

MINUTES
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY MEETING
July 17, 2009

Conference Call

Friday, July 17, 2009

The meeting was called to order at 9:00 a.m. by Mr. Gunn, Chair. The roll was called by Mr. Tipton, and reflected the following persons present.

BOARD MEMBERS

Teresa Borcheck	Present
Cynthia Borders-Byrd	Present
Rick Carroll	Present
Maria Caldwell	Present
William Durkin	Present
Marshall Gunn	Present
Steve Riggs	Present
David Tipton	Present
John Quinlan	Present

STAFF

Veloria Kelly	Present
June Carroll	Present

Mary Ellen Clark, Esquire, Assistant Attorney General and Board Counsel was present. Eric Hurst, Esquire, Assistant General Counsel, Department of Business and Professional Regulation was present. The court reporter was Debbie Holloway.

Others in attendance were Kathy Anderson, John Johnson, Adam Potts, and Ken Hart of the FICPA.

61H1-19.008 Committees.

(1) The Board may appoint such advisory committees as it deems necessary to effectively administer, implement and carry out the provisions of Chapters 455 and 473, F.S., and the rules promulgated pursuant thereto. Such committees shall be guided and assisted administratively by the Department and the Board.

(2) Committees shall operate under the same administrative rules and procedures which are applicable to, and used by, the Board. ~~Committees shall, on or before December 1 of each year, make an evaluation of the activities under their charge for the preceding fiscal year and the related fees and costs and shall report findings and recommendations to the Board.~~

(3) A vacancy shall occur upon the failure of any committee member who is not a Board member to attend two consecutive meetings of the committee to which he was duly appointed.

Specific Authority 120.53, 473.304 FS. Law Implemented 120.53, 20.30(5) FS. History–New 2-3-81, Formerly 21A-19.08, Amended 12-2-92, Formerly 21A-19.008,_____.

Motion was made by Mr. Quinlan, seconded by Ms. Borders-Byrd, to notice text as presented, with no impact to small business. Upon vote, the motion passed unanimously.

61H1-19.010 Criteria for Investigators and Consultants.

Except for investigation of non-technical matters, all investigators and consultants hired by the Department of ~~Business and Professional Regulation~~ who undertake the investigation of ~~Florida CPA's~~ certified public accountants shall be active Florida certified public accountants with a minimum of five (5) years of active licensure in the area of public accountancy. Non-technical matters are defined as those not encompassing the technical proficiency of a ~~licensee~~ certified public accountant in the practice of public accountancy.*Specific Authority 455.203(8) FS., Ch. 81-302, § 27, Laws of Florida. Law Implemented 455.203(8) FS., Ch. 81-302, § 27, Laws of Florida. History–New 11-2-81, Formerly 21A-19.10, 21A-19.010,_____.*

Motion was made by Mr. Carroll, seconded by Ms. Caldwell, to notice for rule development with amended text, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.001 Licensee Types of Certified Public Accountants and Firms.

(1) “Licensee Certified public accountant,” or “CPA,” shall be deemed and construed to mean a person, partnership or corporation which who holds an active, inactive, delinquent, or temporary license issued under Chapter 473, F.S. or who is practicing public accounting in this state pursuant to the practice privilege granted in s. 473.3141, F.S.

(2) “Florida certified public accountant” shall be deemed and construed to mean a person who holds an active, inactive, delinquent, or temporary license issued under Chapter 473, F.S.

(3) “Non-Florida certified public accountant” shall be deemed and construed to mean a person who is practicing public accounting in this state pursuant to the practice privilege granted in s. 473.3141, F.S.

(4) “Firm” shall be deemed and construed to mean any legal entity that holds an active, delinquent, or temporary license issued under Chapter 473, F.S., or its state of domicile.

(5) “Florida firm” shall be deemed and construed to mean any legal entity that holds an active, delinquent, or temporary license issued under Chapter 473, F.S.

(6) “Non-Florida firm” shall be deemed and construed to mean any legal entity that is practicing public accounting pursuant to a license issued in its state of domicile

~~(7)~~ (7) A “suspended certified public accountant” is prohibited from practicing public accounting as a sole proprietor, partner or shareholder and using the “CPA” designation. A suspended ~~Licensee~~ certified public accountant may be an employee under the supervision of a certified public accountant who holds an active license.

Specific Authority 455.271, 473.304 FS. Law Implemented 455.271 FS. History–New 12-4-79, Formerly 21A-20.01, Amended 10-20-86, Formerly 21A-20.001, Amended 8-13-06,_____.

Motion was made by Ms. Borders-Byrd, seconded by Ms. Borcheck, to notice with amended text, with no impact to small business. Upon vote, the motion passed unanimously.

61H1-20.003 Client.

“Client” shall be deemed and construed to mean the person(s) or entity which retains a ~~licensee-certified public accountant or firm~~ for the performance of public accounting services.

Specific Authority 473.304, 473.323 FS. Law Implemented 473.317, 473.318, 473.319 FS. History–New 12-4-79, Formerly 21A-20.03, 21A-20.003,_____.

Motion was made by Ms. Caldwell, seconded by Mr. Durkin, to notice amended text for rule development, with no impact to small business. Upon vote, the motion passed unanimously.

61H1-20.004 Enterprise.

“Enterprise” shall be deemed and construed to mean any person(s) or entity, whether organized for profit or not, for which a ~~licensee~~ certified public accountant or firm provides public accounting services.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 12-4-79, Formerly 21A-20.04, 21A-20.004,_____.

Motion was made by Ms Caldwell, seconded by Ms. Borders-Byrd, to notice amended text for rule development with no impact to small business. Upon vote, the motion passed unanimously.

61H1-20.0051 Assembled Financial Statements.

(1) “Assembled Financial Statements” shall be deemed and construed to mean providing various manual or automated bookkeeping or data processing services the output of which is in the form of financial statements. The function of assembling financial statements includes preparing a working trial balance, assisting in adjusting the books of account, and consulting on accounting matters. The transmittal letter accompanying the assembled financial statements shall be prepared on the Licensed Audit Firm or unlicensed entities' letterhead.

(2) The term “assembled financial statements” refers to any financial statements included in Section

473.302(78)(c), F.S.

(3) There is provided a specific exemption to Rule 61H1-22.004, F.A.C., for certified public accountants who prepare assembled financial statements if, and only if, such assembled financial statements are prepared in accordance with Rule 61H1-20.0053, F.A.C.

Specific Authority 473.304, 473.315 FS. Law Implemented ss. 1, 12, Ch. 98-340, Laws of Florida. History–New 10-28-98,_____.

Motion was made by Ms Caldwell, seconded by Ms. Borders-Byrd, to notice text for rule development with no impact to small business. Upon vote, the motion passed unanimously.

61H1-20.0052 Offer to Perform or Perform Services Involving Assembled Financial Statements.

The term “offer to perform or perform services involving assembled financial statements” as used in Rule 61H1-20.0053, F.A.C., applies to an actively licensed ~~C~~ertified ~~P~~ublic ~~A~~ccountant who performs one or more types of services involving the preparation of assembled financial statements including:

- (1) Being in charge of the engagement; or
- (2) Reviewing the workpapers or financial statements; or
- (3) Supervising the engagement; or
- (4) Being the only ~~licensee~~ certified public accountant involved with providing services involved in the preparation of financial statements.

Specific Authority 473.304, 473.315 FS. Law Implemented ss. 1, 12, Ch. 98-340, Laws of Florida. History–New 10-28-98,_____.

Motion was made by Ms Caldwell, seconded by Ms. Borders-Byrd, to notice for rule development with no impact to small business. Upon vote, the motion passed unanimously.

61H1-20.0053 Standards for Assembled Financial Statements.

A ~~C~~ertified ~~P~~ublic ~~A~~ccountant holding an active license may offer to perform or perform services involving assembled financial statements so long as the ~~C~~ertified ~~P~~ublic ~~A~~ccountant complies with the standards for assembled financial statements, which are as follows:

(1) Understanding with the Entity – The ~~C~~ertified ~~P~~ublic ~~A~~ccountant shall establish a written understanding with the entity regarding the services to be performed. This written understanding shall include a description of the nature and limitations of the services to be performed. The understanding shall also provide:

- (a) That the engagement cannot be relied upon to disclose errors, fraud, or illegal acts; and
- (b) Disclose whether or not the entity preparing the financial statement is or is not licensed by the Florida Board of Accountancy. An example engagement letter is provided for illustrative purposes:

(Appropriate Salutation)

This letter is to confirm our understanding of the terms and objectives of our engagement to provide accounting services during (date), the output of which will be in the form of (monthly/quarterly/other frequency) assembled financial statements.

