

Board of Accountancy

WASHINGTON STATE

July 2024

THE BIG DAY

July 1 – Has Finally Come

The CPA-inactive legislative updates have taken effect. Substantial changes are here.

First and foremost, this legislation effects all licensees. CPAs can now renew as an active or an inactive status. Now when you contact us to ask if you can make your license inactive, we can say “Yes!”.

Secondly, all CPA-Inactive certificate holders who were in an active status on July 1, 2024, have now been moved to a CPA license in an inactive status.

The CPA-inactive certificate is no longer a Washington state credential. This change should clear up any confusion surrounding CPA-inactive for Washington CPAs, other jurisdictions, and the public we serve. Let’s be honest, a ‘CPA-inactive certificate in an active status’ is kind of difficult to wrap your head around.

The website has been updated for these changes, so you can find your [renewal requirements](#) for both statuses, as well as the requirements for [conversion](#) to an active status from an inactive status if you want to do so before your renewal period.

Board Members and Board staff are excited about the changes. We hope you are too!

As always, we are available to answer questions at customerservice@acb.wa.gov or 360-753-2586.



A Message from the Board Chair

by **Kate Dixon, Board Chair**

I am pleased to share with you the latest updates from the Board of Accountancy. The Board is focused on supporting the CPA pipeline by actively listening and taking action. We aim to balance maintaining the rigor of the CPA license while ensuring it remains relevant, flexible, and responsive to industry needs and new professionals.



Kate Dixon

We have successfully implemented the expanded 36-month testing window for individuals who are eligible to sit for the CPA exam. This action has greatly helped the accounting profession by allowing individuals to take the examination over a longer time duration. This change offers greater flexibility, allowing candidates to schedule their exams at times that best suit their personal and professional commitments. By reducing the pressure associated with exam scheduling, we are fostering a more conducive environment for success.

Additionally, the Board approved NABSA’s Credit Relief Initiative (CRI), which extended all passing exam section scores for which credit expired between January 30, 2020, and December 31, 2023, to a June 30, 2025, expiration date. This allowed many exam candidates who were affected by the National Health Emergency to keep their section credit(s) for additional time, while attempting to pass their remaining section(s).

These Board actions represent positive changes and reinforce the momentum occurring within the profession. These accomplishments reflect the Board’s support of our CPAs.

We are happy to announce further scholarship awards through our partnership with the Washington CPA Foundation aimed at supporting aspiring CPAs. These scholarships provide financial aid to deserving students, helping them pursue their educational goals. We have already seen positive outcomes, with many scholarship recipients achieving academic excellence and entering the profession with confidence. Our commitment to education is unwavering, and we look forward to expanding these opportunities further.

We are committed to protecting, supporting, and advancing the CPA profession. Your involvement and feedback are crucial to our success, and we encourage you to stay engaged with the Board. Together, we can ensure a safe and bright future for the profession.

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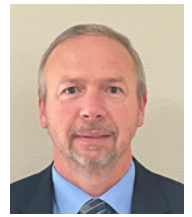
HELP US, HELP YOU,
ANY SUGGESTIONS?

Please send your suggestions to
customerservice@acb.wa.gov.

Farewell from the Executive Director

by Mike Paquette, CPA

This will be my last article for our newsletter as I have decided to go back to the finance world. Over the last two years I have learned a newfound respect for the regulators of our profession. The staff at the Board is one of the most dedicated and versatile staff I have ever worked with. With being such a small organization, they all must wear several hats. I wanted to thank each one of them for the great job they do every day and how welcome they have made me feel. My hat goes off to our Board Members as well. They take time out of their busy lives and regular jobs to volunteer to work for us all. It has been great to get to know each one of them and I wish them the best of luck.



Mike Paquette

It has been an amazing two years as we maintain public protection by providing qualified Certified Public Accountants (CPAs) while trying to ensure there are no unnecessary barriers of entry for candidates. This is done while trying to maintain mobility within our profession. Over the last 30 years there has been a tremendous effort to ensure mobility for CPAs across Jurisdictions, something we would not want to lose. The biggest discussions we have been having on the national level is how do we get students to enter the pipeline.

Well, in case you missed it, it's here. The CPA inactive status is here and is a great opportunity if you were thinking of letting your license lapse. This new status went into effect July 1st of 2024. You can renew in the inactive status every three years as long as you complete one of the Washington State Board Approved Ethics courses and log it into the CPE tracker.

CPE – Allowable Increments

Effective January 1, 2024, Board Rule, [WAC 4-30-133\(2\)](#), regarding increments in which CPE can be earned changed. CPE is now earned in tenth of hour increments after the first hour is earned. Nano learning increments still start at 0.2 hours and then are earned in tenths of hours. Five minutes constitute a tenth of an hour. Your course completion certificates will keep track of all of that for you though.

The change only effects CPE completed on or after January 1, 2024. The previous rule still applies to CPE completed prior to January 1, 2024. With the rule in effect at that time, CPE was only allowed in half-hour increments after the first hour was earned.

Please remember, CPE must always be rounded down to the nearest allowable increment. You don't want to fail to complete your CPE requirements because you rounded up.



Great news – you will no longer miss out on those tenths of hours, which actually add up fairly quickly when you don't have to round them down.

