

CHAPTER Ac 400 CONTINUED STATUS

PART Ac 401 RENEWAL

Readopt with amendment Ac 401.01 through Ac 401.04, effective 1/1/15 (Document #10746), to read as follows:

Ac 401.01 Renewal Process.

(a) Applications for renewal of a certificate, registration, or permit shall be processed in accordance with Plc 308.09 through Plc 308.12.

(b) For biennial renewal of a CPA certificate or for a PA registration, the applicant shall submit the following:

(1) [The] **A completed** “Universal Application for License Renewal” required by Plc 308.05(b)(1);

(2) [The] **A completed** “CPA Certification and PA Registration Addendum to the Universal Application for License Renewal” [~~described in~~] **required by** Ac 401.04”; [~~and~~]

(3) On a separate sheet, a detailed report of the relevant circumstances, if any, of the answers to the “yes-no” questions on the application [~~form~~] **which** are in the affirmative and **include** relevant supporting documents;

(4) A resume or curriculum vita showing a chronological summary of the applicant’s public, industry, government[~~at~~], and academic accounting experience since the license lapsed that includes:

- a. The applicant’s position title;
- b. The beginning and ending dates of such employment;
- c. The name of the employer; and
- d. The [~~C~~]city and state of the employer; **and**

(5) The renewal fee required by Plc 1002.01.

(c) For biennial renewal of a firm permit, the applicant shall submit the following:

(1) [The] **A completed and signed** “Universal Application for License Renewal” required by Plc 308.05(b)(1);

(2) [The] **A completed** “CPA or PA Firm Addendum to the Universal Application For License Renewal”;

(3) On a separate sheet, a detailed report of the relevant circumstances, if any, of the answers to the “yes-no” questions on the application [~~form~~] **which** are in the affirmative and **include** relevant supporting documents;

(4) Documentation of peer review, if required pursuant to Ac 405; and

(5) The renewal fee required by Plc 1002.01.

Ac 401.02 General Requirements for Renewal Documentation. All forms and other documents submitted to the OPLC as part of an application for renewal shall be in English unless the original document is in another language, in which case a copy of the document in its original language shall be accompanied by a translation that has been attested to by the person who translated the document as being accurate and complete

Ac 401.03 Certificate, Registration, and Permit Expiration.

(a) Each CPA certificate shall expire 2 years from the day the license was issued. No person shall hold themselves out as a CPA, to the public in New Hampshire without a valid New Hampshire certificate.

(b) Each PA registration shall expire 2 years from the day the license was issued. No person shall hold ~~themselves~~ **themselves** out as a PA, to the public in New Hampshire, without a valid New Hampshire registration.

(c) Each firm permit shall expire 2 years from the day the license was issued. No firm shall hold itself out as an accounting firm to the public in New Hampshire without a valid New Hampshire permit.

Ac 401.04 Renewal Forms.

(a) The individual applying for CPA certification or PA registration renewal shall **complete and submit;**

(1) ~~[t]~~ **The “Universal Application for License Renewal” as required by Plc 308.05(b)(1)[-]; and**

~~[(b)]~~**(2) The “CPA Certification or PA Registration Addendum to the Universal Application for Renewal” [requiring] by providing** the following information:

~~[(+)]~~**a.** A list of all names the applicant has ever been known by; ~~[and]~~

~~[(2)]~~**b.** A yes or no answer to “I have met the continuing professional education described in Ac 403.”; **and**

c. Yes or no to the question “I have included with the application a resume or curriculum vita showing a chronological summary of the applicant’s public, industry, government, and academic accounting experience since the license lapsed that includes:

1. The applicant’s position title;

2. The beginning and ending dates of such employment;

3. The name of the employer; and

4. The city and state of the employer.

~~(e)~~(b) A CPA firm shall **complete and** submit:

a. The “Universal Application for License Renewal” required by Plc 308.05(b)(1)~~[-]~~; **and**

b. The “CPA or PA Firm Addendum to the Universal Application for License Renewal” by providing the following:

1. A yes or no answer to the question “Have you used the full CPA designation as opposed to the “CPA Inactive” designation, since becoming inactive?”; and

2. A yes or no answer to the question “I have submitted with this application documentation of peer review, if required pursuant to Ac 405?”.

Readopt Ac 401.05, effective 1/1/15 (Document #10746), to read as follows:

Ac 401.05 Documentation of Completion of Continuing Professional Education. Documentation acceptable to the board relative to CPE shall comply with Ac 403.02(d) – (g), as applicable.

Readopt with amendment Ac 401.06, effective 1/1/15 (Document #10746), to read as follows:

Ac 401.06 Inactive Status Designation.

(a) A CPA or PA who does not intend to practice accounting but who, at a later date, ~~[may wish]~~ **intends** to re-enter practice, shall apply to the OPLC for permission to enter inactive status. Such status shall allow the applicant to continue to use the CPA or PA designation provided that the full word ~~[-]~~ “Inactive~~[-]~~” appears immediately after the letter ~~[-]~~ “A~~[-]~~” or word ‘accountant’ in their title.

(b) A CPA or PA seeking permission to use the inactive status designation shall **complete and** submit the “Universal Application for Initial Licensure” required by Plc 304.01(a)(1).

(c) A CPA or PA seeking permission to use the inactive status designation shall **complete and** submit the ~~[following-on]~~ “Inactive Status Addendum to the Universal Application for Initial Licensure” **by providing the following:**

(1) **An answer of** yes or no to the statement “I do not intend to practice public accounting during the next 2 years”;

(2) **An answer of** yes or no to the statement “I shall not hold myself out as a currently practicing CPA or PA nor knowingly allow anyone else to represent that I hold such certification or credential”;

(3) **An answer of** yes or no to the statement “I shall notify the OPLC at least 30 days prior to the proposed date of re-entry into practice”; and

~~(5)~~(4) Answer yes or no to the statement “I shall, before actually re-entering practice, satisfy all CPE requirements that would have been applicable had I remained active in practice, which

requires at least 80 hours completed within the 2-years immediately [~~preceeding~~] **preceding** the submission of [~~the~~] **this application**[;].