- We will perform the following services (selected illustrations):
- Assist you in recording transactions on a (monthly/quarterly/other frequency) basis.
- Prepare a trial balance from your accounts and journals.
- Assemble that information in the form of financial statements.
- Provide comments of a business advisory nature.

We do not undertake to, and will not, provide any opinion or form of assurance on the financial statements we assemble in connection with these services and, accordingly, we do not undertake to make inquiries or perform other procedures to verify, corroborate, or review information supplied by you. In addition, those statements may (will) contain departures from generally accepted accounting principles or another comprehensive basis of accounting.

Our engagement to assemble financial statements cannot be relied upon to disclose errors, fraud, or illegal acts, including fraud or defalcations that may exist. These assembled financial statements are prepared by an entity that is (is not) licensed by the Florida Board of Accountancy.

Our fees for these services. . . .

We shall be pleased to discuss this letter with you at any time.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space

provided and return it to us.
Sincerely yours,

(Signature of ~~C~~Certified ~~P~~Public ~~A~~Accountant)

Accepted and agreed to:

XYZ Company

President

Date

(2) Any ~~C~~Certified ~~P~~Public ~~A~~Accountant who offers to perform or performs assembled financial statements must comply with the provisions of Rule 61H1-22.001, F.A.C.

(3) Language or style similar to that used in reports as defined in Rule 61H1-20.009, F.A.C., shall be avoided to reduce any possible risk of misunderstanding.

(4) Assembled financial statements are not prepared with an expression of any form of opinion or assurance.

(5) Assembled financial statements shall be accompanied by a transmittal letter. See example standard transmittal letter following (12) below.

(6) Before issuing the transmittal letter, the ~~C~~Certified ~~P~~Public ~~A~~Accountant shall read the assembled financial statements and consider whether such financial statements appear to be free from obvious material errors. In this context, the term error refers to mistakes in the assembly of financial statements, including arithmetical or clerical mistakes.

(7) The date of completion of the assembled financial statement(s) shall be used as the date of the transmittal letter.

(8) The transmittal letter shall include the name and license number of the ~~C~~Certified ~~P~~Public ~~A~~Accountant who offers to perform or performs services involving assembled financial statements. If more than one ~~C~~Certified ~~P~~Public ~~A~~Accountant offers to perform or performs such services, then the name and license number of the ~~C~~Certified ~~P~~Public ~~A~~Accountant who assumes responsibility for the statements shall be included. If a Licensed Audit Firm or Public Accounting Firm offers to perform or performs such services, the name and license number of the firm may be utilized instead of the name and license number of an individual ~~C~~Certified ~~P~~Public ~~A~~Accountant.

(9) The following language shall be included in the transmittal letter and on each page of the assembled financial statements: These assembled financial statements are not prepared with an expression of any form of opinion or assurance and they are prepared by an entity that is (is not) licensed by the Florida Board of Accountancy.

(10) If the Licensed Audit Firm, ~~C~~Certified ~~P~~Public ~~A~~Accountant or the ~~C~~Certified ~~P~~Public ~~A~~Accountant employer's is not independent, as defined in Rule 61H1-20.001, F.A.C., the transmittal letter shall disclose the lack of independence.

(11) Transmittal letters may include comments of a business advisory nature to which the ~~C~~Certified ~~P~~Public ~~A~~Accountant wishes to draw the client's attention.

(12) An example standard transmittal letter is provided for illustrative purposes:

(Date)

These assembled financial statements for XYZ Company as of (date) are prepared without an expression of any form of opinion or assurance and they are prepared by an entity that is (is not) licensed by the Florida Board of Accountancy.

(Comments of a business advisory nature may be included in a separate paragraph(s).

(Signature of Licensed Audit Firm), or

(Signature of Active ~~L~~icensee Certified Public Accountant)

(State of Issuance and License Number)

Specific Authority 473.304, 473.315 FS. Law Implemented 473.302, 473.322 FS. History—New 10-28-98, Amended 9-20-00, 8-28-06, _____.

Motion was made by Ms. Caldwell, seconded by Mr. Carroll, to notice amended text for rule development, with no impact to small business. Upon vote, the motion passed unanimously.

61H1-20.007 Generally Accepted Accounting Principles.

~~“Generally Accepted Accounting Principles” shall be deemed and construed to mean accounting principles generally accepted in the United States of America in effect as of June 30, 2002, including, but not limited to, Accounting Principles Board Opinions Nos. 1 to 31 as published by the American Institute of Certified Public Accountants, and statements of accounting standards and interpretations thereof, as published by the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB) and the Federal Accounting Standards Advisory Board (FASAB). The FASB materials are entitled Original Pronouncements 2001/2002 Edition, vols. I, II, & III, dated 12/31/00, and available from FASB, 401 Merritt 7, P. O. Box 5116, Norwalk, CT 06856 5116, 1(888)777 7077, <http://www.epa2biz.com>. The GASB materials are entitled Governmental Accounting and Financial Reporting Standards, (Statement 34 Edition), available from GASB, 401 Merritt 7, P. O. Box 5116, Norwalk, CT 06850 5116. The FASAB materials are entitled FASAB Statements 1-22, dated 12/31/00, and are available from FASAB, 750 First Street, Suite 1001, Washington, D.C. 20002, (202)512 7350.~~

Non-governmental generally accepted accounting principles in the United States of America shall be deemed and construed to mean the principles and standards as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification™, published on July 1, 2009 and effective for interim and annual periods ending after September 15, 2009. The FASB Accounting Standards Codification™, is available from FASB at 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116, telephone (203) 847-0700 or at its website at <http://asc.fasb.org/>.

Governmental generally accepted accounting principles in the United States of America shall be deemed and construed to mean the principles and standards as promulgated by the Governmental Accounting Standards Board (GASB) Summary of Statement No. 55 The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments (Issued 03/09) and available from GASB at 401 Merritt 7, P. O. Box 5116, Norwalk, CT 06850-5116, telephone: (203) 847-0700 or at its website at <http://www.gasb.org/>, for state and local governments or the principles and standards as promulgated by the Federal Accounting Standards Advisory Board (FASAB), available from FASAB, 750 First Street, Suite 1001, Washington, D.C. 20002, telephone (202)512-7350 or at its website at <http://www.fasab.gov/index.html> for federal governmental entities.
Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History—New 12-4-79, Amended 2-3-81, 3-16-81, 1-25-82, 7-6-82, 12-9-82, 7-27-83, 3-22-84, 7-2-85, Formerly 21A-20.07, Amended 9-23-86, 5-22-88, 4-8-90, 4-21-91, Formerly 21A-20.007, Amended 10-19-94, 9-30-97, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Mr. Durkin, to notice text for rule development, with no impact to small business. Upon vote, the motion passed unanimously.

61H1-20.008 Generally Accepted Auditing Standards.

Non-issuer ((non-issurers are (1) all entities who are not issuers as that term is defined by the Sarbanes-Oxley Act of 2002, and (2) entities whose audits are not required by Securities & Exchange Commission (SEC) rules to be conducted in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB))” generally accepted auditing standards” shall be deemed and construed to mean auditing standards generally accepted in the United States of America in effect as of June 30, 2009, including, but not limited to, general, field work and reporting standards approved and adopted by the membership of the American Institute of Certified Public Accountants (AICPA), available from the AICPA’s Resource Online at www.cpa2biz.com or by telephone request at 1(888)777-7077).

Issuer (issuer means an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c)), the securities of which are registered under section 12 of that Act (15 U.S.C. 78), or that is required to file reports under section 15(d) (15 U.S.C. 78o(d)), or that files or has filed a registration statement that has not yet become effective under the Securities Act of 1933 (15 U.S.C. 77a et seq.), and that it has not withdrawn), generally accepted auditing standards shall be deemed and construed to mean auditing and attest standards generally accepted in the United States of America in effect as of July 1, 2009 as published by the PCAOB and available at its website at www.pcaob.org.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History—New 12-4-79, Amended 3-16-81, 7-6-

82, 12-9-82, 7-27-83, 3-22-84, 7-2-85, Formerly 21A-20.08, Amended 9-23-86, 5-22-88, 4-8-90, 4-21-91, Formerly 21A-20.008, Amended 10-19-94, 9-30-97, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.009 Standards for Accounting and Review Services.

“Standards for Accounting and Review Services” shall be deemed and construed to mean Statements on Standards for Accounting and Review Services published by the American Institute of Certified Public Accountants in effect as of June 30, 2008, available from the AICPA’s Resource Online at www.cpa2biz.com or by telephonic request at 1(888)777-7077).

