The last day of the preceding calendar year is the "year end."

(e) With regard to Paragraph (c)(3) of this Rule, one representative of a CPA firm may file all documents with the Board on behalf of the CPA firm's offices in North Carolina. However, responsibility for compliance with this Rule remains with each office supervisor.

(f) With regard to Paragraph (c)(4) or (c)(5) of this Rule, one annual listing by a representative of the partnership, registered limited liability partnership, or professional limited liability company shall satisfy the requirement for all owners of the CPA firm. However, each owner remains responsible for compliance with this Rule. The absence of a filing under Paragraph (c)(4) or (c)(5) of this Rule shall be construed to mean that no partnership, registered limited liability partnership, or professional limited liability company exists.

(g) Notice that a CPA firm has dissolved or any change in the information required by Paragraph (c)(3) of this Rule shall be delivered to the Board's office within 30 days after the change or dissolution occurs. A professional corporation or professional limited liability company which is dissolving shall deliver the Articles of Dissolution to the Board's office within 30 days of filing with the Office of the Secretary of State.

(h) Upon written petition by a CPA firm, the Board shall grant the CPA firm a conditional registration for a period of 60 days or less, if the CPA firm shows that circumstances beyond its control prohibited it from registering with the Board, completing a peer review or notifying the Board of change or dissolution pursuant to Paragraphs (a), (b), (c), and (g) of this Rule. The Board may grant a second extension under continued extenuating circumstances.

(i) A complete registration, as required by Paragraphs (b) and (c) of this Rule, shall be postmarked with proper postage or received in the Board office not later than the last day of January unless that date falls on a weekend or

federal holiday, in which case that day shall be the next business day. Only a U.S. Postal Service cancellation is considered as the postmark. If a registration is sent to the Board office via a private delivery service, the date the package is received by the delivery service is considered as the postmark.

*History Note:* Authority G.S. 55B-10; 55B-12; 57D-1; 57D-2; 59-84.2; 93-12(8a); 93-12(8c);  
Eff. June 1, 1985;  
Amended Eff. February 1, 2011; January 1, 2004; April 1, 1999; August 1, 1998; August 1, 1995;  
April 1, 1994; April 1, 1991; May 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October  
28, 2014.

## **21 NCAC 08J .0109 CPA FIRM PRACTICE PRIVILEGE NOTIFICATION**

Notice pursuant to G.S. 93-10(c)(3) shall be made on a form supplied by the Board.

*History Note:* Authority G.S. 93-10;  
Eff. February 1, 2011;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October  
28, 2014.

## **21 NCAC 08J .0110 REGISTRATION FEES**

The annual registration fees shall be as follows:

- (1) For all professional corporations or professional limited liability companies, twenty-five dollars (\$25.00); and
- (2) For all non-incorporated CPA firms which have offices both within and outside the state of North Carolina, whether sole proprietorships, partnerships, or registered limited liability partnerships, an amount equal to two thousand five hundred dollars (\$2,500.00) or the number of CPA members of the CPA firm multiplied by ten dollars (\$10.00), whichever is less.

*History Note:* Authority G.S. 55B-11; 55B-12; 57D-1; 57D-2; 59-84.2; 93-12(7b); 93-12(8a); 93-12(8c);  
Eff. April 1, 1991;  
Amended Eff. January 1, 2004; April 1, 1999; August 1, 1998; April 1, 1994;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October  
28, 2014.

## **21 NCAC 08J .0111 COMPLIANCE WITH CPA FIRM REGISTRATION**

If a CPA firm fails to comply with any part of Rule .0108 or Rule .0110 of this Section, and continues to offer or render services, the Board may take disciplinary action against the CPA firm's members. As set forth in G.S. 93-12(9)(e), disciplinary action may include:

- (1) one hundred dollars (\$100.00) civil penalty for non-compliance of less than 60 days;
- (2) two hundred dollars (\$200.00) civil penalty for non-compliance in excess of 60 days but not more than 120 days;
- (3) five hundred dollars (\$500.00) civil penalty for each member for non-compliance in excess of 120 days.

*History Note:* Authority G.S. 55B-12; 57D-2-02; 59-84.2; 93-12(8c); 93-12(9);  
Eff. April 1, 1994;  
Amended Eff. February 1, 2011; January 1, 2004; April 1, 1999;  
Readopted Eff. February 1, 2016.

## **21 NCAC 08J .0112 RETIRED STATUS - CHANGE OF STATUS**

(a) A CPA on active or inactive status may apply to the Board for a change to CPA-retired status if that CPA completes an application provided by the Board confirming the following:

- (1) they will not perform any of the services listed in 21 NCAC 08A .0307(2) except that:
  - (A) they may prepare tax returns for themselves and their immediate family members without compensation. Immediate family is defined as spouse, domestic partner, parent, child,

- sibling, stepparent, parent-in-law, stepchild, child-in-law, grandparent, grandchild, sibling-in-law, or legal dependent; and
- (B) they may prepare tax returns through public service programs without compensation, such as the Volunteer Income Tax Assistance program.
- (2) they will not hold themselves out to the public as a certified public accountant while they remain on CPA-retired status except that they may use the designation "CPA-retired".
- (3) they consent to the continued regulatory authority of the Board.
- (b) Individuals on CPA-retired status may receive compensation for any services that are not listed in 21 NCAC 08A .0307(2).
- (c) Individuals on CPA-retired status must renew their certificate annually as set forth in 21 NCAC 08J .0101. However, individuals on CPA-retired status are exempt from the Board's annual CPE requirements.
- (d) In addition to the requirements in Paragraph (a) of this Rule, the application to move from inactive status to CPA-retired status will also contain the requirements set forth in 21 NCAC 08F .0502. However, the application will not require an experience affidavit or three certificates of good moral character.
- (e) An individual on CPA-retired status may change to active status by:
  - (1) furnishing the Board with evidence of satisfactory completion of 40 hours of CPE courses during the 12-month period immediately preceding the application for change of status. Eight of the required hours shall be credits derived from a course or examination in North Carolina accountancy statutes and rules (including the Code of Professional Ethics and Conduct as set forth in 21 NCAC 08N contained therein) as set forth in 21 NCAC 08F .0504; and
  - (2) submitting three certificates of good moral character completed by CPAs on active status.

*History Note:* Authority G.S. 93-12(3); 93-12(8); 93-12(8b);  
Eff. September 1, 2023.