(d) The applicant shall include with the application the fee [~~described in~~] **required by** Plc 1002.01[; and].

(e) [~~The a~~] Applicant's **shall** sign[~~ature on~~] and attest [~~the application shall be as described in~~] **accordance with** Plc 308.08.

(f) The OPLC shall grant the application for inactive status if it determines that the application is complete and the fee has been paid.

(g) The CPA or PA whose application has been granted may use the inactive status designation for the 2 years during which the renewal would have been effective. [~~If the CPA or PA wishes~~] **In order** to remain on inactive status after [~~sueh~~] **the** 2-year period, the[~~y~~] **CPA or PA** shall reapply as [~~described in~~] **required by** (a) through (e) above.

Readopt with amendment Ac 401.07, effective 2/21/20 (Document #12991), to read as follows:

Ac 401.07 Return to Active Practice from Inactive Status.

(a) A licensee on inactive status pursuant to Ac 401.06, or a person who otherwise no longer holds a current license issued by the OPLC, shall not return to active practice before the OPLC determines that the licensee has complied with all requirements of this section.

(b) A licensee on inactive status pursuant to Ac 401.06 who seeks to return to active practice, within 6 years of the lapse of that CPA license shall **complete and** submit the "Universal Application for Initial Licensure[;]" required by Plc 304.01(a)(1).

(c) In addition to the [~~information~~] **form** required [by] **in** (b) above, the applicant shall **complete and** submit a "Return to Active Practice Addendum to the Universal Application for Initial Licensure" providing the following information:

(1) Answer yes or no to the question "Have you used the full CPA designation, as opposed to the 'CPA Inactive' designation, since becoming inactive?"; **and**

(2) Answer yes or no to the questions "I have included with this application documentation, as required by Ac 401.05, showing completion of 80 hours of CPE, including at least 4 hours of ethics?"

(d) The applicant who wishes to return to active practice shall submit the following with the **"Universal Application for Initial Licensure"**:

(1) An explanation of all material facts detailing each response to [~~any questions described~~] **the questions required** in Plc 304.03(e) **that are** in the affirmative;

(2) Documentation, as required by Ac 401.05, showing completion of 80 hours of CPE, including at least 4 hours of ethics [~~submitted through CE Broker~~]; and

(3) Payment of the fee required by Plc 1002.01.

Repeal Ac 401.08, effective 1/1/15 (Document #10746), as follows:

~~[Ac 401.08 Voluntary Surrender by Licensees. A licensee who is the subject of a complaint, investigation, or hearing regarding allegations of misconduct may, as part of a settlement resolving the issues of the complaint or investigation, voluntarily surrender the license by delivering it to the board and stating in writing that:~~

- ~~— (a) The surrender is freely rendered;~~
- ~~— (b) The licensee is not being subjected to coercion or duress;~~
- ~~— (c) The licensee is fully aware of the implications of surrendering the license;~~
- ~~— (d) The licensee is aware that there is presently pending a complaint or an investigation, the nature of which the licensee shall specifically set forth; and~~
- ~~— (e) The licensee acknowledges that the material facts upon which the complaint is predicated are true.]~~

Adopt Ac 401.08, to read as follows:

Ac 401.08 Reinstatement of a License Lapsed for Non-renewal.

(a) Licenses subject to reinstatement by the OPLC under this section shall be those licenses lapsed for no more than 1 year.

(b) Applications for license reinstatement shall be processed in accordance with Plc ~~[309]~~ **312**.

(c) The OPLC shall reinstate a license lapsed for no more 1 year if the applicant for reinstatement submits to the OPLC:

- (1) Evidence of good moral character as shown by:
 - a. The answers to the "yes-no" questions on the reinstatement application form;
 - b. Any detailed reports of the relevant circumstances related to answers to those questions as described in Diet 403.06(a); and
 - c. The written statement required by Plc 308.06(e);
- (2) For a PA₂, a complete application required by Ac 401.01(b);
- (3) For a CPA firm₂, a completed application required by Ac 401.01(c);
- (4) For a PA₂, the documents described in Ac 401.01(b)(3) and (4);
- (5) For a CPA firm₂, the documents described in Ac 401.01(c)(3); and

(6) The reinstatement fee required by Plc 1002.~~[12]~~**01**.

(d) The applicant who wishes to activate the license that lapsed for 1 or more years the applicant shall provide all documents required for initial licensure.

PART Ac 402 REVOCATION, SUSPENSION, AND OTHER SANCTIONS

Readopt with amendment Ac 402.01 through Ac 402.02, effective 1/1/15 (Document #10746), to read as follows:

Ac 402.01 Professional Misconduct. Professional misconduct shall be:

(a) Knowingly or negligently providing inaccurate material information to the board or the OPLC or failing to provide complete and truthful material information upon inquiry by the board or the OPLC, including during the process of applying for a license, license renewal, or license reinstatement;

(b) Conviction of any criminal offense other than a traffic violation;

(c) Failure to report to the board through the OPLC a conviction described in (b) above within 30 days;

(d) Any violation of Ac 500;

(e) Any conduct that results in disciplinary action by a regulatory authority in another domestic or foreign jurisdiction;

(f) Practice without a currently valid license; and

~~(f)~~**(g)** Any violation of:

(1) Any provision of RSA 309-B;

(2) Any rule adopted by the board; or

(3) Any state or federal law reasonably related to the licensee's authority to practice or the licensee's ability to practice competently.

Ac 402.02 Disciplinary Sanctions.