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 12-4-79, Amended 3-16-81, 1-25-82, 7-6-82, 12-9-82, 7-27-83, 3-22-84, 7-2-85, Formerly 21A-20.09, Amended 9-23-86, 5-22-88, 4-8-90, 4-21-91, Formerly 21A-20.009, Amended 10-19-94, 9-30-97, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Ms. Borcheck, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.0092 Government Auditing Standards.

“Government Auditing Standards” shall be deemed and construed to mean Government Audit Standards issued by the Comptroller General of the United States, in effect as of July 2007. (Entitled Government Auditing Standards, July 2007 Revision (GAO-07-731G), available from the United States General Accounting Office, Washington, D.C. 20548-0001) or from its website at <http://www.gao.gov/govaud/ybk01.htm>.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.304, 473.315 FS. History–New 10-28-86, Amended 5-22-88, 4-8-90, 4-21-91, Formerly 21A-20.0092, Amended 10-19-94, 9-30-97, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Mr. Carroll, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.0093 Rules of the Auditor General.

“Rules of the Auditor General” shall be deemed and construed to mean the following Rules of the Auditor General of the State of Florida in effect as follows:

Chapter	Title
10.550	Local Government Entity Audits, <u>effective 9/30/2007</u>
10.650	State Single Audits Non-profit and For-profit Organizations, <u>effective 9/30/2007</u>
10.700	<u>Audits of Certain Nonprofit Organizations, effective 6/30/2008</u>
10.800	District School Board Audits, <u>effective 6/30/2008</u>
10.850	Charter School Audits, <u>effective 6/30/2008</u>

These rules are available from the State of Florida, Auditor General’s Office or from the website <http://www.state.fl.us/audgen>, under the Rules and Guidelines section.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 10-22-86, Amended 5-22-88, 4-8-90, 4-21-91, Formerly 21A-20.0093, Amended 9-30-97, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.0095 Standards for Consulting Services.

“Standards for Consulting Services” shall be deemed and construed to mean the Statement on Standards for Consulting Services No. 1 as, AICPA, in effect as of June 30, 2002, available from the AICPA’s Resource Online at www.cpa2biz.com or by telephonic request at 1(888)777-7077.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 5-20-91, Formerly 21A-20.0095, Amended 9-30-97, 9-29-02, _____.

Motion was made by Mr. Durkin, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.0096 Services for Tax Practice.

“Standards for Tax Services” shall be deemed and construed to mean Statements on Standards for Tax Services, as published by the American Institute of Certified Public Accountants, and in effect as of December 31, 2003, available from the AICPA’s Resource Online at www.cpa2biz.com or by telephonic request at 1 (888) 777-7077.)

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 5-20-91, Formerly 21A-20.0096, Amended 9-30-97, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.0097 Standards for Personal Financial Planning.

“Standards for Personal Financial Planning” shall be deemed and construed to mean Basic Personal Financial Planning Engagement Functions and Responsibilities First Issued October 1992; Revised January 1996, aka Statements on Responsibilities in Personal Financial Planning Practice, as published by the American Institute of Certified Public Accountants, available from the AICPA’s Resource Online at www.cpa2biz.com or by telephonic request at 1(888)777-7077.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 11-8-95, Amended 9-30-97, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.0099 Standards for Attestation Engagements.

“Standards for Attestation Engagements” shall be deemed and construed to mean Statements on Standards for Attestation Engagements published by the American Institute of Certified Public Accountants, (entitled Codification of Statements on Standards for Attestation Engagements, Numbers 1 to 14, dated December 2006, available from the AICPA’s Resource Online at www.cpa2biz.com or by telephonic request at 1(888)777-7077), in effect as of June 30, 2002.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 9-29-96, Amended 6-22-98, 9-29-02, _____.

Motion was made by Mr. Tipton, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.010 Engagement.

“Engagement” shall be deemed and construed to mean the association between a client and a ~~licensee~~ certified public accountant or firm relative to the performance of public accounting services by the ~~licensee~~ certified public accountant or firm for the client.

Specific Authority 473.304, 473.314, 473.315, 473.317 FS. Law Implemented 473.314, 473.315, 473.317 FS. History–New 12-4-79, Formerly 21A-20.10, 21A-20.010, _____.

Motion was made by Ms. Borders-Byrd, seconded by Mr. Durkin, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.013 Employee.

A ~~licensee~~ certified public accountant would be considered an employee of a ~~CPA~~ firm for purposes of Chapter 473 if the ~~licensee~~ certified public accountant has the status of an employee under the usual common law rules applicable in determining the employer-employee relationship. A ~~licensee~~ certified public accountant may be ~~licensee~~ leased to a ~~CPA~~ firm through an employee leasing company as defined in Section 443.036(16), F.S., as long as the ~~CPA~~ firm has the power to hire and fire, has complete supervision and control over the ~~licensee’s~~ certified public accountant’s work product, and accepts the ~~licensee~~ certified public accountant as its responsibility for purposes of complying with 61H1-26.002, F.A.C.

Specific Authority 473.304, FS. Law Implemented 473.302, 473.309(1)(b), 473.3101 FS. History–New 10-17-90, Formerly 21A-20.013,_____.

Motion was made by Mr. Quinlan, seconded by Ms. Borders-Byrd, to notice amended text for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-20.016 Non-CPA Shareholders, Partners and Members.

(1) For purposes of Chapter 473, F.S., and these rules, the terms non-CPA shareholders, partners, and members shall be deemed and construed to mean natural persons materially participating in the business conducted by the firm and when their participation ceases, their interest shall revert to the firm.

(2) Non-CPA shareholders, partners, and members shall not hold themselves out as ~~C~~certified ~~P~~public ~~A~~ccountants ~~or Public Accountants.~~

Specific Authority 473.304 FS., s. 1, Chapter 97-35, Laws of Florida. Law Implemented s. 1, Chapter 97-35, Laws of Florida. History–New 2-5-98,_____.

Motion was made by Mr. Tipton, seconded by Mr. Durkin, to notice amended text for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-21.001 Independence.

(1) A ~~licensed~~ firm shall not express an opinion on financial statements (as that term is defined in the Standards for Independence) of an enterprise or on the reliability of an assertion by one party for use by another (third) party unless the firm is active licensed and independent with respect to such enterprise or the party making the assertion. A licensed firm is also precluded from expressing such an opinion if the firm is aware that an individual in the firm is not independent and that individual is a covered ~~licensee~~ certified public accountant or is otherwise required to be independent. A ~~licensed individual~~ certified public accountant shall not express such an opinion unless the ~~individual~~ certified public accountant is independent with respect to such enterprise or the party making the assertion. A ~~licensed individual~~ certified public accountant is also precluded from expressing such an opinion if he or she is aware that an individual in the firm is not independent and that individual is a covered ~~licensee~~ certified public accountant or is otherwise required to be independent. All covered ~~licensees~~ certified public accountants and all other individuals who are required to be independent are required to disclose to the firm that they are not independent prior to the issuance of such an opinion; failure to do so is a violation of this rule. All firms are required to adopt appropriate policies to implement the disclosure requirement and to monitor compliance therewith.

(2) In order to delineate the standards against which a ~~licensee's~~ certified public accountant's independence or lack thereof is to be judged, the Board has created a document entitled "Standards for Determining Independence in the Practice of Public Accountancy for CPAs Practicing Public Accountancy in the State of Florida" (effective 5-1-2003, revised 12-31-2004) (hereinafter "Standards for Independence") which document is hereby incorporated by reference in this Rule. The standards contained in the "Standards for Independence" are similar to those contained in the Code of Professional Conduct promulgated by the American Institute of Certified Public Accountants.

(3) In order to be considered independent a ~~licensee~~ certified public accountant must comply with the requirements set out in the "Standards for Independence" and the requirements of this rule.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 12-4-79, Amended 2-3-81, 10-28-85, Formerly 21A-21.01, Amended 10-20-86, Formerly 21A-21.001, Amended 5-21-03, 1-31-05,_____.

Motion was made by Mr. Quinlan, seconded by Mr. Durkin, to notice amended text for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-21.002 Integrity and Objectivity.

A certified public accountant shall not knowingly misrepresent facts, and, when engaged in the practice of public accounting, shall not subordinate his/her judgment to others including but not limited to clients, employers or other third parties. In tax practice, a ~~licensee~~ certified public accountant may resolve doubt in favor of his/her client as long as there is reasonable support for his/her position.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 12-4-79, Formerly 21A-21.02, Amended 6-4-86, Formerly 21A-21.02, 21A-21.002, _____

Motion was made by Ms. Caldwell, seconded by Ms. Borcheck, to notice presented text for rule development, with no impact on small business.

61H1-21.005 Contingent Fees.

