

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING\***  
A Statement of Need and Fiscal Impact accompanies this form.

Board of Accountancy	801, Division 010
Agency and Division	Administrative Rules Chapter Number

Kimberly Bennett	3218 Pringle Rd SE #110 Salem OR 97302	503-378-4181
Rules Coordinator	Address	Telephone

**RULE CAPTION**

Add cost recovery , clarify exam rules and sole proprietor firm registration requirements.

**Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.**

December 1, 2008	10:00 – Noon	3218 Pringle Rd SE Salem OR 97302	Stuart Morris, PA
Hearing Date	Time	Location	Hearings Officer

**Auxiliary aids for persons with disabilities are available upon advance request.**

**RULEMAKING ACTION**

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

**ADOPT:**

**AMEND:**

801-010-0010, 801-010-0050, 801-010-0115, 801-010-0345

**REPEAL:**

**RENUMBER:**

**AMEND & RENUMBER:**

Stat. Auth: ORS 670.310, 673.060, 673.400, 673.410, 673.160, 673.170

Other Auth.:

Stats. Implemented: ORS 673.050, 673.170, 673.400

**RULE SUMMARY**

New provision to include cost recovery of Board investigations. Clarify CPA examination rules. Clarify that sole proprietors may also register as a professional corporation or limited liability company.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

December 1, 2008

**Last Day for Public Comment** (Last day to submit written comments to the Rules Coordinator)

	Carol Rives, Administrator	10/15/2008
Signature	Printed name	Date

\*Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

**Secretary of State**  
**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form

Board of Accountancy

Agency of Division

OAR Chapter 801, Division 010

Administrative Rules Chapter Number

In the Matter of the Board of Accountancy	)	Statutory Authority
Amending rules in Chapter 801, Division 010	)	Statutes Implemented
Related to rule filing procedures	)	Statement of Need
	)	Principal Documents Relied Upon
	)	Statement of Fiscal Impact

**Statutory Authority:** ORS Chapter 670.310, 673.400, 673.410, 673.160  
673.170

**Other Authority:** None

**Statutes Implemented:** ORS 673.050, 673.170, 673.400

**Need for the Rule(s):** New provision to include cost recovery of Board investigations. Clarify CPA examination rules. Clarify that sole proprietors may also register as a professional corporation or limited liability company.

**Documents Relied Upon\*:** None

**Fiscal & Economic Impact, including Statement of Cost of Compliance:** Except for cost recovery, proposed rule revisions have no fiscal impact. The fiscal impact of the proposed rules for cost recovery is undetermined due to the fact that there is no historical data.

**How were small businesses involved in the development of this rule?** Small business interests were represented by two professional organizations attending Board and committee meeting discussions.

**Administrative Rule Advisory Committee consulted?** No.

**If not, why?** Amendments conform administrative rules with statutory provisions and legal advice. The Board solicits input from any interested or affected parties and will receive public comment at a public hearing.

Signature	Carol Rives, Administrator	Date
	Printed Name	

\* The documents listed are available for public inspection at the office of the Oregon Board of Accountancy, 3218 Pringle Road SE, Suite 110 Salem, Oregon 97302-6307, during regular business hours, 8:00 am to 5:00 pm, Monday through Friday.

**CERTIFICATION AND LICENSE FEES  
APPLICATIONS AND REQUIREMENTS**

**Fees, Civil Penalties and Cost Recovery**

**801-010-0010** For the purpose of ORS 673.010 to 673.455 and ORS 297.670 to 297.740, the Board of Accountancy shall charge the following fees:

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

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<b>(a)</b> CPA Examination:	
(A) Initial Examination	\$100
(B) Re-Examination	\$ 50
<b>(b)</b> CPA Certificate or PA License	\$150
<b>(c)</b> Substantial equivalency by notification	\$100

**(2) Initial permit and registration fees:**

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<b>(a)</b> Initial CPA or PA Permit	\$150
<b>(b)</b> Municipal Auditor	\$100
<b>(c)</b> Firm Registration	\$100

**(3) Biennial renewal application fees:**

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<b>(a)</b> Active CPA and PA Permits	\$150
<b>(b)</b> Inactive Permit CPA and PA Permits	\$ 50
<b>(c)</b> Municipal Auditor	\$100
<b>(d)</b> Firm Registration	\$100

**(4) Annual renewal fees:**

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<b>(a)</b> Substantial equivalency by notification	\$100
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**(5) Late renewal penalty fees:**

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<b>(a)</b> Active CPA and PA Permits	\$ 50
<b>(b)</b> Inactive Permit CPA and PA Permits	\$ 35
<b>(c)</b> Firm Registration	\$ 35

**(6) Miscellaneous fees:**

**(a)** Copies of existing mailing lists shall 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. Staff time shall be calculated at the hourly rates stated in subsection (d) of this section.