(a) When the board, through the OPLC, receives notice that a licensee has been subjected to disciplinary action related to professional conduct by the licensing authority of another jurisdiction the ~~[process shall be as described]~~ **the board and the OPLC shall proceed as required** in Plc 311.14.

(b) In a disciplinary proceeding brought on the basis of discipline imposed in another jurisdiction, the licensee shall be subject to any disciplinary sanction ~~[described in]~~ **required by** Plc 311.14(b).

(c) After a finding that misconduct has occurred, the board shall impose one or more of the disciplinary sanctions authorized by RSA ~~[309-B:10]~~ **310:12**.

(d) In imposing sanctions, the board shall consider the following factors, along with the presence of other aggravating or mitigating circumstances, in determining the level or kind of disciplinary sanction imposed:

- (1) The seriousness of the offense;
- (2) Prior disciplinary record;
- (3) State of mind at the time of the offense;
- (4) Acknowledgment of wrongdoing;
- (5) Willingness to cooperate with the board or **the** OPLC;
- (6) The purpose of the rule or statute violated;
- (7) The potential harm to public interest; and
- (8) The nature and extent of the enforcement activities required of the board or the OPLC as a result of the offense;

(e) Copies of board orders imposing disciplinary sanctions and copies of all settlement agreements or consent decrees shall be sent to the licensing body of each state in which the licensee is licensed and to such other entities, organizations, associations, or boards as are required to be notified under applicable state or federal law.

Repeal Ac 402.03 through 402.05, effective 1/1/15 (Document #10746), as follows:

~~[Ac 402.03 - Revocation]~~

~~(a) “Revocation” means the permanent and complete cancellation, after notice and opportunity for hearing, of any authority, or privileges that were granted to a CPA, PA, or firm through the issuance of a certificate, registration, or permit pursuant to RSA 309-B.~~

~~(b) The sanction of revocation is the most severe form of sanction and as such shall be imposed only after notice and opportunity for a hearing in those cases in which:~~

- ~~(1) A CPA, PA, or firm has committed a felony or engaged in one or more acts that constitute criminal or reckless misconduct;~~
- ~~(2) A CPA, PA, or firm has engaged in more than 2 acts of misconduct within a 3-year period;~~
~~or~~
- ~~(3) A CPA, PA, or firm’s certificate, permit, or registration, or equivalent, to practice public accountancy in any other state has been revoked.~~

~~(c) The minimum period for revocation shall be 3 years commencing from the latter of:~~

- ~~(1) The date that the revocation goes into effect; or~~

~~(2) The date on which no further appeal may be taken.~~

~~(d) Upon receipt of a revocation order from the board, the CPA, PA, or firm shall immediately cease holding itself out to the public as a CPA, PA, or firm. Further, such CPA, PA, or firm shall immediately cease engaging in any act for which certification, registration, or a permit is required.~~

~~(e) Failure to comply with (d) above, shall constitute separate grounds for further disciplinary action.~~

~~(f) A subsequent certificate, permit or registration shall be obtained only after:~~

~~(1) The passage of the amount of time specified in the revocation order;~~

~~(2) Complying with all of the requirements of RSA 309-B and Ac 300 regarding application for an initial certificate, registration, or permit;~~

~~(3) Demonstrating that the cause for revocation does not exist at the time of the subsequent application; and~~

~~(4) Demonstrating that any corrective actions that were ordered by the board have been fully implemented.~~

~~Ac 402.04 Suspension.~~

~~— (a) “Suspension” means the temporary withdrawal, after notice and opportunity for hearing, of any authority, or privileges that were granted to a CPA, PA, or firm through the issuance of a certificate, registration, or permit pursuant to RSA 309-B.~~

~~— (b) The sanction of suspension shall be imposed only after notice and opportunity for a hearing in those cases in which the board determines that:~~

~~(1) At least one of the following is true~~

~~a. A CPA, PA, or firm has engaged in misconduct, violated any board rule, or violated a statutory requirement; or~~

~~b. A CPA, PA, or firm’s certificate, permit, or registration, or their analogues, to practice public accountancy in any other state has been suspended;~~

~~(2) The board determined that, based upon the facts of the case, imposition of a primary sanction alone would not protect the public; and~~

~~(3) The board determined that, based upon the facts of the case, imposition of a revocation would not be necessary to protect the public.~~

~~— (c) The suspension decision and order issued by the board shall address:~~

~~(1) The specific violation(s) upon which the order is based, including a discussion of any applicable aggravating or mitigating factors;~~

~~(2) The process by which the licensee may appeal the decision and order;~~

~~(3) The minimum period of time during which the suspension shall remain in effect;~~

~~(4) The corrective actions which the licensee is required to take before reinstatement can be granted; and~~

~~(5) Any recommendations the board has with respect to avoiding the same or similar violations in the future.~~

~~— (d) The minimum period for suspension shall be that amount of time necessary for the CPA, PA, or firm to take corrective action ordered by the board and return to compliance. Suspension shall have no effect upon the expiration of a certificate, registration, or permit. Specifically, suspension shall not cause expiration to be advanced or delayed.~~

~~— (e) Upon receipt of a suspension order from the board, the CPA, PA, or firm shall immediately cease holding itself out to the public as a CPA, PA, or firm. Further, such CPA, PA, or firm shall immediately cease engaging in any act for which certification, registration, or a permit is required until the board grants reinstatement pursuant to (g), below.~~

~~— (f) Failure to comply with (e) above, shall constitute separate grounds for further disciplinary action.~~

~~— (g) A CPA, PA, or firm seeking reinstatement shall petition the board, providing documentation of all corrective actions taken. The board shall review the petition and supporting documentation and grant the petition if it determines that all corrective action ordered by the board has, in fact, been taken and the CPA, PA, or firm has returned to compliance. If the board does not grant the petition it shall so notify the petitioner and provide the opportunity for a hearing.~~