(1) A ~~licensee~~ No certified public accountant or firm shall ~~not~~ accept a fee contingent upon the findings or results of such services if the service is of the type for which a commission or referral fee could not be accepted (See Rule 61H1-21.003, F.A.C.).

(2) A ~~licensee~~ No certified public accountant or firm shall ~~not~~ accept a contingent fee for tax filings with the federal, state, or local government unless the findings are those of the tax authorities and not those of the ~~licensee~~ certified public accountant or firm. Unless the ~~licensee~~ certified public accountant or firm has specific reason to know that the filing will be reviewed in detail by the taxing authorities, the findings will be presumed to be those of the ~~licensee~~ certified public accountant or firm and a contingent fee is not permissible. An original or amended federal tax return or a claim for refund cannot be prepared for a contingent fee since the findings are not considered to be those of the taxing authority. If the taxing authority has begun an audit, any findings will be considered those of the taxing authority and a contingent fee may be accepted. Fees to be fixed by courts or other public authorities, which are of an indeterminate amount at the time a public accounting service is undertaken, shall not be regarded as contingent fees for the purposes of this rule. However, a ~~licensee's~~ certified public accountant's or firm's fee may vary depending, for example, on the complexity of the service rendered.

Specific Authority 473.304, 473.319 FS., s. 2, Chapter 97-35, Laws of Florida. Law Implemented 473.319 FS., s. 2, Chapter 97-35, Laws of Florida. History–New 12-4-79, Formerly 21A-21.05, 21A-21.005, Amended 11-30-93, 2-23-98, _____.

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice amended text for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-21.006 Communication with Client of Another ~~Licensee~~ Certified Public Accountant.

If a client of one ~~licensee~~ certified public accountant or firm requests a second ~~licensee~~ certified public accountant or firm to provide professional advice on accounting or auditing matters in connection with an expression of opinion, the second ~~licensee~~ certified public accountant or firm must consult with the first ~~licensee~~ certified public accountant or firm, after obtaining the client's consent, to make certain that the (the second ~~licensee~~ certified public accountant or firm) is aware of all the relevant facts.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 12-4-79, Amended 2-3-81, Formerly 21A-21.06, 21A-21.006, _____.

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice amended text for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-22.011 Standards for Business Valuations. (voted upon 4/22/09)

Licensees performing business valuations for clients shall comply with "~~Consulting Services Practice Aid 93-3, Conducting a Valuation of A Closely Held Business,~~" published by the American Institute of CPAs "Statement on Standards for Valuation Services No. 1," as published by the American Institute of Certified Public Accountants, in effect as of January 1, 2008. (Available from the AICPA's + Resource Online at <http://bvfls.aicpa.org/Resources/Laws+Rules+Standards+and+Other+Related+Guidance/AICPA+valuation+Standard+and+implementation+Toolkit.htm> or call 1(888)777-7077). The rule does not

encompass consulting engagements wherein a licensee provides written or oral advisory services in which the client is informed in writing that the services provided were not performed in accordance with ~~Consulting Services Practice Aid 93-3~~ “Statement on Standards for Valuation Services No. 1.” established by the AICPA.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315 FS. History–New 11-2-95, Amended 2-18-96, 9-30-97, _____.

No motion was made on this rule, board directed Ms. Clark to notice text, and to bring back to the August 4, 2009 Rules meeting to work on.

61H1-23.002 Records Disposition Responsibility.

(1) A ~~licensee~~ certified public accountant shall furnish to a client or former client within a reasonable time after request of the document the following if they are in the ~~licensee's~~ certified public accountant's possession or control at the time of the request: Any accounting or other records belonging to the client which the ~~licensee~~ certified public accountant may have had occasion to remove from client's premises, or to receive for the client's account, including records prepared as part of the service to the client which would be needed to reconcile to the financial statements or tax return prepared and issued by the certified public accountant. If the tax return or financial statement has not been issued, the certified public accountant must only return records received from the client, but this shall not preclude the ~~licensee~~ certified public accountant from making copies of such documents when same form the basis of work done by the ~~licensee~~ certified public accountant.

(2) This rule shall not preclude a ~~licensee~~ certified public accountant from making reasonable charges for costs incurred. A ~~licensee~~ certified public accountant shall not withhold those items contemplated above under any circumstances following a demand for same from the client.

(3) Provisions of this rule apply to Licensed Audit Firms and to all ~~Certified Public Accountants~~ practicing public accounting.

Specific Authority 473.304, 473.315 FS. Law Implemented 473.315, 473.318 FS. History–New 12-4-79, Amended 12-11-83, Formerly 21A-23.02, Amended 9-1-87, Formerly 21A-23.002, Amended 10-28-98, _____.

Motion was made by Mr. Riggs, seconded by Mr. Durkin, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-24.001 Advertising.

(1) No ~~licensee~~ certified public accountant shall disseminate or cause the dissemination of any advertisement or advertising which is in any way fraudulent, false, deceptive, or misleading, if it, among other things:

(a) Contains a misrepresentation of facts; or
(b) Makes only a partial disclosure of relevant facts; or
(c) Creates false or unjustified expectations of beneficial assistance; or
(d) Appeals primarily to a layperson's fears, ignorance, or anxieties regarding his state of financial well-being; or

(e) Contains any representation or claims, as to which the ~~licensee~~ certified public accountant, referred to in the advertising, does not expect to perform; or

(f) Contains any other representation, statement, or claim which misleads or deceives; or

(g) In the event that a ~~licensee~~ certified public accountant uses the term “specialty” or “specialist” or any other term tending to indicate an advanced standing in any aspect of the practice of public accountancy, in any advertisement or offering to the public, the advertisement must state that the use of the term is a self-designation and is not sanctioned by the state or federal government. This requirement shall not apply to any statement indicating the ~~licensee~~ certified public accountant has received any bona fide formal recognition or attainment; or

(h) Represents that professional services can or will be competently performed for a stated fee when this is not the case, or makes representations with respect to fees for professional services that do not disclose all variables affecting the fees that will in fact be charged; or

(2) As used in Section 473.302(6), F.S., and the rules of the Board, the terms “advertisement,” “advertising” and “advertising as a part of a licensee’s certified public accountant’s business activities” shall mean:

(a) Any statements, oral or written, disseminated to or before the public or any portion thereof, with the intent of furthering the purpose, either directly or indirectly, of selling public accounting services, or offering to perform public accounting services, or including members of the public to enter into any obligation relating to such public accounting services. For purposes of this rule, oral or written statements include:

1. Business cards;
2. Letterhead;
3. Signs;
4. Listings in telephone and other media or communication directories;
5. Display of certificate or license from this or any other state;
6. Business reports;
7. Transmittal letters or other written communication issued or associated with accompanying financial statements;
8. Brochures;
9. Forms filed with state and federal regulatory agencies;
10. Press releases;
11. Paid promotional listing in any media;
12. Display of membership in CPA associations;
13. Listings in professional directories;
14. Presentation during court proceedings;
15. Website, e-mail, or any other electronic communication.

(b) “Advertisement,” “advertising” and “advertising as a part of a licensee’s certified public accountant’s business activities” as defined terms by this rule does not include:

1. Verbal statements in a social context
2. Use of the designation by faculty members in an educational institution when functioning in the capacity of a faculty member, and
3. Use of the designation by authors when used only for identification as authors of books, articles or other publications, provided that such publications, do not offer the performance of services or the sale of products (other than books, articles or other publications).

Specific Authority 473.304, 473.323 FS. Law Implemented 473.323(1)(f) FS. History–New 12-4-79, Amended 2-3-81, 12-29-83, Formerly 21A-24.01, Amended 5-20-91, Formerly 21A-24.001, Amended 2-12-95, 5-7-96, 10-8-97, 11-18-7.

Motion was made by Ms. Caldwell, seconded by Mr. Durkin, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-24.002 Solicitation.

(1) A licensee certified public accountant may respond to any request for a proposal to provide public accounting services and may provide such services to those requesting same.

(2) A licensee certified public accountant may solicit an engagement to perform public accounting services provided the licensee certified public accountant complies with 61H1-24.001 and provided the licensee certified public accountant does not use coercion, duress, compulsion, intimidation, threats, or conduct that is overreaching, or vexatious or harassing.

(3) Any form of written communication to a potential client, invited or not, is permissible under this rule provided such communication conforms to the advertising guidelines of Rule 61H1-24.001.

Specific Authority 473.304, 473.323 FS. Law Implemented 473.323 FS. History–New 12-4-79, Amended 2-3-81, Formerly 21A-24.02, 21A-24.002, Amended 11-30-93,_____.

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-25.001 Responsibility for Other Persons.

