

**OREGON ADMINISTRATIVE RULES  
CHAPTER 801, DIVISION 030 -- BOARD OF ACCOUNTANCY**

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**CODE OF PROFESSIONAL CONDUCT**

**Independence, Integrity, and Objectivity**

**801-030-0005 (1) Independence.** The Board adopts the Independence Rule established by the AICPA, ET Section Rule 101 Independence. The AICPA Interpretations and Ethics rulings relating to AICPA Rule 101 are adopted by the Board as a non-exclusive list to provide guidance to licensees, prospective licensees, the Board and members of the public.

(a) Licensees who perform services that are subject to independence standards promulgated by other regulatory or professional standard setting bodies, agencies and organizations, including but not limited to the Securities and Exchange Commission, the General Accounting Office and the US Department of Labor, must also comply with those standards applicable to the services provided.

**(2) Integrity and objectivity.**

(a) In the performance of any professional service, a licensee shall maintain objectivity and integrity and shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate the licensee's judgment to the judgment of others.

(b) In tax practice, however, a licensee may resolve doubt in favor of the client as long as there is reasonable support for the client's position.

(c) When accepting new employment or a new engagement, a licensee shall not use confidential client information in a manner that is adverse to a former client or employer. Confidential client information is any information communicated to or obtained by the licensee from a client or employer that relates to services rendered by the licensee to the client or employer.

(d) The Board adopts the AICPA Interpretations and Ethical Rulings relating to AICPA Rule 102 as a non-exclusive list to provide guidance to licensees, prospective licensees, the Board and members of the public.

**(3) Commissions and referral fees.** Certified public accountants, public accountants and firms in the practice of public accountancy are permitted to pay and receive commissions and referral fees subject to the requirements of ORS 673.345 and this rule.

(a) **Notice to the Board.** Licensees who receive or pay commissions or referral fees shall report this fact on the application for biennial renewal of the license.

(b) **Related licensure/registration.** Prior to accepting commissions, licensees shall acquire and maintain in good standing any license or registration required by another governmental or private standard-setting body for the purpose of receiving commissions. Examples of licensing requirements include, but are not limited to the following:

(A) Oregon Department of Consumer and Business Services,

(B) National Association of Securities Dealers,

(C) Oregon Real Estate Agency, and

(D) Oregon Appraiser Certification and Licensure Board.

(c) **Prohibited commissions and referral fees.** A certified public accountant, public accountant or firm engaged in the practice of public accountancy shall not recommend or refer to a client any product or service, or recommend or refer any product or service to be supplied by a client in exchange for the payment or acceptance

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of a commission or referral fee when the certified public accountant, public accountant or firm also performs any of the following listed services for that client:

(A) An audit, review or agreed-upon-procedures of a financial statement;

(B) An examination of prospective financial information; and

(C) A compilation of a financial statement if the compilation report does not disclose a lack of independence between the client and the certified public accountant.

**(d) Application of prohibitions.** The prohibitions in this rule apply:

(A) When the holder of a permit or any partner, officer, shareholder, member, manager or owner of the firm performs the services listed in this rule, and

(B) During the period in which the certified public accountant, public accountant or firm is engaged to perform any of the services listed in this rule, including the period(s) subject of the report and the period covered by any historical financial statements involved in the listed services.

**(e) Disclosure requirements.** A certified public accountant, public accountant or firm engaged in the practice of public accountancy who is not prohibited by this rule from paying or receiving a commission or referral fee, and who is paid or expects to be paid a commission or referral fee, shall disclose that fact to any client to whom the commission or referral fee relates.

(A) A copy of each disclosure shall be provided to the client prior to the time the product or service that is the basis of the fee is recommended, referred or sold, or prior to the time the client retains the licensee to whom the client has been referred and for which the fee or other valuable consideration will be paid.

(B) A copy of the disclosure shall be retained by the certified public accountant, public accountant or firm for a period of at least six years after the licensee performs any services for the client.