**(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 shall be charged a minimum fee of \$2.50 for five pages or less, and 25 cents per page thereafter. If certified copies of records are requested, there will be a \$2.50 fee for each document certified in addition to the copy cost.

**(d)** Staff time required to locate, produce, summarize or otherwise provide records shall be charged as follows:

**(A)** Secretarial/clerical, \$17 per hour, in quarter hour increments at \$4.25 per quarter hour.

**(B)** Professional/technical, \$25 per hour, in quarter hour increments at \$6.25 per quarter hour.

**(7) Civil Penalties assessed for Specific Violations**

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<b>(a)</b> Failure to provide change of address in 30 days	\$ 100
<b>(b)</b> Failure to renew firm registration by January 31	\$ 500
<b>(c)</b> Failure to respond to Notice of Complaint in 21 days	\$1000

<u>(d) Failure to respond to Notice of CPE audit and all follow-up in 21 days</u>	<u>\$ 250</u>
<u>(e) Failure to respond to Notice of Peer Review Audit in 21 days</u>	<u>\$1000</u>
<u>(f) Failure to respond in 21 days to any Board Communication that is not described above</u>	<u>\$ 100</u>

**(8) Cost Recovery**

(a) The Board has the option to 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) Contract Investigator Fees
- (D) Expert Witness Fees
- (E) Costs of Appeal

**(78) Form of Payment:**

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

**(b)** Visa and Mastercard payments may be submitted in person, by mail or by fax. Any Visa or Mastercard that is rejected by the bank and requested to be confiscated will be retained and returned to the bank. All payments by Visa or Mastercard that are rejected must be paid in full by a 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.

Stat. Auth.: ORS 670.310, 673.040, 673.060, 673.100, 673.150, 673.160, 197.720 & 673.153

Stats. Implemented: ORS 673, 297 & 192.440

Hist.: 1AB 10, f. 2-7-63; 1AB 14, f. 8-15-68; 1AB 20, f. 10-22-71, ef. 11-15-71; 1AB 34, f. 1-29-74, ef. 2-25-74; 1AB 41, f. & ef. 12-2-76; 1AB 44, f. & ef. 3-31-77; 1AB 48, f. & ef. 7-21-77; 1AB 6-1978, f. & ef. 6-22-78; 1AB 7-1981, f. & ef. 7-27-81; 1AB 2-1983, f. & ef. 9-20-83; AB 3-1988, f. & cert. ef. 6-9-88; AB 2-1989, f. & cert. ef. 1-25-89; AB 4-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1995, f. & cert. ef. 1-25-95; AB 5-1995, f. & cert. ef. 8-22-95; AB 1-1996, f. & cert. ef. 1-29-96; AB 1-1997, f. & cert. ef. 1-28-97; BOA 5-1998, f. & cert. ef. 7-9-98; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 7-1998(Temp), f. & cert. 7-29-98 thru 1-25-99; BOA 8-1998, f. & cert. ef. 10-22-98; BOA 4-1999, f. & cert. ef. 7-23-99; BOA 6-1999, f. 12-21-99, cert. ef. 1-1-00; BOA 4-2001, f. 12-28-01, cert. ef. 1-1-02; BOA 3-2002, f. 12-27-02, cert. ef. 1-1-03; BOA 4-2003, f. 12-23-03 cert. ef. 1-1-04; BOA 4-2004, f. 12-30-04, cert. ef. 1-1-05; BOA 2-2006, f. 12-22-06, cert. ef. 1-1-07

**Application for Uniform CPA Examination**

**801-010-0050 (1) Definitions**

**(a) Authorization to Test (ATT):** Issued by the Board of Accountancy to eligible exam candidates to authorize the candidate to test for specified sections of the CPA exam. The ATT may be issued for one or more CPA exam sections. Each ATT authorizes the candidate to take each CPA exam section designated in the ATT one time only. The ATT may become expired as to one exam section named in the ATT, and remain valid as to other specified exam sections. The candidate must submit an ~~re-examination~~ application and re-examination fee to the Board of Accountancy for any exam section that is expired under the ATT or to retake any section of the CPA Exam not passed.