A ~~licensee~~ certified public accountant shall not permit others to carry out on his/her behalf, either with or without compensation, acts which, if carried out by the ~~licensee~~ certified public accountant would place him/her in violation of Chapters 455 and 473, F.S., or rules promulgated thereto.

Specific Authority 473.304, 473.323 FS. Law Implemented 473.322, 473.323 FS. History—New 12-4-79, Formerly 21A-25.01, 21A-25.001,_____.

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-27.0041 One Year of Work Experience.

~~If application for licensure is made after December 31, 2008, and the applicant has not applied for and been approved to take the licensure examination by January 1, 2009, the~~ With the exception of an applicant who completes the requirements of Section 473.308(3), F.S., on or before December 31, 2008, and who passes the licensure examination on or before June 30, 2010, an applicant must document one year of work experience as follows:

(1) Definitions. Within the context of this rule, the following definitions apply:

(a) “Applicant.” An applicant is a person who has met Florida’s educational requirements for licensure and intends from the outset of the supervised experience to meet the supervised experience requirement for licensure.

(b) “Supervised” and “supervision:” the subjection of the applicant, during employment, to oversight, guidance and evaluation by a supervisor who had the right to control and direct the applicant as to the result to be accomplished by the work and also as to the means by which the result was to be accomplished.

(c) “Supervisor.” A supervisor is either a licensed certified public accountant in good standing with any regulating body or a chartered accountant recognized by the International Qualifications Appraisal Board (IQAB).

(2) One year of work experience shall be held and understood to mean the rendition of services such as are customarily performed by full-time, regularly employed staff employees of a certified public accountant during the normal workweek as required by the employing certified public accountant, commencing after the completion of the educational requirements set forth in subsection 61H1-27.002(3), F.A.C. The experience must either average at least twenty (20) hours a week over no more than one hundred and four (104) weeks or average no more than forty (40) hours a week over no more than fifty-two (52) weeks. Reasonable vacation time and sick leave or other required absences may be permitted. The supervisor, in her or his report to the Department, shall certify that the applicant rendered such services as are customarily performed by full-time, regularly employed staff employees for a minimum of 2,000 hours gained over a period of not less than fifty-two (52) or more than one hundred and four (104) weeks. The sequence of the experience is considered immaterial, that is, whether the experience was secured before or after taking the examination, or partly before the examination and partly after the examination, provided the two periods combined equal at least one year.

(3) The one year of work experience may be achieved by teaching accounting full-time for one year at an accredited college or university, as defined in subsection 61H1-27.001(1), F.A.C., under the following conditions:

(a) Full-time teaching as described by the rules of the educational institution where the applicant taught will be accepted by the Board to be full-time teaching. However, in no case will less than twelve (12) semester hours, or the equivalent, be accepted by the Board as full-time teaching.

(b) If the applicant has not taught accounting full-time for one year, credit will be allowed by the Board for teaching accounting less than full-time on a pro rata basis based upon the number of semester or quarter hours required for full-time teaching at the educational institution where the applicant taught. However, in no case will an applicant receive credit for a full-time teaching year for teaching done in less than one academic year or more credit than one full-time teaching year for teaching done within one calendar year.

(c) Courses outside the fields of accounting and general business will not be counted toward full-time teaching.

(4) Documentation of the one year of work experience shall be made using the Certification of Work Experience form (DBPR Form CPA 32/Revised 9/08), which is hereby incorporated by reference, a copy of which may be obtained from the Board office located at 240 N. W. 76th Drive, Suite A, Gainesville, FL 32607-6655.

Specific Authority 473.304(1), 473.308(4) FS. Law Implemented 473.308(4) FS. History–New 3-3-09, _____

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-27.005 Educational Advisory Committee.

The Board shall appoint an Educational Advisory Committee which shall be composed of one (1) member of the Board, two (2) ~~licensees~~ Florida certified public accountants in public practice, and four (4) academicians on faculties of universities within the State of Florida. The Board member shall be appointed by the Chairman and serve at his or her pleasure. The other members of the Committee will be selected by the Chairman of the Committee for terms of two (2) years, with the potential for reappointment for one (1) additional two (2) year term. Any member appointed to fill a vacated, partial term, can serve two (2) full terms. In addition, the Committee shall consist of expert staff retained by the Department of Business and Professional Regulation. Said staff shall be individuals who have knowledge and experience with educational curricula and national accreditation standards for accounting and business programs. The Educational Advisory Committee shall assist the Board and Board staff with any educational matters or issues brought to the Committee, including but not limited to questions regarding academic qualification for applications for examination and licensure by endorsement. The Committee may also bring educational issues it deems of importance to the Board.

Specific Authority 120.53(1), 473.304 FS. Law Implemented 120.53(1), 473.306 FS. History–New 7-7-85, Formerly 21A-27.05, Amended 12-2-92, Formerly 21A-27.005, _____

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-28.0011 Examinations.

(1) The Board adopts the Uniform CPA Examination “CPA Examination” prepared by the Board of Examiners of the American Institute of Certified Public Accountants ~~and the examination approved by the Board on Chapters 455 and 473, F.S., and the related administrative rules “Law and Rules Examination”~~ as its licensure examinations.

(2) As used in Chapter 61H1-28, F.A.C., ~~the following terms are hereby defined:~~

~~(a) “Examination window” means a three-month period in which candidates have an opportunity to take the CPA Examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the item bank is refreshed). Thus candidates will be able to test two out of the three months within each examination window.~~

~~(b) “Special examination window” means the period from April 5, 2004 to September 30, 2004 during which a candidate may have the opportunity to take the CPA Examination and during which the examination may be available for a period of time more than two months due to the unique circumstances surrounding the initial administration of the CPA Examination. The special examination window shall count as one examination window. During the special examination window a candidate may retake a failed section(s) one time.~~

(3) For purposes of the ~~Uniform~~ CPA Examination:

(a) A first-time candidate is defined as a candidate who is required to file an application in order to qualify to sit for all sections of an examination.

(b) A re-examination candidate is defined as a candidate who has not received credit for all sections within the time frame allotted, as set out in Rule 61H1-28.0052, F.A.C.

(c) Candidates cannot retake a failed test section(s) in the same examination window.

Specific Authority 455.217(1), 473.304, 473.306 FS. Law Implemented 455.217(1), 473.306 FS. History–New 1-1-04,_____.

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-28.0052 Number of Sitzings, and Granting of Credit, Release of Grades and Completion of Examination, Transition Rules.

(1) With respect to the CPA Examination:

(a) A candidate may take the required test sections individually and in any order. Credit for any test section(s) passed shall be valid for eighteen months from the National Association of State Boards of Accountancy (NASBA) grade release date for that test section, without having to attain a minimum score on any failed test section(s) and without regard to whether the candidate has taken other test sections.

(b) Candidates must pass all four test sections of the CPA Examination within a rolling eighteen-month period, which begins on the NASBA grade release date for the first test section(s) passed. In the event all four test sections of the CPA Examination are not passed within the rolling eighteen-month period, credit for any test section(s) passed outside the eighteen-month period will expire and that test section(s) must be retaken.

(2) A candidate shall be deemed to have passed the CPA Examination when the candidate has been granted credit for all sections of the CPA Examination. Upon certification of examination scores by the Board to the Department that the applicant has met all licensure requirements as imposed by Chapters 455 and 473, F.S., and the rules promulgated pursuant thereto, the Department shall issue a license to practice public accounting to such individual. However, in no event shall an initial license be issued if the initial licensure fees and all required documents are not received within 36 months of the date of certification of examination scores by the ~~h~~Board; in such case, the certification expires and the applicant may reapply for licensure by endorsement, pursuant to Section 473.308(7)(a), F.S.

Specific Authority 455.217(1), 473.304, 473.306 FS. Law Implemented 455.217(1), 473.306 FS. History–New 1-1-04, Amended 2-24-08,_____.

No action taken, this will be presented for further discussion on August 4, 2009, at the Rules meeting.

61H1-28.007 Law and Rules Examination.

~~At the time of application for licensure, the applicant must pass the examination on Chapters 455 and 473, F.S., and related administrative rules approved by the Board. A grade of at least 80 is a passing grade.~~

~~*Specific Authority 473.304, 473.306 FS. Law Implemented 473.306 FS. History New 4-8-86, Formerly 21A-28.007.*~~

Ms. Clark informed board members that this change is in process.

61H1-29.005 CPA Education/CPE Credit.

The CPE reestablishment period for new ~~licensees~~ Florida certified public accountants begins on the date of certification, which is printed on the license. Only courses completed after that date may be used for CPE credit. Accordingly, no courses which count as education for obtaining the CPA license may be used for CPE credit.