(C) In the event of continuing engagements or a series of related transactions involving similar products or services with the same client, one written disclosure may cover more than one recommendation, referral or sale so long as the disclosure is provided at least annually and is not misleading.

**(D) Disclosures under this rule shall:**

(i) Be in legible, clear and conspicuous writing, in no less than 12 point characters (if typed) and provided on a separate form that is acknowledged in writing by the client with the client's signature and date of acknowledgement;

(ii) State the amount of the commission or referral fee or the basis on which the payment will be calculated;

(iii) Identify the source of the payment and the relationship between the source of the payment and the person receiving the payment; and

(iv) Specify the services to be performed by the Licensee for the compensation to be received by the Licensee.

**(f) Transactions not prohibited.** This rule does not prohibit the following transactions:

(A) Payments for the purchase of all or a material part of, an accounting practice;

(B) Retirement payments to persons formerly engaged in the practice of public accountancy, or payments to the heirs or estates of such persons; or

(C) Payments, including incentive or bonus payments, to employees or members of an accounting firm as compensation for their services.

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**(g) Audit of disclosure requirements.** Licensees are subject to audits conducted by the Board or its designee to determine licensee compliance with the provisions of this rule. Licensees shall, upon request, furnish to the Board copies of disclosure records required under this rule.

**(4) Contingent fees.** Certified public accountants, public accountants and firms in the practice of public accountancy may perform professional services for a client in exchange for a contingent fee subject to the requirements of ORS 673.345 and this rule.

**(a) Notice to the Board.** Licensees who receive contingent fees in exchange for professional services shall report this fact on the application for biennial renewal of the license.

**(b) Prohibited contingent fees.**

**(A)** A certified public accountant, public accountant or firm in the practice of public accountancy may not perform professional services for a client in exchange for a contingent fee when the certified public accountant, public accountant or firm also performs any of the following listed services for that client:

**(i)** Audit, review or agreed-upon-procedures of a financial statement;

**(ii)** Compilation of a financial statement if the compilation report does not disclose a lack of independence between the client and the licensee, or

**(iii)** Examination of prospective financial information.

**(B)** A certified public accountant, public accountant or firm in the practice of public accountancy may not prepare an original or amended tax return or a claim for a tax refund for any client in exchange for a contingent fee.

**(c) Application of prohibitions.** The prohibitions stated in paragraph (4)(c)(A) of this rule apply during the period in which the licensee or the licensee's firm is engaged to perform any of the services listed in this rule and during any period covered by any historical or prospective financial statements involved with or related to such services.

**(d) Requirement for written agreement.** Every agreement to perform services in exchange for a contingent fee shall be in writing and shall be signed by the client.

**(A)** A copy of the agreement shall be provided to the client prior to the time the client retains the licensee for the service, or prior to the time that the service that is subject to the agreement is performed.

**(B)** Agreements under this rule shall:

**(i)** Be in legible, clear and conspicuous writing, in no less than 12 point characters (if typed);

**(ii)** Include the signatures of all parties and date of each signature; and

**(iii)** State the amount of the contingent fee or the basis on which the fee will be calculated;

**(C)** A copy of the agreement shall be retained by the certified public accountant, public accountant or firm for a period of at least six years after the licensee performs the disclosed services for the client.

**(e) Contingent fee transactions not prohibited.** Fees are not contingent if fixed by courts or other public authorities, or in tax matters if such fees are determined based on the results of judicial proceedings or the findings of governmental agencies.

**(f) Audit of contingent fee agreements.** Licensees are subject to audits conducted by the Board or its designee to determine licensee compliance with the

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provisions of this rule. Licensees shall, upon request, furnish to the Board copies of contingent fee agreements required under this rule.

**(5) Improper use of CPA and PA designation.**

**(a) Non-public accounting business.** Licensees engaged in a business or occupation other than the practice of public accountancy or performance of attestation services may use the "CPA" or "PA" designation in oral or other communications such as business cards, stationery or comparable forms if the use of the designation does not indicate in any way that the licensee is authorized to perform public accountancy or attestation services as part of the licensee's other business or occupation.