~~— Ac 402.05 Primary Sanctions.~~

~~— (a) “Primary sanction” means a form of discipline, imposed only after notice and opportunity for hearing, for situations in which the public can be protected from the noncompliance with ethical and other regulatory or statutory requirements by a CPA, PA, or firm without resorting to the temporary withdrawal or permanent cancellation of the offender’s certificate, registration, or permit.~~

~~— (b) Censure shall be the lowest form of primary sanction disclosed to the public. It shall consist of a statement from the board that describes the noncompliance and which is placed in the file of the CPA, PA or firm and an order of corrective action to be taken. A copy of the censure shall be forwarded to each other jurisdiction in which the CPA, PA, or firm is licensed. A censure shall be considered by the board in determining sanctions for any subsequent disciplinary action.~~

~~— (c) Reprimand shall be the lowest form of primary sanction. It shall consist of a nonpublic statement from the board that describes the noncompliance and which is placed in the file of the CPA, PA or firm. A reprimand shall be considered by the board in any subsequent disciplinary action.~~

~~— (d) Corrective action ordered as part of a censure shall include one or more of the following:~~

~~(1) Taking one or more CPE courses to address the noncompliance;~~

~~(2) Adopting new or amending existing policies or practices to address the noncompliance;
and~~

~~(3) Any other action intended to cure the noncompliance or prevent its recurrence.~~

~~— (e) Failure of a CPA, PA, or firm to take corrective action as required pursuant to the censure shall constitute separate grounds for further disciplinary action.]~~

Adopt Ac 402.03 through Ac 402.05, to read as follows:

Ac 402.03 Procedure for Imposition of Sanctions. Other than immediate license suspension authorized by RSA 541-A:30, III, the board shall impose disciplinary sanctions only:

(a) After prior notice to the licensee in accordance with Plc 200 and the opportunity for the licensee to be heard; or

(b) By agreement in a settlement between the board and the licensee made pursuant to Plc 200.

Ac 402.04 Determinations Required for Sanctions.

(a) In determining which sanction or combination of sanctions to impose, the board shall:

(1) First determine the nature of the act or omission constituting the misconduct done by the certified, registered, or permitted individual;

(2) Next determine whether the misconduct has one or more of the characteristics listed in (b) below; and

(3) Finally, apply the standards in [~~Ac 402.04~~] **(b) below.**

(b) The characteristics shall be:

(1) The misconduct actually caused harm to the client or another person;

(2) The misconduct had the potential to cause harm to the client or another person;

(3) The misconduct repeated earlier misconduct done by the certified, registered, or permitted individual, as determined by:

a. An earlier hearing;

b. An earlier settlement agreement predicated on the same misconduct by the certified, registered, or permitted individual; or

c. An admission by the certified, registered, or permitted individual;

(4) The misconduct was not the first misconduct by the certified, registered, or permitted individual, as determined by:

a. An earlier hearing;

b. An earlier settlement agreement predicated on the same misconduct by the certified, registered, or permitted individual; or

c. An admission by the certified, registered, or permitted individual; and

(5) The misconduct was intentional rather than the result of negligence or inadvertence.

Ac 402.05 Standards for the Selection of Sanctions. The board shall select appropriate sanction(s):

(a) From the list **authorized** in [~~Ac 402.02~~] **RSA 309-B:10**;

(b) From the list of fines in Ac 402.0[~~3~~]**6**; and

[~~(b)~~] **(e)** By choosing, in light of the characteristics determined pursuant to Ac 402.04(b), the sanction or combination of sanctions most likely to:

(1) Protect the public;

(2) Deter future misconduct by the certified, registered, or permitted individual;

(3) Take into account any acknowledgement of fault by the certified, registered, or permitted individual within investigation of the misconduct;

(4) Correct any attitudinal, educational, or other deficiencies which led to the misconduct;

(5) Encourage the responsible practice of accountancy; and

(6) Demonstrate to the certified, registered, permitted individual, and the public the board's intention to insure that its certified, registered, or permitted individuals practice in accordance with applicable laws and the public welfare.

Readopt with amendment Ac 402.06, effective 1/1/15 (document #10746), to read as follows:

Ac 402.06 Administrative Fines.

(a) When persons subject to the board's disciplinary authority are directed to pay fines in accordance with [~~Ac 402.02-(e)~~] **this section**, such fines shall be assessed in accordance with the factors stated in Ac 402.02[~~(e)~~]**(d)** and the following additional considerations:

(1) The cost of any investigation or hearing conducted by the board or **the** OPLC; and

(2) The licensee's ability to pay a fine assessed by the board through the OPLC.

(b) Administrative fines shall not exceed the following amounts:

(1) When no violation of the same type has occurred within the 5 years preceding the board's notice to the respondent, the fine assessed shall not exceed \$250.00 per day or \$1,000.00 per offense whichever is greater;

(2) When a single disciplinary infraction of the same type has occurred within the 5 years preceding the board's notice to the respondent, the fine assessed shall not exceed \$250.00 per day or \$1,500.00 per offense whichever is greater;

(3) When more than one disciplinary infraction of the same type has occurred within the 5 years preceding the board's notice to the respondent, the fine assessed shall not exceed \$250.00 per day or \$2,000.00 per offense whichever is greater; and

(4) In the case of continuing violations, a separate fine shall be assessed for each day the violation continues, but the total amount of the fine and the respondent's promptness and cooperativeness in ceasing the prohibited conduct in question shall be considered in assessing the daily fines. A single course of continuing conduct shall be treated as a single violation for purposes ~~[of Ac 402.06 (e), (1), (2) and (3)]~~ **and (1)-(3) above.**

Repeal Ac 402.07, effective 1/1/15 (Document #10746)

~~[Ac 402.07 Procedures for Assessing and Collecting Fines.~~

~~— (a) Payment of a fine shall be included among the options available for settling disciplinary allegations, and shall be included among the types of disciplinary sanctions imposed after notice and hearing.~~