Specific Authority 473.304, 473.3101, 473.323(2) FS. Law Implemented 473.311, 473.312 FS. History–New 11-2-95,_____.

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-31.001 Fees.

(1) Applicants to sit for the Uniform CPA Examination, as a first time candidate or for candidates

transferring partial credits from another state, a fifty dollar (\$50.00) application fee will be owed prior to processing the application. Once the applicant has been approved to sit for the exam as a Florida candidate, it is the applicant's responsibility to complete the examination process with the national vendor and pay any examination fee required by the vendor.

(2) In addition to the examination fee charged to take each section of the exam set forth in subsection (1), re-examination candidates will be charged a re-examination administration fee covering the costs of administration of the re-examination, which will vary depending on the number of examination sections the candidate applies to take per application:

- (a) Four sections of the examination – \$105.00,
- (b) Three sections of the examination – \$90.00,
- (c) Two sections of the examination – \$75.00, or
- (d) One section of the examination – \$60.00.

(3) For individual active and inactive status licenses, biennial renewal fee provided in Section 473.305, F.S., one hundred and five dollars (\$105.00).

(4) For change of status other than during the renewal period, fifty dollars (\$50.00); for reactivation of an inactive status license to active status, two hundred and fifty dollars (\$250.00); for reactivation of a delinquent status license to active, two hundred and fifty dollars (\$250.00); changing a delinquent status license to inactive status, fifty dollars (\$50.00). In all cases completion of the requirements of Rule 61H1-33.006, F.A.C., and ~~passage of the examination on Chapters 455 and 473, F.S., and related rules~~ shall be required for reactivation.

(5) The biennial renewal fee provided in Section 473.305, F.S., for partnerships, corporations, and limited liability companies licensed in Section 473.3101, F.S., one hundred fifty dollars (\$150.00). The biennial renewal fee provided in Section 473.305, F.S., for sole proprietor firms and other legal entities owned by a sole proprietor licensed in Section 473.3101, F.S., fifty dollars (\$50.00).

(6) Persons, partnerships and corporations licensed in the first year of the biennial period, as established by the Department, shall pay the fees established above. Those persons, partnerships and corporations licensed in the second year of the biennial period, as established by the Department, shall pay one half of the fees established above.

(7) For application for license by endorsement provided in Section 473.308, F.S., two hundred fifty dollars (\$250.00) per person. If such application is withdrawn or denied, no portion of the fee will be refunded by the Department.

(8) For fees relating to the Foreign Language Examination refer to Section 455.11, F.S.

(9) Duplicate licensee fee – If a ~~licensee~~ Florida certified public accountant requests a duplicate license or wall certificate, the Board will issue the duplicate if the request is made in writing and is accompanied by a payment of \$25.00.

(10) For verification of licensure to other states; fifty dollars (\$50.00).

(11) For initial licensure, fifty dollars (\$50.00).

(12) For approval of continuing education provider status, one hundred dollars (\$100.00), valid for two years.

(13) For approval of a continuing education course in ethics, meeting the requirements of Section 473.312(1)(c), F.S., two hundred fifty dollars (\$250.00).

Rulemaking Authority 455.213(2), 455.219(4), 455.271, 473.305, 473.312 FS. Law Implemented 455.219(4), 455.271, 473.305, 473.312, 473.313 FS. History-New 12-4-79, Amended 2-3-81, 3-4-82, 11-6-83, 3-29-84, Formerly 21A-31.01, Amended 6-4-86, 9-16-87, 2-1-88, 8-30-88, 2-6-89, 12-18-89, 12-28-89, 8-16-90, 4-8-92, 12-2-92, Formerly 21A-31.001, Amended 11-4-93, 2-14-95, 11-3-97, 6-2298, 10-28-98, 7-15-99, 4-3-02, 1-27-04, 1-31-05, 7-14-05, 4-9-06, 12-3-06, 4-29-07, 9-24-07, 2-24-08, _____.

No action taken, this will be presented for further discussion on August 4, 2009, at the Rules meeting.

61H1-33.001 Certified Public Accountants Required to Comply with this Chapter.

(1) Each Florida certified public accountant ~~who is licensed to practice public accounting in Florida~~ shall be required to reestablish his/her professional knowledge and competency in conformity with this rule by the completion of continuing professional education programs ~~and passing the examination on Chapters 455, 473, F.S., and related administrative rules approved by the Board. A grade of at least 80 is a passing grade. Each certified public accountant shall, on or before December 31, prior to biennial license renewal, complete on-line or mail his completed answers to the examination on Chapters 455, 473, F.S., and related~~

administrative rules to the Department of Business and Professional Regulation, or its designee.

(2) Each Florida certified public accountant ~~who received an original Florida certification after December 31, 1978,~~ shall commence his/her reestablishment period on the date indicated on his/her Florida certificate. The initial designated reestablishment period for such ~~licensee~~ Florida certified public accountant shall end on the third ~~June 30th~~ December 31st following the date indicated on his/her Florida certificate. Each succeeding reestablishment period shall begin on ~~July 1, and end on June 30~~ January 1 and end on December 31st, two years thereafter.

(3) ~~The scan sheet for the Laws and Rules Examination must be postmarked or completed on line by or on December 31. No Laws and Rules Examination scan sheet will be accepted if it is postmarked or completed on line after December 31.~~

(4) See Rule 61H1-37.001, F.A.C., for reinstatement of suspended Florida certified public accountants and Rule 61H1-33.006, F.A.C., for inactive ~~licensees~~ Florida certified public accountants who desire to become active ~~licensees~~ Florida certified public accountants, which rules relate to continuing professional education requirements.

Specific Authority 473.304, 473.312, 473.313 FS. Law Implemented 473.311, 473.312, 473.313 FS. History—New 12-4-79, Amended 2-3-81, 12-19-82, Formerly 21A-33.01, Amended 4-8-86, Formerly 21A-33.001, Amended 5-24-07, 11-18-07,_____.

Motion was made by Ms. Caldwell, seconded by Mr. Durkin, to notice text as presented, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-33.002 Organization and Administration.

There is created the Committee on Continuing Professional Education. Subject to the approval of the Board, said Committee shall:

(1) Evaluate and determine, either prospectively or retrospectively, whether specific courses, programs, education and training qualify as formal programs of learning which contribute directly to professional competency of an individual following licensure to practice public accounting, and the credit to be granted therefore;

(2) Determine in individual cases whether professional knowledge and competency have been reestablished by virtue of the completion of such programs; and

(3) Audit the continuing professional education records of ~~licensees~~ Florida certified public accountants on a sample basis from time to time.

Specific Authority 473.304, 473.312 FS. Law Implemented 473.312 FS. History—New 12-4-79, Amended 2-3-81, 7-2-85, Formerly 21A-33.02, 21A-33.002,_____.

Motion was made by Ms. Caldwell, seconded by Mr. Durkin, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-33.003 Continuing Professional Education.

(1) ~~(a)~~ In any given reestablishment period, each current/active Florida certified public accountant must have completed at any time or times during the two-year period, at least 80 hours of educational instruction or training in public accounting subjects or courses of study, as defined hereinafter, of which at least 20 hours must have been in accounting-related and/or auditing-related subjects and of which no more than 20 hours may be in behavioral subjects and at least four hours shall be in Florida Board-approved ethics beginning with the reestablishment period ending June 30, 2006.

~~(b) Licensees who do not meet the requirements by June 30th will be granted an automatic extension until September 15th provided the licensee submits an additional 8 hours in Accounting and Auditing subjects. An automatic extension will be granted until December 31st provided the licensee submits an additional 16 hours in Accounting and Auditing subjects. Licensees utilizing the automatic extension must submit the required information postmarked or recorded on line by September 15th or December 31st.~~

(2) Educational instruction or training in public accounting subjects or courses of study is hereby defined as formal programs of learning, as defined below, which contribute directly to professional competency following licensure to practice public accountancy. Unless otherwise approved by the Board pursuant to Section 120.542, F.S., subjects or courses of study qualifying an individual for the purpose of this rule shall be limited to:

(a) Accounting and auditing subjects to consist of:

1. Accounting-related subjects or courses, including, but not limited to, financial accounting (including current authoritative literature in generally accepted accounting principles in the United States ~~and the Pronouncements of the Accounting Principles Board and the Financial Accounting Standards Board~~), and accounting for specialized industries.