**(b) Commissions or contingent fees.** Licensees shall not engage in any activity for which the licensee receives commissions or contingent fees while holding out to the public as a CPA or PA, except as provided under sections (3) and (4) of this rule.

**(c) Non-licensee owners.**

**(A)** A non-licensee owner of a business organization registered in Oregon under the provisions of ORS 673.160(4) shall not use any name or title that indicates or suggests that such owner is a certified public accountant or public accountant. This does not preclude a non-licensee owner from using the title "principal," "partner," "officer," "member" or "shareholder" to describe the ownership interest in the business organization.

**(B)** A business organization that includes non-licensee owners shall not use a firm name that includes both the name of a non-licensee owner and the title or designation for "certified public accountant", "public accountant", or any other words or description that would imply that the non-licensee owner included in the firm name is authorized to provide public accounting services.

Stat. Auth.: ORS 670.310, 673.410 & OL 2001, Ch. 313

Stats. Implemented: ORS 673.160, 673.320, 673.345 & 673.445

Hist.: AB 1-1978, f. & ef. 1-11-78; AB 4-1994, f. & cert. ef. 9-27-94; AB 2-1995, f. & cert. ef. 3-22-95; AB 2-1996, f. & cert. ef. 9-25-96; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 6-1999, f. 12-21-99, cert. ef. 1-1-00; BOA 1-2001(Temp), f. & cert. ef. 7-9-01 thru 1-1-02; BOA 5-2001, f. 12-28-01, cert. ef. 1-1-02; BOA 6-2003, f. 12-23-03 cert. ef. 1-1-04; BOA 9-2005, f. 11-22-05, cert. ef. 1-1-06; BOA 3-2006, f. 12-22-06, cert. ef. 1-1-07

**General and Technical Standards**

**801-030-0010 (1) General Standards.** Licensees shall comply with the following general standards.

**(a) Professional Competence.** Licensees shall undertake only those professional services that the licensee or the licensee's firm can reasonably expect to be completed with professional competence.

**(b) Due Professional Care.** Licensees shall exercise due professional care in the performance of professional services.

**(c) Planning and Supervision.** Licensees shall plan and supervise the performance of professional services.

**(d) Sufficient Relevant Data.** Licensees shall obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.

**(e)** The Board adopts the AICPA Interpretations under AICPA rule 201 as a non-exclusive list to provide guidance to licensees, prospective licensees, the board and members of the public.

**(2) Auditing standards.** A licensee shall not permit the licensee's name to be associated with financial statements in such a manner as to imply that the licensee is

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independent with respect to such financial statements unless the licensee has complied with applicable generally accepted auditing standards. Statements on Auditing Standards issued by the AICPA, and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures there from must be justified when such standards are not followed.

**(3) Accounting principles.**

**(a) Responsibility of Licensees in Public Accounting.** A licensee shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the licensee can demonstrate that by reason of unusual circumstances, the financial statements would otherwise have been misleading. In such a case, the licensee's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement. For purposes of this rule, generally accepted accounting principles are defined by pronouncements issued by the Financial Accounting Standards Board and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority.

**(b) Responsibility for the preparation of financial statements in conformity with GAAP.** A person who holds an active, inactive or lapsed license shall not state affirmatively that financial statements or other financial data of an entity are presented in conformity with generally accepted accounting principles (GAAP) if such statements or data contain any departure from an accounting principle promulgated by the Financial Accounting Standards Board and its predecessor entities and similar generally recognized authority that has a material effect on the statements or data taken as a whole.

**(c) Departures from Established Accounting Principles.** There is a strong presumption that adherence to officially established accounting principles would in nearly all instances result in financial statements that are not misleading. There may be unusual circumstances where literal application of pronouncements on accounting principles would have the effect of rendering financial statements misleading. In such cases the proper accounting treatment is that which will render the financial statements not misleading. The question of what constitutes unusual circumstances is a matter of professional judgment involving the ability to support the position that adherence to a promulgated principle would be regarded by a reasonable person as producing a misleading result.