~~— (b) In cases where the board initially intends to limit disciplinary sanctions to an administrative fine, the board shall issue a "notice of apparent liability" describing the alleged offense, stating the amount of the assessed fine, and notifying the alleged offender that he or she shall pay or compromise the fine by a date certain or request that an administrative hearing be held. If a hearing is requested, the notice of apparent liability shall be withdrawn and a notice of hearing shall be issued. In such hearings, the board's disciplinary options shall not be limited to the assessment of an administrative fine.~~

~~— (c) Nonpayment of a fine by a licensee or respondent in contravention of an order, agreement or promise to pay, shall be a separate ground for discipline by the board or a basis for denying a subsequent license or renewal application or a basis for judicial action seeking to collect the fine.]~~

PART Ac 403 CONTINUING EDUCATION

Readopt with amendment Ac 403.01 and Ac 403.02, effective 1/1/15 (Document #10746), to read as follows:

Ac 403.01 Continuing Professional Education Requirements.

(a) Up to 40 hours of CPE in excess of the required 80 hours ~~[may]~~ **shall only** be carried over to the next succeeding biennial period ~~[only]~~.

(b) Notwithstanding any other provision of Ac 403, a licensee, who is a new licensee or has activated an inactive license ~~[that licensee]~~ shall complete a minimum of 20 hours of CPE each year prior to renewal. For purposes of this paragraph, carryover hours shall not be applicable.

(c) Notwithstanding any other provision of Ac 403, a licensee shall complete a minimum of 4 hours of CPE in the area of professional ethics in each 2-year certification or registration period or as a condition of renewal upon returning to active practice from inactive status, regardless of the duration of inactive status.

(d) A licensee who has previously held a certificate or registration but who was on inactive status shall show compliance with Ac 403.01(a) and ~~(c)~~.

(e) A licensee certified in New Hampshire by reciprocity and seeking renewal shall complete 20 hours of CPE for each year during the biennial license period.

(f) A licensee may petition the board to waive the specific requirements of this section based upon individual hardship due to:

(1) Health issues supported by documentation from the licensee's **ph**ysician or medical professional that shall be furnish to the board when necessary for a fair and informed determination by the board;

(2) Military service for serving on temporary active duty in the armed forces of the United States for a period of time exceeding 120 consecutive days in a year; or

(3) A showing of good cause that includes serious accident, illness, or other circumstances beyond the control of the licensee which actually prevents the licensee from satisfying the CPE requirements.

(g) If, in any one year within a biennial certification or registration period, a licensee fails to earn 20 hours of CPE as required by ~~(e)~~(b) above, the board shall, upon petition, waive the 20 hour per year CPE requirement for that one year if the licensee has completed the required number of hours of CPE for the preceding licensure period pursuant to ~~(e)~~(b) above.

(h) As soon as a licensee realizes that they will not meet the 20 hours ~~[7]~~ **per** year CPE requirement in a non-renewal year, the licensee shall petition the board for permission to satisfy the deficiency within 6 months of the filing of the petition, except that all CPE shall be earned within a renewal year.

(i) As soon as a licensee realizes that they will not meet the 20 hour per year CPE, the 80-hour or prorated biennial CPE requirement, or both in a renewal year, but no later than June 30, the licensee shall petition the board for permission to satisfy the deficiency within 60 days. The petition shall be accompanied by payment of a \$250.00 administrative fine for failing to meet the applicable CPE requirement for each year.

(j) In cases where a licensee fails to meet the 20 hour per year CPE requirement **a subsequent time**, they shall petition the board for permission to satisfy the deficiency in the immediately following year. Waivers for repeat offenders shall be issued on a case by case basis with exceptions given for reasons of individual hardship, including health, military service, or other good cause.

Commented [TK1]: What does this mean?

(k) The OPLC shall deny any renewal application of a licensee who does not satisfy the hourly requirement for renewal of their license, unless the applicant petitions the board and demonstrates that the failure was beyond their control.

(l) Documentation of completion of continuing professional education shall be retained by the licensee for a period of, no less than, 4 years from the date of renewal.

Ac 403.02 Continuing Professional Education.

(a) Continuing professional education [(CPE)] activities shall be learning opportunities that contribute directly to a licensee's knowledge, ability, and competence to perform their professional responsibilities.

(b) An activity or program shall qualify as acceptable CPE for the renewal period in which the activity occurred, or program was attended, except as provided in Ac 403.01(b) or (g), if it is a formal activity or program of learning which contributes to the growth and the professional knowledge and professional competence of an individual licensed under RSA 309-B. All programs shall meet current **the** NASBA requirements.

(c) The responsibility for demonstrating that a particular program meets the requirements of this section shall rest solely upon the licensee. All documentation of CPE shall be retained for not less than 4 years from the date of the renewal in which the CPE was claimed.

(d) Activities or programs shall be in one of the 4 following formats:

- (1) Self-study;
- (2) Seminar, lecture, or webinar;
- (3) Authoring articles, books, or other publications; and
- (4) Presenting, lecturing, or instructing.

(e) Activities or programs dealing with the following general subjects shall be acceptable provided they meet all other requirements of this section:

- (1) Public accounting;
- (2) Governmental accounting;
- (3) Public auditing;
- (4) Governmental auditing;
- (5) Administrative practices;
- (6) Social environment of business;
- (7) Regulatory ethics;
- (8) Business law;
- (9) Business management and organization;
- (10) Finance;
- (11) Management advisory services;
- (12) Marketing;

- (13) Behavioral ethics;
- (14) Communications;
- (15) Personal development;
- (16) Personnel and human resources;
- (17) Computer science;
- (18) Economics;
- (19) Mathematics;
- (20) Production;
- (21) Specialized knowledge and its application;
- (22) Statistics;
- (23) Taxes; and
- (24) Data analytics.