2. Auditing-related subjects or courses, including, but not limited to, general auditing theory and practice (including current authoritative literature in generally accepted auditing standards in the United States ~~and the Statements on Auditing Standards promulgated by the American Institute of Certified Public Accountants~~), auditing for specialized industries (including governmental auditing requirements) and audit applications to computers and information systems; and other category courses to consist of:

(b) Technical business subjects to consist of:

1. Taxation.

2. Management services and management advisory services.

3. General business including, but not limited to, economics, business law, production or operational systems, marketing, finance, quantitative applications in business and business policy, and computers and information systems without audit applications; and

(c) Behavioral subjects to consist of:

1. Oral and written communications.

2. The social environment of business.

3. Administration of a public accounting practice including, but not limited to, behavioral sciences, managerial effectiveness and management by objectives.

(3) Effective July 1, 1999, educational instruction or training in public accounting subjects or courses of study is hereby defined as formal programs of learning as defined below, which contribute directly to professional competency following licensure to practice public accountancy. Subjects or courses of study qualifying an individual for the purposes of this shall be limited to:

(a) Accounting and auditing subjects to consist of: Accounting and financial reporting subjects, the body of knowledge dealing with recent pronouncements of authoritative accounting principles issued by the standard-setting bodies, and any other related subject generally classified within the accounting discipline. Subjects include auditing subjects related to the examination of financial statements, operations systems, and programs; the review of internal and management controls; and the reporting on the results of audit findings, compilation and review. It also includes assurance services that relate to Standards for Attest Engagements.

(b) Technical business subjects to consist of:

1. Taxation including tax compliance and tax planning.

2. Consulting services including management advisory services; personal financial planning services; planning and control systems dealing with planning, organizing and controlling any phase of individual financial activity or business activity; designing, implementing, and evaluating operating systems as well as business advisory services and personal financial planning.

3. Management including practice management for the public practitioner; financial management of an organization including information systems, budgeting and asset management, planning, buying and selling businesses, contracting for goods and services and foreign operation; budgeting; cost analysis; human resource management; and financial management.

4. Specialized knowledge and applications including subjects related to specialized industries such as not for profit organizations, health care, oil and gas.

(c) The ethics courses shall be obtained from a provider approved pursuant to Rule 61H1-33.0032, F.A.C. and consist of:

1. A review of Chapters 455 and 473, F.S., and the related administrative rules.

2. The ethics course may include other subjects including but not limited to: ethical conduct, core values and competencies, professional responsibility, responsibility to clients and the public, case studies that require the application of ethics principles, national professional standards and interpretations, and appropriate national issues related to the practice of accounting.

(d) Behavioral subjects including oral and written communications and the social environment of business. All courses not covered above are considered behavior except for business meetings, social functions, committee service and courses in elementary accounting or basic mathematics which do not qualify for credit.

(4) Credit may be prorated by the sponsor for courses that cover more than one area of study by (1) prorating the amount of time spent in each area or (2) awarding credit based on the lowest topic covered

with accounting and auditing being the highest and behavioral the lowest. Therefore an eight-(8-) hour course that was 75% accounting and auditing and 25% management would receive six (6) hours of accounting and auditing credit and two (2) hours of technical business or eight (8) hours of all technical business. Hours cannot be prorated in less than one hour increments.

(5) In order for a ~~licensee~~ Florida certified public accountant to receive credit for programs of learning, as defined above, the following formalities and further requirements must be met:

(a) Courses taken at institutions of higher education:

1. Higher education credit courses taken from an accredited institution as defined in subsection 61H1-27.001(1), F.A.C., shall be credited for continuing professional education purposes at the rate of 15 hours for each semester hour of higher education credit and 10 hours for each quarter hour of higher education credit, provided the number of contact hours (hours in the classroom) totals at least 90% of the continuing professional education credit so determined. Otherwise, continuing professional education credit shall be limited to the actual number of contact hours.

2. Higher education non-credit courses shall be credited for continuing professional education purposes equivalent to the actual number of contact hours.

3. Continuing professional education credit for instructing a higher education course shall be twice the credit which would have been granted participants for the first presentation of a specific course of program, the same as the credit granted a participant for the second presentation and none thereafter, except as permitted by subparagraph 61H1-33.003(4)(b)4., F.A.C.

4. No continuing professional education credit shall be permitted for attending or instructing accounting courses considered to be elementary.

(b) Other professional education or training:

1. Professional development courses shall be credited for continuing professional education purposes in full hours only, equivalent to the actual number of contact hours (hours in the classroom which must include at least fifty minutes of continuous participation) provided an outline (defined as a schedule of activity listing major topics of discussion) is prepared in advance and retained; a course is at least one contact hour in length; the course conducted by a qualified instructor, lecturer or discussion leader; and a record of registration and attendance is maintained. For this purpose, a one-day program will be granted eight hours credit if the total lapsed time is at least eight hours and the contact time is approximately 400 minutes. An instructor, lecturer or discussion leader will be considered qualified if, through formal training or experience, he has obtained sufficient knowledge of the subject matter to competently instruct the course. A course participant will be granted credit for only that portion of a course actually attended. If a record of registration and attendance is not maintained by the sponsoring organization, the course participant must be able to prove registration and attendance.

2. Formal organization in-firm educational programs shall be credited for continuing professional education purposes to the same extent and by the same requirements as other professional development courses.

3. Instructors, lecturers, panelists and discussion leaders for professional development courses and formal organized in-firm educational programs shall be credited for continuing professional education purposes at twice the credit granted participants for the first presentation of a specific course or program, the same as the credit granted a participant for the second presentation and none thereafter, except as permitted in subparagraph 61H1-33.003(4)(b)4., F.A.C. Co-panelists and co-discussion leaders shall be credited for the portion of specific course or program they must prepare to discuss and lead as a co-panelist or co-discussion leader.

4. To the extent course content has been substantially revised, the revised portion shall be considered a first presentation for the purposes of subparagraph 61H1-33.003(4)(b)3., F.A.C.

(6) Each Florida certified public accountant shall, ~~as a part of the biennial licensure renewal~~, on or before ~~July 15~~ December 31 prior to his/her biennial license renewal, report on forms prescribed by the Board, ~~programs of compliance with~~ continuing professional education requirements completed during the applicable reestablishment period. Each Florida certified public accountant's documentation supporting such ~~programs compliance~~ shall be retained through the two years following a two-year reestablishment period. Documentation is to be retained to support evidence of completion of the required hours to enable a random audit by the Department of Business and Professional Regulation to determine compliance with the requirements. If staff review or review by the Committee on Continuing Professional Education determines that courses are either improperly classified or do not otherwise meet the requirements of the chapter, then the ~~licensee~~ Florida certified public accountant will be given 60 days from the date of notification, ~~but no~~

~~later than December 31~~ to comply with the continuing professional education requirements. Licensees Florida certified public accountants who complete the continuing professional education requirements timely but who are found to be deficient after December 31 of their renewal year must correct the error and pay a \$50 fine within 60 days.

(7) Effective July 1, 1999, sponsors of formal correspondence or other individual study technical business and accounting and auditing programs must be approved by the National Association of State Board of Accountancy Quality Assurance Service. Credit for courses taken from National Association of State Board of Accountancy Quality Assurance Service sponsors will be awarded in an amount equal to the average completion time. Credit from non-approved sponsors is not acceptable for accounting and auditing and technical business courses.

Specific Authority 120.55(1)(a)4., 455.213(6), 455.2177, 455.2178, 455.2179, 473.304, 473.305, 473.312 FS. Law Implemented 455.213(6), 455.2177, 455.2178, 455.2179, 473.305, 473.312(1)(a), (c) FS. History—New 12-4-79, Amended 2-3-81, 4-5-83, 10-19-83, 8-20-85, Formerly 21A-33.03, Amended 9-18-88, 7-7-92, 12-2-92, Formerly 21A-33.003, Amended 12-14-93, 1-26-98, 12-17-00, 8-21-01, 3-21-05, 5-18-05, 7-10-05, 7-23-06,_____.

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-33.0031 Continuing Professional Education/Ethics.

~~Effective with the CPE reporting period ending June 30, 2006:~~

(1) A licensee Florida certified public accountant must complete no less than four of the total hours required for any reestablishment period in ethics from a provider approved pursuant to Rule 61H1-33.0032, F.A.C.

~~(2) Licensees shall attain a certificate of course completion prior to completing the exam requirements in Rule 61H1-28.007, F.A.C.~~

~~(3)~~ In the event the course four hours is taken completed in two modules, licensees Florida certified public accountants must complete the four-hour requirement with the same provider.

Specific Authority 120.55(1)(a)4., 473.304, 473.312 FS. Law Implemented 455.213(6), 455.2178, 455.2179, 473.312(1)(a), (c) FS. History—New 5-18-05,_____.

Motion was made by Mr. Tipton, seconded by Ms. Borders-Byrd, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-33.0032 Board Approval of CPA Ethics Continuing Education by Providers.