**(4) Tax standards.** Licensees shall not perform tax planning services, recommend tax return positions or prepare or sign tax returns (including amended returns, claims for refund and information returns) filed with any taxing authority unless the licensee has complied with Statements on Standards for Tax Services issued by the Tax Executive Committee of the American Institute of Certified Public Accountants and with United States Department of Treasury Circular No. 230.

**(5) Other professional standards.** Licensees, in the performance of consulting services or accounting and review services, shall conform to the professional standards applicable to such services. For purposes of this rule such professional standards are considered to be defined by Statements on Consulting Services and Statements for

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Accounting and Review Services, respectively, in each instance issued by the AICPA, and by similar pronouncements by other entities having generally recognized authority.

Stat. Auth.: ORS 670.310, 673.410 & 673.445

Stats. Implemented: ORS 673.445

Hist.: AB 1-1978, f. & ef. 1-11-78; AB 3-1989, f. & cert. ef. 1-25-89; AB 4-1994, f. & cert. ef. 9-27-94; BOA 6-1999, f. 12-21-99, cert. ef. 1-1-00; BOA 5-2001, f. 12-28-01, cert. ef. 1-1-02; BOA 3-2006, f. 12-22-06, cert. ef. 1-1-07; BOA 3-2007, f. 12-27-07 cert. ef. 1-1-08

**Responsibilities to Clients**

**801-030-0015 (1) Confidential client information.** A member in public practice shall not disclose any confidential client information without the specific written consent of the client.

**(a) Prohibited disclosures.** Except as provided in subsection (b) of this rule:

**(A)** No licensee or any partner, officer, shareholder, member, manager, owner or employee of a licensee, shall voluntarily disclose information communicated to or obtained by the licensee from a client or on behalf of a client if such information relates to services that the licensee rendered for the client.

**(B)** Members of the Board, members of Board committees and professional practice reviewers shall not disclose confidential client information which comes to their attention in the course of investigations, disciplinary proceedings or otherwise in carrying out their responsibilities, except that the Board may furnish such information when disclosure is required as described in subsection (b) of this rule.

**(b) Permitted disclosures.** Nothing in subsection (a) of this rule shall prohibit the disclosure of confidential client information under the following circumstances:

**(A)** When disclosure is required by the standards of the public accountancy profession in reporting on the examination of financial statements;

**(B)** When disclosure is required by a court order;

**(C)** In response to subpoenas issued in state or federal agency proceedings;

**(D)** In investigations or proceedings under ORS 673.170 or 673.400;

**(E)** In ethical investigations conducted by private professional organizations in the course of peer reviews;

**(F)** To the insurance carrier of a licensee in connection with a claim or potential claim; or

**(G)** When disclosure is required by the Oregon Board of Accountancy for regulatory purposes of the Board.

**(2) Client records and working papers.**

**(a) Definitions.** As used in this rule:

**(A)** Client records include any accounting or other records belonging to or obtained from or on behalf of the client or former client that the licensee received for the client's account or removed from the client's premises.

**(B)** Working papers include but are not limited to all statements, records, schedules, general ledgers, journals, trial balances and depreciation schedules made by the licensee incident to or in the course of rendering services to a client or former client. Working papers are and shall remain the property of the licensee in the absence of an express agreement to the contrary between the licensee and client.

**(C)** In addition to the requirements specified in paragraph (B) of this rule, attest documentation shall include, but not be limited to, the following:

**(i)** The objectives, scope and methodology, including any sampling criteria used;

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(ii) Documentation of the work performed to support significant conclusions and judgments, including descriptions of transactions and records examined that would enable a reviewer with relevant knowledge and experience, having no previous connection with the attest engagement, to examine the same transactions and records; and

(iii) Evidence of any supervisory review of the work performed.