**(b) Notice to Schedule (NTS):** Issued by NASBA and enables the candidate to schedule testing at an examination test center. The NTS shall remain open until the candidate schedules testing or until six months have elapsed since the NTS was issued, whichever occurs first.

**(c) Testing Center:** Computer testing facilities, approved by the Board and listed on the Board website, at which candidates may take the CPA examination. Testing centers are located throughout the United States, Guam, Puerto Rico and the Virgin Islands.

**(d) Testing Opportunity:** Each testing window is considered a testing opportunity. There are four testing opportunities per year. A candidate may test for a particular section only once per testing window. A candidate may not retake a failed test section(s) in the same testing window.

**(e) Testing Windows:** The testing window is comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered so that exam sections can be graded and maintenance may be performed.

**(2) Applications.**

**(a)** Applications for the CPA exam shall be submitted on a form provided by the Board and shall be accompanied by the appropriate fee. The act of filing an application for the CPA exam constitutes an agreement by the candidate to observe and comply with the CPA Exam rules adopted by the Board.

**(b)** An application will not be reviewed until the application fee and all required supporting documents have been received, including proof of identity (as determined by the Board and specified on the application form), official transcripts and evidence that the candidate has met eligibility requirements.

**(c)** All foreign academic credentials submitted as evidence of eligibility for the CPA exam are required to be evaluated by a credentialing agency that is a member of the National Association of Credential Evaluation Services, Inc. (NACES);

**(d)** ~~Candidates shall file an initial application when applying to take the CPA exam for the first time in Oregon. Thereafter candidates shall file a re-examination application. Each application filed shall specify the exam sections to be taken under that application. An application for the CPA examination must be complete in every particular within 3 months from the date received at the Board office. If application is incomplete the candidate will be found ineligible and the file will be closed.~~

**(e)** Candidates shall pay the CPA exam application fee designated in OAR 801-010-0010 to the Board. All other fees associated with the CPA exam are required to be paid to NASBA. All CPA exam fees are non-refundable. If a candidate fails to appear for a scheduled testing at an approved test center, all fees paid will be forfeited for the examinations scheduled on that day.

**(f)** At the time of application and during the time any ATT issued by the Oregon Board of Accountancy is open, the candidate shall not have an open ATT for the same section in any other state or jurisdiction.

**(g)** The candidate shall certify at the time of application that he or she is in compliance with subsection (f) of this rule. Falsifying this certification or including any false, fraudulent, or materially misleading statements on the application for the examination, or including any material omission on the application for the examination shall be cause for disciplinary action under ORS 673.170.

**(h)** When an application is approved, the Board or its designee will forward authorization to test (ATT) for the computer-based CPA exam to the candidate and to the NASBA National Candidate Database.

**(i)** The Board will offer a candidate the opportunity to voluntarily disclose the candidate's social security number to the Board so that the Board may provide the social security number to NASBA for identification purposes.

**(3) Eligibility under education requirements.** Candidates for admission to the CPA exam after January 1, 2000 who are applying under the educational requirements of ORS 673.050(1)(a) shall demonstrate eligibility as follows:

**(a) 150 Hour rule:** Candidates shall present satisfactory evidence that the candidate has successfully completed 150 semester hours or 225 quarter hours, including:

**(A)** A baccalaureate or higher degree from a regionally accredited college or university as described in ORS 673.050(1)(a);

**(B)** A minimum of 24 semester hours or 36 quarter hours, or the equivalent thereof, in the study of accounting; and

(C) A minimum of 24 semester hours or 36 quarter hours in accounting or related subjects. Related subjects are defined as business, finance, economics, and written and oral communication.

(D) The required number of hours in accounting or related subjects may be obtained by satisfactory completion of such hours taken from divisions of continuing education extended by a regionally accredited four-year college or university, or from a community college, providing the community college courses are transferable as equivalent courses to an accredited four-year college or university.