(f) CPE credit shall be given with a ratio of a minimum of 50 minutes constituting one hour. For university or college courses, each semester hour of credit shall equal 15 hours toward the requirement.

(g) CPE credit shall be given to nano learning programs consisting of tutorial program designed to permit a participant to learn a given subject in ten-minute timeframes through the use of electronic media without instruction of a real-time instructor and meeting the NASBA requirements shall be limited to no more than 3 hours per year.

(h) To qualify for CPE as a program of self-study by a licensee, the self-study shall be documented by a certificate of completion prepared by the program sponsor that includes:

- (1) The name of the participant;
- (2) The name of the program;
- (3) The specific subject or subjects included in the program;
- (4) The date of completion;
- (5) A[n] **statement that** [~~indication that~~] **indicates** the participant passed a test, prepared by the program sponsor, that demonstrates mastery of the subject matter of the program of self-study;
- (6) The number of hours that the program sponsor has determined should be awarded for each subject studied as part of the program;
- (7) Whether hours are computed on a 50-minute or 100-minute basis; and

(8) The signature of an authorized representative of the program provider, certifying the accuracy of the information provided on the certificate of completion.

- (i) To qualify for CPE as a program seminar or lecture attended by a licensee, it shall:
- (1) Fall within one of the following descriptions of subject matter and program provider:
 - a. Professional education and development programs of national, state, and local accounting organizations;
 - b. Technical sessions at meeting of national, state, and local accounting organizations and their chapters;
 - c. Credit and non-credit courses from a university or college;
 - d. Formal firm or in-house education programs;
 - e. Programs of other organizations in the areas of professional accounting and industry;
 - f. Committee meetings of professional accounting and trade societies which are structured as formal education programs;
 - g. Dinner, luncheon, and breakfast meetings which are structured as formal education programs; and
 - h. The portions of firm or in house meetings for staff, management groups, or both, which are structured as formal education programs and are devoted to the communication and application of general professional policy or procedure;
 - (2) Not include time devoted to firm or organizational administrative, financial, and operating matters; and
 - (3) Be documented by a certificate of completion from the program provider that shall include:
 - a. The name of the participant;
 - b. The name of the program;
 - c. The dates and hours of attendance;
 - d. The date of completion;
 - e. The specific subject or subjects included in the program;
 - f. The number of hours that the program sponsor has determined should be awarded for each subject studied as part of the program;
 - g. Whether hours are computed on a 50-minute or 100-minute basis; and

h. The signature of an authorized representative of the program provider, certifying the accuracy of the information provided on the certificate of completion.

(j) To qualify for CPE for authoring articles, books, or other publications, a licensee shall:

- (1) Be capable of substantiating the claim through the production of research notes, drafts, or other documents;
- (2) Keep a copy of each article, book, or other publication, as well as substantiation of authorship, in its published form for a period of 4 years after the licensee has claimed such authorship as CPE pursuant to Ac 403.01(n);
- (3) Not claim CPE under this paragraph in excess of 50% of the total number of hours of CPE required for renewal; and
- (4) Be documented by a certificate of completion from the licensee that shall include:
 - a. The name of the licensee-author;
 - b. The title of the article, book, or other publication;
 - c. The beginning and ending dates of the writing project;
 - d. The total number of hours spent on the writing project;
 - e. The specific subject or subjects included in the article, book, or other publication; and
 - f. The signature of the licensee, certifying the accuracy of the information provided on the certificate of completion.

(k) To qualify for CPE as a presentation, lecture, or instruction, a licensee shall:

- (1) Retain documentation, in the form of research notes, drafts, or other documents, of the licensee preparing the presentation, lecture, or instruction;
- (2) Submit information regarding the time spent for preparation and for presentation;
- (3) Limit claimed preparation time to no more than twice the presentation time claimed;
- (4) Limit claimed presentation time to the actual time of presentation by the licensee;
- (5) Claim credit for multiple presentations of the same course within a single renewal period, only if the licensee made substantive changes to the materials or presentation requiring preparation time in excess of 25% of the preparation time claimed for the original preparation for the course;
- (6) Not claim CPE under this paragraph in excess of 50% of the total number of hours of CPE required for renewal; and
- (7) Be documented by a certificate of completion from a representative of the program sponsor that shall include:

- a. The name of the licensee who prepared the materials;
- b. The title of the presentation, lecture, or instruction;
- c. The name of the licensee who presented the materials;
- d. The date(s) on and hours during which the presentation, lecture, or instruction was given;
- e. The total number of hours spent in the actual presentation of such materials;
- f. The specific subject or subjects included in the presentation, lecture, or instruction; and
- g. The signature of an authorized representative of the program provider certifying the accuracy of the information provided on the certificate of completion.

(l) ~~[It shall be the responsibility of t]~~ The licensee ~~[to]~~ **shall** maintain documentation of education programs that are not ~~the~~ NASBA approved and provide that documentation to the OPLC, so the board is able to determine if the hours meet the requirements set forth in Ac 403.02(a) through (i). Acceptable documentation shall be:

(1) Documentation from the educational provider or sponsor containing the following information:

- a. The name of the program;
- b. The name of the provider or sponsor;
- c. A syllabus of the program's content;
- d. The presenter's name(s); and
- e. Duration of the program with the number of hours attributed to the program.

(m) All licensees shall submit ~~[to "CE Broker"]~~, **as required by Plc 308.04**, all documented continuing professional education intended to be used toward the continuing professional education requirements ~~[described in]~~ **required by** Ac 403.01 and Ac 403.02.

Adopt Ac 403.03 to read as follows:

Ac 403.03 Continuing Professional Education Audit Procedure.

(a) The OPLC shall select on a random basis 10% of the renewal applications submitted each year for an audit of completion of the maintenance of continuing professional education required by Ac 403.01.