**(b) Requested records.** Licensees are required to furnish the following records to a client or former client, upon request, within a reasonable time after such request:

**(A)** In response to a client's request for client records, made within a reasonable time, that occurs prior to issuance of a tax return, financial statement, report or other document prepared by a licensee, the licensee shall furnish to the client or former client any accounting or other records belonging to or obtained from or on behalf of the client that the licensee received for the client's account or removed from the client's premises.

**(B)** In response to a client's request for client records, made within a reasonable time, that occurs after the issuance of a tax return, financial statement, report or other document prepared by the licensee, the licensee shall furnish to the client or former client:

(i) A copy of a tax return, financial statement, report or other document issued by the licensee to or for such client or former client;

(ii) Any accounting or other records belonging to or obtained from or on behalf of the client that the licensee removed from the client's premises or received for the client's account; and

(iii) A copy of the licensee's working papers to the extent that the working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client.

**(c) Non-payment by client.** Licensees shall not refuse to provide client records and working papers as described in subsection (b) of this rule based on the client's failure or refusal to pay the licensee's fees.

**(d) Custody and disposition of working papers.**

**(A)** A licensee may not sell, transfer or bequeath working papers described in this rule to anyone other than one or more surviving partners or stockholders, or new partners or stockholders of the licensee, or any combined or merged organization or successor in interest to the licensee, without the prior written consent of the client or the client's personal representative or assignee.

**(B)** A licensee is not prohibited from making a temporary transfer of working papers or other material necessary to the conduct of peer reviews or for the disclosure of information as provided by section (1)(b) of this rule.

**(C)** A licensee shall implement reasonable procedures for the safe custody of working papers and shall retain working papers for a period sufficient to meet the needs of the licensee's practice and to satisfy applicable professional standards and pertinent legal requirements for record retention.

**(D)** A licensee shall retain working papers during the pendency of any Board investigation, disciplinary action, or other legal action involving the licensee. Licensees shall not dispose of such working papers until notified in writing by the Board of the closure of the investigation or until final disposition of the legal action or proceeding if no Board investigation is pending.

**(e) Retention of attest and audit working papers.**

**(A)** Licensees must maintain for a period of at least five years the working papers for any attest service or audit report prepared by the licensee together with any other

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supporting information, in sufficient detail to support the conclusions reached in such report.

(B) The five-year retention period described in paragraph (A) of this subsection is extended if a longer period is required for purposes of a Board investigation as provided in paragraph (d)(D) of this rule and OAR 801-010-0115(3).

Stat. Auth.: ORS 670.310 & 673.410

Stats. Implemented: ORS 673.445

Hist.: AB 1-1978, f. & ef. 1-11-78; 1AB 2-1984, f. & ef. 5-21-84; AB 4-1994, f. & cert. ef. 9-27-94; BOA 6-1999, f. 12-21-99, cert. ef. 1-1-00; BOA 5-2001, f. 12-28-01, cert. ef. 1-1-02; BOA 6-2003, f. 12-23-03 cert. ef. 1-1-04; BOA 1-2005, f. 1-26-05, cert. ef. 2-1-05; BOA 9-2005, f. 11-22-05, cert. ef. 1-1-06; BOA 3-2006, f. 12-22-06, cert. ef. 1-1-07; BOA 3-2007, f. 12-27-07 cert. ef. 1-1-08

**Other Responsibilities and Practices**

**801-030-0020 (1) Professional misconduct.**

(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.

(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.

(c) A licensee shall not act in a way that would cause the licensee to be disciplined for violation of laws or rules on ethics by a federal or state agency or by any jurisdiction for the practice of public accountancy.

(d) A licensee shall not engage in acts of gross negligence including, but not limited to:

(A) Failure to disclose a known material fact which is not disclosed in the financial statements, but disclosure of which is necessary to make the financial statements complete or not misleading, or

(B) Failure to report any known material misstatement which appears in the financial statements.

**(2) Verification of experience for CPA or PA applicants.**

(a) Licensees who supervise the work experience of CPA or PA applicants for the purpose of verifying the applicant's eligibility under ORS 673.040 shall provide to the Board an accurate and complete certificate of experience for the applicant. Licensees who provide any certificate of experience for an applicant shall not:

(A) Make any false or misleading statement as to material matters in any certificate of experience, or

(B) Commit any act that would unjustly jeopardize an applicant's ability to obtain a certificate in this or any other jurisdiction.