(E) Credit for community college courses. Applicants who have earned a baccalaureate or higher degree from a regionally accredited college or university may obtain additional hours from a community college, if such hours would be transferable to an accredited college or university. However, completion of 150 hours consisting entirely of courses taken from a community college or divisions of continuing education shall not be considered equivalent to a baccalaureate or higher degree from a four-year accredited college or university under the requirements of ORS 673.050.

**(b) Candidates who applied before January 1, 2000:** Returning candidates after January 1, 2000 who do not meet the educational requirement under ORS 673.050(1)(a) are required to sit for at least two sections of the CPA exam per calendar year in order to maintain eligibility under the requirements of ORS 673.050 that were in effect prior to January 1, 2000. Returning candidates shall provide satisfactory evidence that:

(A) The candidate met CPA exam eligibility requirements that were in effect in Oregon at the time the candidate sat for the CPA exam for the first time in any jurisdiction; and

(B) The candidate sat for and received grades for at least one of the Uniform CPA Examinations in any jurisdiction in 1998 or 1999.

**(c) Evidence of eligibility.** Candidates must meet all requirements under this rule at the time of application. Satisfactory evidence of the educational requirement may be provided in the following manner:

(A) Candidates who have completed all course requirements and been awarded a baccalaureate or higher degree shall provide an official transcript(s) demonstrating successful completion of all courses required under these rules, and that a degree was awarded.

(B) Candidates who have completed all course requirements at the time of application, but for whom a baccalaureate degree has not yet been awarded shall provide an official transcript(s) showing successful completion of all courses required under these rules, together with a letter from the Registrar's Office of the college or university stating that the candidate has met the degree requirements and the date that the degree will be awarded.

(C) Only official transcripts that are forwarded directly to the Board office by the issuing college or university will be accepted.

(D) Only colleges or universities accredited by one of the six regional accrediting associations and listed as accredited in the *Directory of Post secondary Institutions* published by the National Center for Education Statistics shall be recognized by the Board.

**(4) Eligibility under experience standards.** Candidates for the CPA exam who are applying under the experience requirements of ORS 673.050(2) to be licensed as a Public Accountant shall submit satisfactory evidence that:

(a) The candidate graduated from a high school with a four-year program, or the equivalent; and

(b) The candidate completed two years of experience in public accountancy or the equivalent satisfactory to the Board that meets the requirements of OAR 801-010-0100(2) and OAR 801-010-0065(2).

(c) Returning candidates after January 1, 2002 who were eligible to take two sections of the CPA Exam under provisions of ORS 673.100 in effect prior to January 1, 2002, are

required to sit for at least one exam section in any two testing windows each year in order to maintain eligibility under those requirements.

**(5) Authorization to Test and Notice to Schedule**

**(a)** An ATT authorizes the candidate to test one time for those sections of the CPA exam that are specified in the ATT. An ATT is effective for six months from the date on which the corresponding NTS is issued or until the NTS expires, whichever occurs first; however, the ATT will expire ninety (90) days after it is issued if the candidate has not paid the appropriate fees to NASBA.

**(b)** Expiration of the ATT. Authorization to take a specified exam section will expire on any of the following events:

**(A)** When the candidate schedules and takes a designated exam section;

**(B)** If the candidate schedules a testing date for a designated exam section but fails to appear and take the section at the scheduled time;

**(C)** If the candidate fails to schedule a designated exam section within the six-month period defined by the NTS; or

**(D)** If the candidate fails to request an NTS and pay the appropriate fees to NASBA within 90 days of the date the ATT is issued.

**(c) Suspension of the ATT.** An ATT may be suspended by the Board of Accountancy based on a report from NASBA that a problem related to the candidate is identified on the National Candidate Database, or for other good cause as determined by the Board.

**(d) Payment of CPA Exam testing fees.** To obtain a Notice to Schedule (NTS), the candidate must remit the CPA exam testing fees required for the CPA exam sections specified in the ATT to NASBA within ninety (90) days from the date the ATT is issued. Failure to remit the required fees and obtain the NTS will cause the ATT to expire, and the candidate must submit a re-examination application to the Board, with the appropriate CPA exam fee, to receive another ATT.

