

**RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING**

BOARD OF ACCOUNTANCY

Title of Rule: Rules and Regulations of the Rhode Island Board of Accountancy

Rule Identifier: 400-RICR-00-00-1

Rulemaking Action: Proposed Amendment

Important Dates:

Date of Public Notice: September 23, 2022

End of Public Comment: October 23, 2022

Rulemaking Authority:

R.I. Gen. Laws § 5-3.1-4(f).

Summary of Rulemaking Action:

During the last rulemaking process for this regulation in February 2022, the Board of Accountancy received a comment from the American Institute of Certified Public Accountants (AICPA) that could not be considered at the time because the requested amendment was not a logical outgrowth of the amendments proposed in that rulemaking. However, upon further discussions with AICPA and the Rhode Island Society of CPAs (RISCPA), the Board unanimously voted to proceed with rulemaking to address this comment. In addition, the Board has proposed some additional substantive amendments, as follows.

- § 1.1.3 –The definition of “Candidate” was relocated to this section and deleted from § 1.6.1. A definition of IQAB was added, it is referred to in § 1.3. Replaced “calendar year” with “licensing period”.
- § 1.3 – “Reinstatement” was inserted in place of “restoration” for expired licenses.
- § 1.3(C) – The Board clarified the provisions regarding Inactive Status and added provisions for a Retired Status based upon a review of AICPA/NASBA model law/regulations. The Board deleted the “Voluntary Temporary Hold Status” because reinstatement from an expired license and a license on “Voluntary Temporary Hold Status” is the same process. The board saw no need to have this additional status option.
- § 1.5.1 – In response to the AICPA/RISCPA request, the Board deleted the requirement the requisite experience be under the direct supervision of a CPA. This conflicted with the Board’s statutory authority in R.I. Gen. Laws § 5-3.1-5(a)(5). The amended language is consistent with the statute and with the AICPA/NASBA model laws.
- § 1.5.2 – In response to the AICPA/RISCPA request, the Board deleted the word “portfolio” from this section and the supervision requirement consistent with the changes to § 1.5.1.
- § 1.8.1(A)(2), (A)(3) and (D)(4)(c) – Minor edits for consistency and to avoid confusion by replacing “calendar year” with “licensing period”. This should have been done a few years ago when the CPE reporting period was changed from calendar years to coincide with license renewals.
- § 1.8.1(G)(2) – Deleted a fee for CPE extensions that was not imposed by the Board.
- § 1.13 – Added a Fee Table of existing fees. It helps both staff and licensees to easily locate all the fees in one place. None of these fees have been changed. The registration fee is set by statute and the Board has charged the maximum allowed by R.I. Gen. Laws § 5-3.1-7(f). The Reinstatement Fee is in the regulation at § 1.3(B)(1). The license/permit verification fee is a standard fee imposed if a licensee requests verification from the Board of their license when applying for licensure in another state.

Additional Information and Public Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed amendment until October 23, 2022 by contacting the appropriate party at the address listed below:

Amy Stewart
Board of Accountancy
560 Jefferson Blvd, 1st Floor, Suite 100
Warwick, RI 02886
amy.stewart@dbr.ri.gov

In accordance with R.I. Gen. Laws § 42-35-2.8, an oral hearing will be granted if requested by twenty-five (25) persons, by a governmental agency or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within ten (10) days of the publication of this notice.

Regulatory Analysis Summary and Supporting Documentation:

These amendments are primarily clean up and result in streamlining and internal consistency. The AICPA/RISCPA request reduces confusion for applicants by making the regulation consistent with the statute and model laws.

The proposed addition of a “Retired CPA” status option is based on model language from AICPA/NASBA first adopted in 2018 which allows persons to hold themselves out as a “Retired CPA” under certain conditions. This just creates an honorary title and some parameters to prevent any confusion with the public as to whether someone is licensed in this state. “Retired status” acknowledges CPAs who go inactive because they are at the end of their careers but still have much to contribute to their communities while in retirement. The “retired status” regulatory provisions are intended to clarify that the retired CPAs can continue to offer a limited number of volunteer, uncompensated services to the public (such as participation in the Internal Revenue Service’s Volunteer Income Tax Assistance (VITA) program and the Small Business Administration’s SCORE program, or serving the board of a non-profit), which are narrow in scope and may be offered by non CPAs. To protect the public, the regulation requires these Retired CPAs to affirm their understanding of the limited types of activities in which they may engage while in holding themselves out as “Retired CPA” status and their understanding that they have a professional duty to ensure that they hold the professional competencies necessary to offer these limited services.

A “retired cpa” is not licensed, and is not applying for renewal, paying a fee or completing the 120 hours of continuing education required in each renewal cycle. Currently, a retired CPA would just be someone listed in the Board’s database as inactive. Retired CPAs, like any other person who is not a licensed CPA, are prohibited by law from engaging in any activity that requires a CPA license in RI. Retired CPAs are not in competition with licensed CPAs for these unpaid, volunteer activities, which do not require CPA licensure. The addition of this licensure category has no financial impact on currently licensed CPAs or currently inactive CPAs who consider themselves to be retired.

There are no changes in fees or costs for licensees because of these proposed amendments.

In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

For full regulatory analysis or supporting documentation contact the agency staffperson listed above.