(3) **Acting through others.** A licensee shall not permit others to perform any acts on behalf of the licensee, either with or without compensation, which, if performed by the licensee would place the licensee in violation of the Code of Professional Conduct.

(4) **Public communications and advertising.** A licensee shall not use or participate in the use of any form of public communication, including the use of internet domains, e-mail names, advertising or solicitation by direct personal communication, having reference to the licensee's professional services that contains a false, fraudulent, misleading, or deceptive statement or claim. A false, fraudulent, misleading, or deceptive statement or claim includes, but is not limited to, a statement or claim that:

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- (a) Includes a misrepresentation of fact;
- (b) Is intended or likely to mislead or deceive because it fails to disclose relevant facts;
- (c) Is intended or likely to create false or unjustified expectations of favorable results;
- (d) Falsely states or implies educational or professional attainments or licensing recognition;
- (e) Falsely states or implies that the licensee has received formal recognition as a specialist in any aspect of the practice of public accounting;
- (f) Falsely represents that professional services can or will be competently performed for a stated fee, or misrepresents fees for professional services by failing to disclose all variables affecting the fees that will in fact be charged; or
- (g) Contains other representations or implications of fact that would cause a reasonable person to misunderstand or be deceived.

**(5) Professional designations.** A licensee shall not represent that the licensee is a member of any professional society, association, organization or an association of firms, or that the licensee has a correspondent relationship with another licensee unless the representation is true at the time it is made or published.

**(6) Firm names.**

**(a) False and misleading firm names.**

**(A)** A public accounting firm shall not offer or provide public accounting services using a firm name that is misleading as to the legal entity or organization of the firm, as to the owners or employees of the firm, or as to any matter restricted by section (4) of this rule.

**(B)** A firm name shall not include false or misleading language about the business organization of the firm, the nature of the services provided, the number of licensees associated with or working for the firm or the identity of individual members of the firm. Except as provided in paragraphs (D) and (E) of this subsection, a firm name shall not include information about or indicate an association with, individuals who are not members of the firm.

**(C)** A firm name shall include words or abbreviations required by the laws under which the business organization is organized to identify the form of business organization or legal entity being used by the firm.

**(D)** A firm name may be composed of the names of one or more past partners, shareholders, owners, or members of the business organization or its successor, so long as the past partner, shareholder, owner or member:

- (i) Is not actively engaged in the practice of public accountancy as a sole proprietor in the same market area, and
- (ii) Approves in writing of the continued use of such name. Approval given by a licensee for the continued use of licensee's name may be withdrawn by the licensee, in writing and shall allow a reasonable period of time for the firm to withdraw such name.

**(E)** A partner, shareholder, owner or member surviving the death or withdrawal of all other partners, shareholders, owners or members may continue to practice under the firm name provided that the firm meets the requirements stated in this rule.

**(b) Singular firm names.** The use by a certified public accountant or public accountant in individual practice of the individual's full legal name in the singular form, followed by the title "Certified Public Accountant," "Public Accountant", "CPA" or "PA" is not misleading.

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**(c) Plural firm names.**

**(A)** The use by a firm of a plural title or designation, including words like "company", "and company", "associates" and "accountants", is not misleading if, in addition to the names of persons included in the firm name, the firm employs at least one staff person, who works a minimum of 20 hours per week, who is licensed to practice public accountancy under ORS 673.150, and whose permit is not revoked, suspended, lapsed or inactive.

**(B)** A firm using a plural name that ceases to employ at least one licensed staff person for 20 hours per week or more shall:

**(i)** Cease using the plural name and so notify the Board in writing; or

**(ii)** Notify the Board in writing within 30 days of non-compliance. Such firm shall have 90 days in which to employ a licensed staff person as required under paragraph (A) of this subsection. The firm shall provide written notice to the Board when the firm has employed the required licensed staff person.