**(e) NTS.** When the candidate receives an ATT from the Board, the candidate is required to:

**(A)** Submit to NASBA payment of all fees related to testing of the CPA exam sections authorized by the ATT;

**(B)** Upon receipt of the NTS, contact an approved test center to schedule the time and place for testing of the exam sections authorized by the NTS. CPA exam sections do not have to be scheduled on the same date.

**(C)** The NTS remains valid for each exam section until the candidate schedules testing for that specific section, or for six months from the date the NTS was issued, whichever occurs first.

**(D)** The NTS expires as to each individual exam section when the candidate schedules testing for that section, whether or not the candidate appears at the scheduled testing appointment.

**(f) Testing.**

**(A)** A candidate may schedule testing at an approved testing center in Oregon or in another jurisdiction. A list of approved testing centers is on the Board of Accountancy website.

**(B)** Candidates must comply with the procedures and rules of the test center.

**(g) Re-examination.** A completed re-examination application and payment of the appropriate fee to the Board of Accountancy is required:

**(A)** To retake any exam section that the candidate does not pass;

**(B)** To obtain an NTS for any exam section that the candidate failed to schedule during the six month period for which a previous NTS was issued;

**(C)** To obtain an NTS for any exam section for which the candidate failed to obtain an NTS during the ninety (90) day period after the date the ATT was issued.

Stat. Auth.: ORS 670.310, 673.050 & 673.100

Stats. Implemented: ORS 673.050, 673.100 & 673.410

Hist.: 1AB 10, f. 2-7-63; 1AB 14, f. 8-15-68; 1AB 20, f. 10-22-71, ef. 11-15-71; 1AB 34, f. 1-29-74, ef. 2-25-74; 1AB 41, f. & ef. 12-2-76; 1AB 44, f. & ef. 3-31-77; 1AB 48, f. & ef. 7-21-77; 1AB 6-1978, f. & ef. 6-22-78; 1AB 7-1981, f. & ef. 7-27-81; 1AB 2-1983, f. & ef. 9-20-83; AB 3-1988, f. & cert. ef. 6-9-88; AB 2-1989, f. & cert. ef. 1-25-89; AB 4-1991, f. & cert. ef. 7-1-91; AB 4-1994, f. & cert. ef. 9-27-94; AB 1-1995, f. & cert. ef. 1-25-95; AB 5-1995, f. & cert. ef. 8-22-95; AB 1-1996, f. & cert. ef. 1-29-96; AB 1-1997, f. & cert. ef. 1-28-97; BOA 5-1998, f. & cert. ef. 7-9-98; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 7-1998(Temp), f. & cert. 7-29-98 thru 1-25-99; BOA 8-1998, f. & cert. ef. 10-22-98; BOA 4-1999, f. & cert. ef. 7-23-99; BOA 6-1999, f. 12-21-99, cert. ef. 1-1-00; BOA 4-2001, f. 12-28-01, cert. ef. 1-1-02; BOA 3-2002, f. 12-27-02, cert. ef. 1-1-03; BOA 4-2003, f. 12-23-03 cert. ef. 1-1-04; BOA 1-2004(Temp), f. & cert. ef. 3-15-04 thru 7-1-04; BOA 2-2004(Temp), f. & cert. ef. 7-2-04 thru 12-29-04; BOA 4-2004, f. 12-30-04, cert. ef. 1-1-05; BOA 7-2005, f. 11-22-05, cert. ef. 1-1-06; BOA 2-2006, f. 12-22-06, cert. ef. 1-1-07

## Resignation of Licensee

### **801-010-0115 (1) Resigning permits that are not the subject of pending complaints or**

**Board investigations.** A certified public accountant or public accountant may resign and surrender the licensee's certificate or license and permit issued under ORS 673.040, ORS 673.100 and ORS 673.150, by submitting a written resignation, together with the original certificate or license issued by the Board. The licensee's resignation shall be accepted by the Board only if the licensee acknowledges in writing that:

(a) The license or certificate issued to the licensee must be returned to the Board; and  
(b) After such resignation, in the event that the licensee wishes to reapply for a permit to practice public accountancy, the licensee will be required to meet all requirements of ORS Chapter 673 and OAR Chapter 801.