(b) The board shall review the documents the OPLC has retrieved from ~~["CE Broker"]~~ **its on-line system** to determine if those documents meet the requirements of Ac 403.01 and Ac 403.02.

(c) If the board observes that the documents submitted pursuant to (b) above do not support the renewal applicant's claim of maintenance of continuing professional education, the board shall refer the findings to the OPLC for investigation in accordance with Plc 200.

PART Ac 404 ONGOING REQUIREMENTS

Readopt with amendment Ac 404.01, effective 1/1/15 (Document #10746), to read as follows:

Ac 404.01 Change of Address. All CPAs shall notify the OPLC in writing within 30 business days of a change in mailing address or e-mail address to ensure the OPLC has a current mailing and e-mail address. Failure to provide a written notification of change of address shall not be exculpatory grounds for failing to respond to governing board or **the** OPLC inquiries or timelines and shall be grounds for disciplinary actions.

Readopt Ac 404.02, effective 1/1/15 (Document #10746), to read as follows:

Ac 404.02 CPA Outsourcing Disclosures to Clients.

(a) If a CPA is using a third-party provider to assist the CPA in providing any professional services to a client, the CPA shall provide a written disclosure of such outsourcing to the client. Such written disclosure shall comply with (b) below.

(b) A disclosure required pursuant to (a) above shall be in a separate written statement of the services to be rendered by the third-party provider. The statement shall provide the client with an opportunity to opt out and clear instructions on how to opt out.

(c) A CPA outsourcing professional services to a third-party provider [is] **shall be** responsible for insuring a third-party provider is in compliance with all applicable rules of professional conduct and ethics in Ac 500.

Readopt with amendment Ac 404.03, effective 1/1/15 (Document #10746), to read as follows:

Ac 404.03 Retention of Client Records.

(a) A CPA shall return client records in their possession to the client upon request by the client or the client's designated agent for their return. The records shall be returned immediately upon demand unless a delay is necessary in order to retrieve a closed file or to extract the CPA's work papers described in (d) – (f) below. If the records cannot be returned immediately upon demand, the CPA shall immediately notify the client of the date by which the records will be returned. Nothing in this section shall require a CPA to pay delivery costs when the records are returned to the client.

(b) If the client is any form of a partnership, records shall be returned upon request by any of its general partners, its managing partner, or their designated agent. If the client is a corporation, records shall be returned upon request by its president. If the client is a limited liability company, records shall be returned upon request by the managing member. Joint records shall be returned upon request by any party.

(c) A CPA shall not retain a client's records in order to force payment of any kind.

(d) Work papers shall be the CPA's property and need not be surrendered to the client. If work papers contain data which should properly be reflected in the client's books and records but have not been duplicated therein copies of any such work papers shall be provided to the client.

(e) Work papers considered part of the client's records shall include but not be limited to:

- (1) Worksheets in lieu of original entries, such as listings and distributions of cash receipts or cash disbursements on columnar work paper;
- (2) Worksheets in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers, or similar types of depreciation records;
- (3) All adjusting and closing journal entries and supporting details not fully set forth in the journal entry;
- (4) Consolidating or combining journal entries worksheets and supporting detail used in arriving at final figures incorporated in an end product such as financial statements or tax returns;
- (5) Depreciation and amortization schedules; and
- (6) Cost basis calculation.

(f) Work papers developed by the CPA incident to the performance of an engagement which do not result in changes to the client's records, or are not in themselves part of the records ordinarily maintained by such clients, shall be solely the CPA's work papers and shall not be the property of the client.

(g) A CPA shall ensure that the work product and the work papers created in the performance of an engagement for a client are retained for a minimum of 5 years after creation unless the CPA is required by law to retain such records for a longer period.

PART Ac 405 PEER REVIEW

Readopt with amendment Ac 405.01 through Ac 405.03, effective 1/1/15 (Document #10746), to read as follows:

Ac 405.01 Definitions.

(a) "Agreed-upon procedure" means a professional service whereby a CPA is engaged to issue a report of findings based on specific procedures performed on financial information prepared by or on behalf of the client, and for which attestation by the CPA is required pursuant to the agreement with the client.

(b) "Peer review" means "peer review" as defined in RSA 309-B:3, XII namely "a study, appraisal, or review of one or more aspects of the professional work of a person or firm that performs attest services, by a person or persons who hold certificates and who are not affiliated with the person or firm being reviewed."

(c) "Peer review entity" means a peer review program administrator approved by the board.

(d) “Peer review program” means an independent review and analysis of the procedures and methodologies used by a firm in its provision of any of the services listed under Ac 405.02(a) for the purpose of determining compliance with generally accepted standards for such services and making recommendations to the firm for coming into compliance when gaps in compliance have been found.

Ac 405.02 Peer Review Required.

(a) Each firm that provides any of the following services to the public shall participate in a peer review program:

- (1) Audits, whether financial, performance, or both;
- (2) Reviews of financial statements;
- (3) Compilations of financial statements; and
- (4) Agreed-upon procedures.

(b) No firm shall be required to participate in a peer review program until the firm agrees to undertake a report engagement for a service listed under (a) above.

(c) A peer review shall be performed and reported in accordance with standards that are no less stringent than the “AICPA Peer Review Program Manual, Audit and Assurance” [~~of the AICPA~~], version October[,-] 2023.

(d) Within 30 days of first being engaged to provide any service listed under (a) above, a firm shall notify the board in writing, and provide documentation of enrollment in a peer review program that meets the requirements of this part. Failure to comply with the peer review requirements of this part shall subject the firm to disciplinary action by board in accordance with RSA 309-B:10, I.

(e) Within 18 months of the year-end date of the report on engagement the firm first agrees to undertake a service listed under Ac 405.02(a), the firm shall undergo a peer review.

(f) Within 24 months of the year-end date of the report on the engagement the first agrees to undertake a service listed under Ac 405.02(a), the firm shall furnish to the board a peer review final acceptance letter.