**(C)** A firm may file a written request for an additional 90-day extension in which to employ the required licensed staff person.

**(d) Assumed business names.**

**(A)** A firm name that does not include the designations "PC", "LLC", "LP", or "LLP" to indicate the form of legal entity through which the practice of public accountancy is being conducted, or that does not include the full legal name of every owner of such business organization, shall be filed as an assumed business name with the Corporations Division of the Office of the Secretary of State. A copy of the registration of the assumed business name shall be provided to the Board with the application for registration as a firm and with every renewal application.

**(B)** An assumed business name that is registered with the Corporate Division of the Office of the Secretary of State may be composed in whole or in part of initials. Such abbreviated firm name shall not spell a word or form an acronym that may be misleading to the public. Every assumed business name shall meet the requirements of paragraph (6)(a)(B) of this rule.

**(e) Notice to Board.** A business organization registered as a firm under ORS 673.160 shall provide the following information to the Board:

**(A)** List of the names and certificate or license numbers of all Oregon licensees employed by the firm at the time of application for registration as a firm and with every renewal application, and

**(B)** Written notice of any change of firm name, firm address or firm ownership within 30 days of such change.

**(7) Board communications and investigations.**

**(a)** Communications from the Board to licensees shall be sent by first class mail or certified mail and addressed to the licensee at the last official address or the alternate address furnished to the Board by the licensee.

**(b)** Licensees who receive any Board communication requesting the licensee to provide a written response shall:

**(A)** Provide a written response to the Board within 21 days of the date the Board communication was mailed,

**(B)** Respond fully and truthfully to inquiries from and comply with all Board requests.

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(c) The Board of Accountancy shall provide written notice to licensees of complaints filed against the licensee and of any Board investigation that affects the licensee. Licensees who receive notice of a complaint investigation:

(A) Shall cooperate fully with all Board investigations, including any request to appear to answer questions concerning such investigations, and

(B) Shall not engage in any conduct or activity that would hinder or obstruct a Board investigation.

**(8) Business transactions with clients.**

(a) Except for business transactions that occur in the ordinary course of business, licensees shall not enter into a business transaction with a client if the licensee and client have differing interests therein unless the client has consented in writing to the transaction after receiving full written disclosure of the differing interests from the licensee. Both written disclosure and client's written consent shall be made prior to the time the business transaction is accepted.

(b) A loan transaction between a licensee and a client does not require disclosure under this rule if the client is in the business of making loans of the type obtained by the licensee and the loan terms are not more favorable than loans extended to other persons of similar credit worthiness and the transaction is not prohibited by other professional standards.

**(9) Notification of change of address, employer or assumed business name.**

Licensees are required to maintain a current record with the Board of the information described in this rule, and to provide written notice to the Board of any change in such information within 30 days of such change. Written notice required under this rule may be provided by US mail, private delivery service, fax transmittal, e-mail or personal delivery. The information required under this rule will not be accepted over the telephone:

(a) Licensee's current business and residential addresses. If the number of a post office box, mail drop or pick-up service is provided for either address, the licensee must also provide the physical address;

(b) The name and address of licensee's current employer; and

(c) Any assumed business name used by licensee, if licensee is conducting the practice of public accountancy under an assumed business name.

**(10) Child support defaults.** In accordance with ORS 25.750 to 25.783, the Board shall provide the Support Enforcement Division of the Department of Justice with certification and licensing information which may be electronically cross-matched with Support Enforcement Division's records for persons under order of judgment to pay monthly child support and who are in arrears according to ORS 25.750(a), (b) and/or (c).

(a) The Board shall suspend a licensee's certificate or license and permit to practice upon notice from the Support Enforcement Division or the appropriate District Attorney that such licensee is in arrears of any judgment or order requiring the payment of child support and such payment is being enforced under the provisions of ORS 25.080.

(b) Pursuant to ORS 25.762 or 25.765, the Board shall notify the licensee of the action being taken and refer such licensee to the Support Enforcement Division or the District Attorney for resolution of the support payment issue.