(c) All resignations are effective upon acceptance by the Board.

**(2) Resigning permits that are the subject of pending complaints or Board investigations.** If the licensee's certificate or license is the subject of a complaint filed with the Board or a Board investigation, or if disciplinary proceedings are pending against a licensee, the resignation by such licensee shall be deemed to be a revocation for misconduct cause in the event that the licensee applies for a certificate or license after such resignation is accepted by the Board. A licensee who resigns under this section is required to notify all clients of the date of resignation and provide the Board with a list of the clients notified. The Board may refuse to accept a resignation under this provision if the written resignation does not include a written acknowledgment by the resigning licensee of the following:

(a) That the licensee is required to return the CPA certificate or PA license to the Board;  
(b) That the licensee has knowledge of any pending investigation or disciplinary proceedings and does not wish to contest or defend the matter;

(c) That the licensee understands that in the event the licensee submits a subsequent application to be licensed to practice public accountancy, the licensee shall not be entitled to a reconsideration or re-examination of the facts, complaints, or instances of misconduct upon which investigations or disciplinary proceedings were pending at the time of the resignation; and

(d) That upon any subsequent application to practice public accountancy, the licensee must meet all requirements of ORS Chapter 673 and OAR Chapter 801.

(e) Unless otherwise ordered by the Board, any pending investigation or disciplinary proceeding shall be closed upon acceptance of the licensee's resignation.

**(3) Requirements upon acceptance of resignation.** Upon resignation, a former licensee is required to:

(a) Surrender the CPA certificate or PA license to the Board;  
(b) Take all reasonable steps to avoid foreseeable harm to any client;  
(c) Maintain client records for a period of at least six years, or return such records to the client; and

(d) Continue to comply with the requirements of OAR 801, Division 030 pertaining to confidential information and client records.

Stat. Auth.: ORS 670.310; ORS 673.410

Stat. Implemented: ORS 673.410

## Registration of Business Organizations

**801-010-0345 (1) Requirement to register as a firm.** A business organization organized for the practice of public accountancy shall register with the Board as a firm if the business organization engages in any of the following activities in this state:

(a) Uses the terms "certified public accountant", "CPA", "public accountant" or "PA", or any derivation of such terms;

(b) Holds out to clients or to the public that the business organization is in any way engaged in the practice of public accountancy; or

(c) Performs attestation or compilation services, as defined by these rules.

**(2) Registration of sole proprietorships.** A business organization organized as a sole proprietorship, a professional corporation or a limited liability company and comprised of a single permit holder under ORS 673.150 is required to register as a firm if the business organization engages in any of the following activities in this state:

(a) Holds out to clients or to the public that it is composed of more than one licensee, or

(b) Performs attestation or compilation services.

**(3) Application requirements.** Application by a business organization to be registered as a firm to practice as Certified Public Accountant(s) or Public Accountant(s) shall be made to the Board in writing on a form provided by the Board and shall be accompanied by the appropriate fee, stated in OAR 801-010-0010. The application and each renewal application shall provide the following information in writing:

(a) Name of the firm;

(b) Identification by name and by certificate or license number of each CPA and PA in this state who is associated with or employed by the business organization;

(c) The physical address of every office and branch office in this state;

(d) Notice of every denial, revocation, lapse or suspension of authority to perform public accountancy services that is or has been issued by any jurisdiction against any licensee associated with the business organization;

(e) Notice of the filing of any lawsuit relating to the professional services of the business organization, if an essential element of such lawsuit involves fraud, dishonesty or misrepresentation; and

(f) Notice of any criminal action filed against the business organization or against any owner or manager and notice of any conviction against any owner or manager of the business organization. Notice of a conviction under this rule includes the initial plea, verdict or finding of guilt, pleas of no contest or pronouncement of sentence by a trial court even though that conviction may not be final and sentence may not be actually imposed until appeals are exhausted. The notice provided shall be signed by the person to whom the conviction or criminal action applies, and shall state the facts that constitute the reportable event and identify the event by the name of the agency or court, the title of the matter, the docket number and the date of occurrence of the event.

**(4) Application requirements for firms with non-CPA and non-PA ownership.** In addition to the information required under section (3) of this rule for firm registrations, business organizations with non-CPA or non-PA owners that are required to register as a firm shall provide the following information with the application for initial registration and with each registration renewal.