(1) - (3) (h) No change.

(i) The fee as established in subsection 61H1-31.001(~~45~~ 13), F.A.C. If such application is withdrawn or denied, no portion of the fee will be refundable.

(4) - (6) No change.

Specific Authority 120.55(1)(a)4., 455.213(6), 455.2178, 455.2179, 473.304, 473.312 FS. Law Implemented 455.213(6), 455.2178, 455.2179, 473.312(1)(a), (c) FS. History—New 6-30-05, Amended 9-24-07, 12-11-07,_____.

Motion was made by Ms. Borders-Byrd, seconded by Ms. Borcheck, to notice text as presented, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-33.0033 Obligations of CPA Ethics Course Continuing Education Providers.

To maintain an approved status as an ethics course continuing education provider, the provider must:

(1) Retain documentation that the course instructor is a certified public accountant ~~licensed by a state or territory of the United States~~ who has practiced in a public accounting firm for five of the last ten years, whose background, training, education or experience makes it appropriate for the person to teach the course.

(2) Require each licensee Florida certified public accountant to complete the entire four-hour certified public accountant ethics course requirement in order to receive a certificate of attendance. Offer the four-hour certified public accountant ethics course in one module of four credit hours or two modules of two

credit hours.

(3) Furnish each participant with an individual certificate of attendance in a format to include course date, location, attendee name and certified public accountant ethics course provider number. An attendance record shall be maintained by the provider for four years and shall be available for inspection by the Board. Providers shall maintain security of attendance records and attendance records.

(4) Ensure that all promotional material for courses or seminars offered to ~~licensee~~ Florida certified public accountant for credit contain the certified public accountant ethics course provider number and course title.

(5) Allow only one hour credit for each hour of classroom, audio or video instruction, an “hour of classroom, audio or video instruction” being a minimum of 50 minutes instruction or presentation.

(6) Allow only one hour of credit for each “hour of correspondence study.” The “hour of correspondence study” must be based on the average completion time of each course as established by the provider.

(7) Provide a written examination to each participating ~~licensee~~ Florida certified public accountant n correspondence study courses. In order to complete the course, the ~~licensee~~ Florida certified public accountant must sign and date the examination and receive a minimum grade of eighty percent (80%). If a ~~licensee~~ Florida certified public accountant fails the examination, the ~~licensee~~ Florida certified public accountant will be permitted to take the examination again in order to achieve a passing grade.

(8) Ensure that all correspondence or other individual study courses are approved by the National Association of State Boards of Accountancy Quality Assurance Service.

(9) Notify the Board within thirty (30) days of any change in the address or telephone number of the provider.

(10) Allow the Board to have access to information concerning courses or seminars conducted by the provider for continuing education credit.

Specific Authority 120.55(1)(a)4., 455.213(6), 455.2178, 455.2179, 473.304, 473.312 FS. Law Implemented 455.213(6), 455.2178, 455.2179, 473.312(1)(a), (c) FS. History—New 5-18-05,_____.

Motion was made by Mr. Tipton, seconded by Mr. Carroll, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-33.006 Inactive or Delinquent Florida Certified Public Accountants Who Desire to Become Active Licensees.

(1) Each Florida certified public accountant who has requested inactive status or became delinquent, as distinguished from a Florida certified public accountant whose certificate or license has been suspended, who desires to become an active ~~licensee~~ Florida certified public accountant, i.e., engage or reengage in the practice of public accounting in Florida, shall apply for such reactivation by completing and submitting to the Department Forms DBPR 0010-2 - Master Individual Application and DBPR CPA 5011-1 - Request for Change of Status, hereby incorporated by reference and effective 7-23-06, respectively; copies of these forms may be obtained from the ~~h~~Board office.

(2) Each such application shall demonstrate successful completion of the required number of continuing professional education hours.

~~(a) Florida certified public accountants who have been inactive or delinquent for one reporting period following their most recent current/active license, must shall satisfy the requirements of their last reestablishment period most recent biennium while active plus successful completion of at least 32 hours total, of which at least 8 hours must be in accounting and auditing subjects for each year or portion thereof the license was inactive and/or delinquent prior to July 1, 1989 and 40 hours total, of which at least 10 hours must be in accounting and auditing subjects for each year or portion thereof license was inactive after June 30, 1980. 40 additional CPE hours in the following manner:~~

Accounting/Auditing	Ethics	Behavioral	Total Hours
At least 20 hours	At least 4 hours	No more than 20 hours	120 Hours

~~(b) Florida certified public accountants who have been inactive for no more than two reporting periods since maintaining a current/active license, shall satisfy the requirements of their most recent biennium plus~~

120 additional CPE hours in the following manner:

Accounting/Auditing	Ethics	Behavioral	Total Hours
At least 30 hours	At least 4 hours	No more than 20 hours	200 Hours

(c) Florida certified public accountants who have been inactive for three or more reporting periods since maintaining a current/active license, shall satisfy the requirements of their most recent biennium plus 200 additional CPE hours in the following manner:

Accounting/Auditing	Ethics	Behavioral	Total Hours
At least 40 hours	At least 4 hours	No more than 20 hours	280 Hours

~~No more than 25% of the total required hours may be in behavioral subjects, as defined in paragraph 61H1-33.003(3)(c), F.A.C., if taken subsequent to July 1, 1985. At least eighty percent (80%) of the necessary hours must have been completed in the twenty-four months immediately preceding the date of application for reactivation. This twenty-four month requirement will be waived where the licensee can document completion of the CPE requirements in all biennia in the same manner as if the licensee had remained active.~~

(3) Florida certified public accountants who have been inactive for two or more reporting periods since maintaining a current/active license must complete at least sixty percent (60%) of the necessary hours in the twenty-four (24) months immediately preceding the date of the application for reactivation and the remaining forty percent (40%) may have been completed no more than forty-eight (48) months immediately preceding the date of the application for reactivation.

~~(3)~~ (4) The first establishment period after reactivation shall commence on the following July January 1st and the initial designated reestablishment date shall be the third June 30th December 31st following reactivation.

~~(4) Each such applicant must pass the examination on Chapters 455 and 473, F.S., and related administrative rules approved by the Board. A grade of at least 80 is a passing grade.~~

Specific Authority 455.271, 473.304, 473.311, 473.312, 473.313 FS. Law Implemented 455.271, 473.311, 473.312, 473.313, 473.323(1)(i) FS. History—New 12-4-79, Amended 2-3-81, 11-6-83, 3-29-84, 8-20-85, Formerly 21A-33.06, Amended 4-8-86, 12-28-89, 10-16-90, Formerly 21A-33.006, Amended 12-14-93, 5-26-96, 7-23-06,

The board directed Ms. Clark to bring with the amended language above, Ms. Kelly will prepare a Statement of Estimated Regulatory Cost.

61H1-33.0065 Exemption from Renewal Requirements for Spouses of Members of the Armed Forces of the United States.

A ~~licensee~~ Florida certified public accountant who is the spouse of a member of the Armed Forces of the United States and was caused to be absent from the State of Florida because of the spouse's duties with the armed forces shall be exempt from all licensure renewal provisions under these rules during such absence. The ~~licensee~~ Florida certified public accountant must show proof to the Board of the absence and the spouse's military status.

Specific Authority 455.02(2) FS. Law Implemented 455.02(2) FS. History–New 7-13-04,_____

Motion was made by Mr. Tipton, seconded by Mr. Carroll, to notice text as presented for rule development, with no impact on small business. Upon vote, the motion passed unanimously.

61H1-38.005 Scholarships.

(1) Scholarships will be awarded in the amount of at least \$3,000.00, not to exceed \$6,000.00, per semester up to a maximum of two (2) semesters.

(2) Scholarship checks will be made payable jointly to the institution and the student and will be mailed during August for those enrolled in the fall term and during December for those enrolled in the winter term.

(3) A maximum of \$100,000.00 may be expended for all scholarships each year.

(4) A minimum of \$1,000.00 must be maintained in the program account.

Specific Authority 473.304(1), 473.3065(3) FS. Law Implemented 473.3065 FS. History–New 9-22-99,_____

Motion was made by Ms. Caldwell, seconded by Ms. Borders-Byrd, to notice text as presented, with no impact on small business. Upon vote, the motion passed unanimously.

Other Business

Ms. Kelly discussed the Unlicensed Activity Campaign. Ms. Kelly informed board members that there is \$170,000 available for the campaign. Ms. Kelly gave board members examples of what the money pays for such as items for the trade shows, Florida broadcasting and Google. Ms. Kelly stated she is also following up on notification in online newspapers.

The meeting was adjourned at 11:44 a.m.

Marshall D. Gunn, Jr., Chair