(c) Upon notification by the Support Enforcement Division or District Attorney and receipt of a release notice that the conditions resulting in the action have been resolved, the Board shall reinstate the licensee's certificate or license and permit to

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practice upon compliance with any additional requirements for issuance, renewal or reinstatement.

**(11) State tax defaults.** In accordance with ORS 305.385, and upon request by the Department of Revenue (DOR), the Board shall provide DOR with license information for the purpose of determining whether a licensee has neglected or refused to file any tax return, or neglected or refused to pay any tax without filing a petition with DOR as stated in ORS 305.385(4)(a).

**(a)** The Board shall issue a notice of proposed action against a licensee who is identified by DOR under this rule. The licensee shall be provided with the opportunity for hearing as provided in ORS 183.310 to 183.550 for contested cases.

**(b)** Upon notification by DOR and receipt of a certificate issued by DOR that the certificate/license holder is in good standing with respect to any returns due and taxes payable to DOR as of the date of the certificate, the Board shall renew or reinstate the certificate or license and permit to practice upon compliance with any additional requirements of the Board for issuance, renewal or reinstatement.

**(12) Continuing violation.** A continuing violation is a violation of any provision of ORS 673.010 – 673.457 or OAR chapter 801 that remains in place (“continues”) without additional conduct on the part of the violator. For example the continued existence of an office sign purporting to offer public accounting services by an unregistered firm would be a continuing violation. The Board shall provide written notice of the alleged continuing violation to the individual or firm. The duration of the violation prior to the date of notice from the Board shall be deemed a single violation, and each day of continuance after the date of notice from the Board is a separate violation and may be subject to a civil penalty.

**(13) Non-Disclosure Agreement.** “Non-disclosure agreement” means any written or oral agreement that inhibits any party to the agreement from reporting an alleged violation of ORS chapter 673 or OAR chapter 801 to the Board, or that inhibits any party from cooperating with an investigation by the Board, an agency of any state, or an agency of the Federal government.

**(a)** Licensees shall not enter into, nor benefit directly or indirectly from, any non-disclosure agreement.

**(b)** Any licensee who is a party to a non-disclosure agreement and who receives written notice from the Board, an agency of any state, or an agency of the Federal government requesting information that is subject to the provisions of such non-disclosure agreement, shall provide a written release for information requested within 30 days of the date of notice.

Stat. Auth.: ORS 670.310 & 673.410

Stats. Implemented: ORS 673.160, 673.410 & 673.445

Hist.: AB 1-1978, f. & ef. 1-11-78; 1AB 1-1981, f. 1-6-81, ef. 6-1-81; 1AB 3-1981, f. & ef. 1-6-81; 1AB 2-1984, f. & ef. 5-21-84; 1AB 3-1986, f. & ef. 11-17-86; AB 3-1989, f. & cert. ef. 10-3-89; AB 6-1993(Temp), f. 11-2-93, cert. ef. 11-4-93; AB 1-1994, f. & cert. ef. 1-21-94; AB 3-1994, f. & cert. ef. 8-10-94; AB 4-1994, f. & cert. ef. 9-27-94; AB 3-1996, f. & cert. ef. 9-25-96; BOA 6-1998, f. & cert. ef. 7-29-98; BOA 1-1999, f. & cert. ef. 1-20-99; BOA 5-1999, f. & cert. ef. 7-23-99; BOA 6-1999, f. 12-21-99, cert. ef. 1-1-00; BOA 5-2001, f. 12-28-01, cert. ef. 1-1-02; BOA 5-2002 f. 12-27-02, cert. ef. 1-1-03; BOA 6-2003, f. 12-23-03 cert. ef. 1-1-04; BOA 4-2005, f. & cert. ef. 8-12-05; BOA 9-2005, f. 11-22-05, cert. ef. 1-1-06; BOA 3-2006, f. 12-22-06, cert. ef. 1-1-07; BOA 3-2007, f. 12-27-07 cert. ef. 1-1-08