(a) The name of the firm and a list of the states in which the business organization has applied, or is currently authorized to practice public accountancy;

(b) Evidence to the satisfaction of the Board that the business organization satisfies the requirements of OAR 801-010-0340;

(c) The identities of all owners or managers of the business organization who work regularly in this state;

(d) The physical address of every office maintained in this state;

(e) The identity of every person with management responsibility for each office in this state;

(f) Notice of every denial, revocation, lapse, or suspension of authority to perform accounting services or other services issued against any owner or manager of the business organization in any jurisdiction;

**(5) Issuance of firm registration.** The Board shall, upon receipt of an application that satisfies all the requirements of these rules and payment of the registration fee, issue a certificate of registration which shall remain in effect until December 31 of the odd-numbered year following the date of such registration. The business organization shall:

(a) Renew the firm registration on or before December 31 of each odd-numbered year by submitting the renewal form provided by the Board, together with the appropriate registration renewal fee. The Board may waive the renewal fee if an initial firm registration is issued in November or December of the year in which the registration is due for renewal. Business organizations that fail to renew a registration by the close of the renewal period are required to pay the renewal fee plus a late fee;

(b) Notify the Board in writing of any change in the firm name within 30 days of such change;

(c) In addition to the notice that is required upon application and for each renewal of the firm registration under section (3) of this rule, business organizations are required to provide written notice to the Board within 45 days of the filing of any lawsuit, settlement or arbitration relating to the professional services of the business organization if an essential element of such lawsuit involves fraud, dishonesty or misrepresentation;

(d) Display the letter of registration issued by the Board in a conspicuous place at the principal office of the firm.

**(6) Form of practice.** A licensee may practice public accountancy in a business organization as defined in ORS 673.010 that is organized in accordance with statutory provisions.

**(a) Non-CPA or non-PA ownership.** A licensee may form a business organization with a non-licensee for the purpose of engaging in the practice of public accountancy in accordance with the provisions of ORS 673.160 and OAR 801-010-0340.

**(A)** Notwithstanding subsection (6)(a) of this rule, any certified public accountant or public accountant previously licensed in any state whose license to practice public accountancy has been revoked by any state, may not participate as a non-licensee owner in a business organization required to be registered under ORS 673.160.

**(b) Branch offices.**

**(A)** Every branch office located in this state shall be managed by a licensee holding a permit issued under ORS 673.150 who shall be in residence at the branch office, on a full-time basis, during the time the branch office is open to the public. A licensee operating a branch office is responsible for managing the office, staff and services rendered to the public.

**(B)** The Board may, at its discretion, approve the operation of a branch office that does not meet the supervision requirements of paragraph A of this subsection. Licensees seeking approval under this paragraph shall submit in advance a written proposal describing how the licensee will provide adequate supervision of the branch office. The proposal shall specify the minimum number of hours each week that a named licensee will provide physical supervision at the branch office.

**(C)** Any licensee operating a branch office under approval authorized by paragraph (B) of this subsection shall notify the Board in writing of any deviation from an approved plan within 30 days of the deviation.

**(D)** The location of each branch office in Oregon shall be reported to the Board at the time of application for registration as a firm and with each renewal application, together with a statement that each branch office meets the requirements of OAR 801-010-0345(6)(b)

**(c) Internet Practice.** Licensees using the CPA or PA title to perform or solicit services via a website, are required to include information on the website naming the state(s) in which each CPA or PA is licensed to perform public accounting services, or provide a name and contact information for an individual who will respond within seven business days to inquiries regarding individual licensee information. Information required to be posted by this rule must be clearly visible and prominently displayed.

Stat. Auth.: ORS 670.310, 673.410 & 673.160

Stats. Implemented: ; ORS 673.160

Hist.: AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; BOA 2-1998, f. & cert. ef. 3-30-98; BOA 6-1999, f. 12-21-99, cert. ef. 1-1-00; BOA 4-2001, f. 12-28-01, cert. ef. 1-1-02; BOA 4-2003, f. 12-23-03 cert. ef. 1-1-04; BOA 2-2006, f. 12-22-06, cert. ef. 1-1-07