(g) If a firm is unable to furnish a final acceptance letter within 24 months pursuant to (f) above due to being issued a report with a rating of pass with deficiency or deficiencies or fail, the firm shall, within the 24 month period, provide to the board an accept-provided-that letter, describing required follow-up actions and their due date, from the peer review entity.

(h) If the final letter of acceptance has not been issued as of the date the CPA firm files the firm registration form, the status of the peer review in process, as is within confidentiality requirements, shall be obtained from the peer review entity and submitted with the firm registration form.

(i) If the firm is unable to furnish a final acceptance letter due to being issued a report with a rating of pass with deficiency or deficiencies or fail, the firm shall provide to the board an accept-provided-that letter, describing required follow-up actions and their due date, from the peer review entity.

Commented [TK2]: There appears to be a November 2024 version. Also see Incorporation by Reference Statement to answer some questions.

(j) Any firm that receives a report with a rating of pass with deficiency or deficiencies or fail shall abide by the peer review entity's required follow-up actions, including fulfilling such follow-up actions within the time frame established by the peer review entity, and subsequently obtain a final peer review acceptance letter from the peer review entity.

(k) A peer review shall not be considered by the board to be complete until the final letter of acceptance has been issued by the peer review entity. Such final letter of acceptance shall indicate the new due date of the firm's next peer review.

(l) If the final letter of acceptance has not been issued as of the date the CPA firm files the firm registration form, it shall be submitted within 60 days of the date it is issued.

(m) Firms required to participate in a peer review program shall participate in and complete one of the following peer review programs:

(1) AICPA National Peer Review Committee;

(2) AICPA Peer Review Program; or

(3) Any other peer review program that is substantially equivalent to those programs listed in (1) and (2) above.

(n) Each firm required to participate in a peer review program shall continue participating in a peer review program until the firm or its successor in interest has, for a period of at least one year, outside of its peer review year, not engaged in any service listed in (a) above and does not intend to in the future.

(o) Subsequent peer reviews of a firm shall be due no later than 6 months from the end of the 3-year peer review period unless an extension is granted by the peer review program entity.

(p) If a firm is granted an extension of time to complete its peer review, the firm shall submit to the board a copy of the letter from the peer review entity that granted the extension.

Ac 405.03 Duties of Reviewer.

(a) A reviewer shall be independent with respect to the reviewed firm and comply with "Section 1000 Standards for Performing and Reporting on Peer Reviews," as found in the [AICPA] "AICPA Peer Review Program Manual, **Audit and Assurance**" [~~January 8, 2014 edition~~] version November, 2024.

(b) Information concerning the participating firm or its clients or personnel that is obtained as a consequence of the review shall be confidential and shall not be disclosed to anyone not involved in the peer review process.

Commented [TK3]: Admin Rules Comment: If the definition in the PLC rules is meant, than a citation to that rule is needed.

APPENDIX A

Rule	Specific State Statute which the Rule Implements
Ac 401.01	RSA 541-A:7; RSA 541-A:16, I(b); RSA 541-A:8
Ac 401.02	RSA 541-A:7; RSA 541-A:16, I(b); RSA 541-A:8
Ac 401.03	RSA 309-B:7, II; ; RSA 309-B:8, II
Ac 401.04	RSA 309-B:7, II
Ac 401.05	RSA 309-B:4, VI(c); RSA 309-B:7, III(c); RSA 309-B:7, VII; RSA 309-B:7, XIV
Ac 401.06	RSA 309-B:7, VII and XIV
Ac 401.07	RSA 309-B:7, VII; RSA 161-B:11, VI-a
Ac 401.08 (repeal)	RSA 309-B:6
Ac 401.08	RSA 309-B:4, III; RSA 309-B:13
Ac 402.01	RSA 309-B:10; RSA 309-B:14
Ac 402.02	RSA 309-B:15; RSA 309-B:16; RSA 309-B:17; RSA 310:12
Ac 402.03 (repeal)	RSA 309-B:10
Ac 402.03	RSA 309-B:17; RSA 541-A:30, III
Ac 402.04 (repeal)	RSA 309-B:10
Ac 402.04	RSA 309-B:16
Ac 402.05 (repeal)	RSA 309-B:10
Ac 402.05	RSA 409-B:16
Ac 402.06	RSA 309-B:4(h)
Ac 402.07 (repeal)	RSA 309-B:4
Ac 403.01	RSA 309-B:4, VI(c); RSA 309-B:7, III(c); RSA 309-B:7, VII; RSA 309-B:7, XIV
Ac 403.02	RSA 309-B:4, VI(c); RSA 309-B:7, III(c); RSA 309-B:7, VII; RSA 309-B:7, XIV
Ac 403.03	RSA 309-B:4, VI(c); RSA 309-B:7, III(c); RSA 309-B:7, VII; RSA 309-B:7, XIV
Ac 404.01	RSA 541-A:16, I(b)
Ac 404.02	RSA 309-B:4, VI(j)
Ac 404.03	RSA 309-B:19
Ac 405.01	RSA 541-A:16, I(b)
Ac 405.02	RSA 309-B:4, VI(g); RSA 309-B:8; RSA 309-B:18; RSA 309-B:19, I
Ac 405.03	RSA 309-B:4, VIII (g), RSA 309-B:7, XIII

APPENDIX B: Incorporation by Reference Information

Rule	Title	Obtain at:
Ac 402.02	AICPA Peer Review Program Manual, Audit and Assurance, version November 2024	American Institute of Certified Public Accountants 1211 Avenue of the Americas New York, New York 10036 Phone: 1(212) 596-6200 Available online at: https://www.aicpa-cima.com/cpe-learning/publication/aicpa-peer-review-program-manual-OPL Cost: Members of the AICPA or CIMA \$335.00 Nonmembers \$415.00