Not so good news – you must be careful when entering your CPE in the CPE Tracker, as you have two rules you are accounting for during your CPE reporting period. For 2025 renewals your CPE reporting period is 2022-2024. CPE completed in 2022 and 2023 can only be earned in half hour increments after the first hour is earned, but CPE completed in 2024 can be earned in tenths of hours after the first hour is earned.

Back to good news – The CPE Tracker accounts for the rule change and will give you an error message if you try to enter your 2022 and 2023 CPE in tenths of hours. You can then easily log your hours correctly.



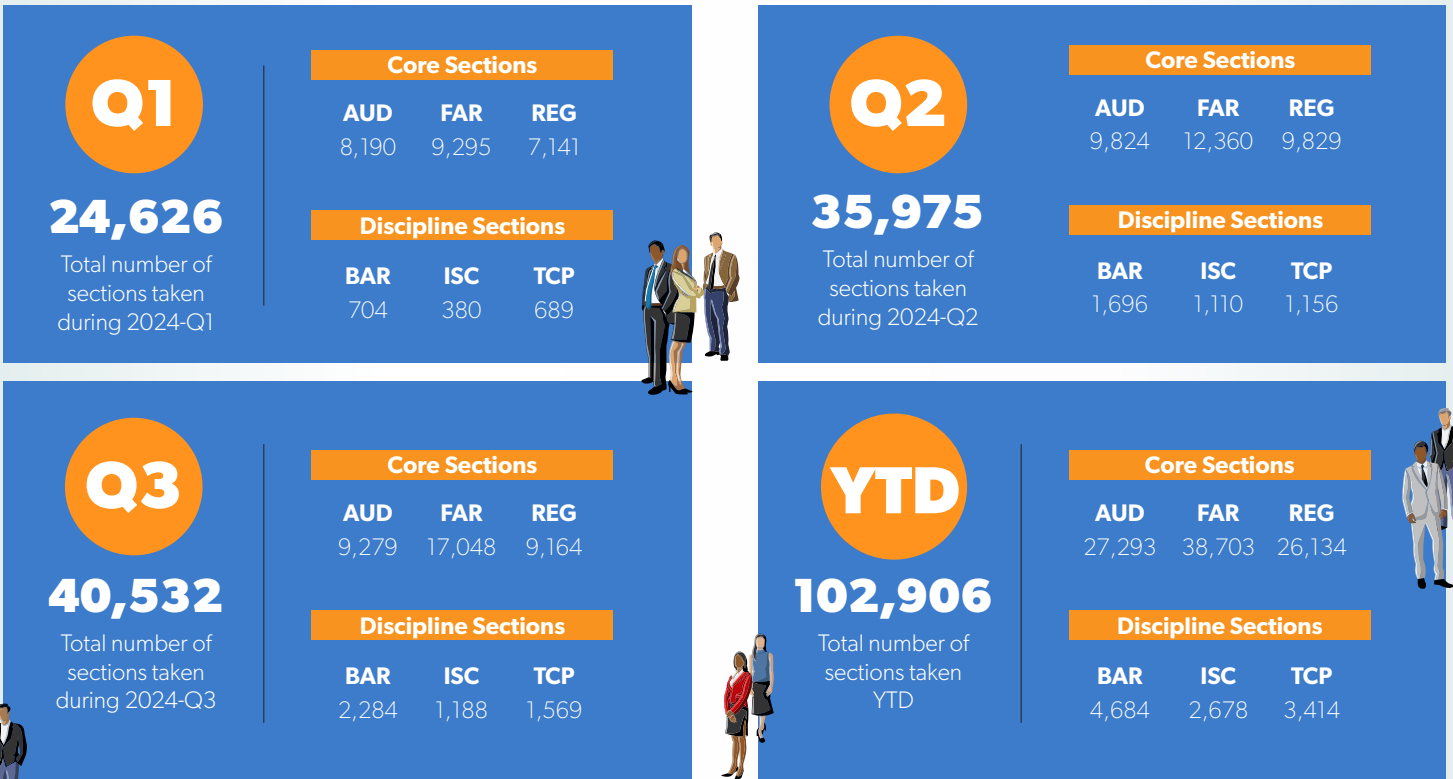
Do you work for a CPA firm or employer that tracks your CPE through their internal systems?

This is an amazing service that helps keep you on track with your CPE compliance. However, more often than not, this is not considered acceptable [documentation](#) for CPE compliance. Ultimately, the burden of retaining acceptable proof of completed CPE falls to you.

If you read the fine print on most inhouse CPE summaries it states, "for internal use only" or "State Boards may require certificates of completion". Be sure you retain copies of certificates submitted to your employer for CPE tracking. If you take in-house CPE and they don't issue you a certificate of completion, we strongly advise you request that they provide you with one. Please ensure you have in your possession acceptable documentation for each course taken.

CPA EXAM SECTIONS TAKEN FOR 2024

CPA Evolution is here and off to a positive start. The infographic below illustrates how the Exam is trending by sections taken in 2024. The most interest revolves around the high pass rate for the Tax Compliance & Planning (TCP) section. The AICPA and NASBA noted that the candidates who took TCP were better prepared and had already passed REG at higher rates than those who took the comparative Core sections related to the other two disciplines. Furthermore, the connection between the REG and TCP content is closer than that between FAR/BAR and AUD/ISC. It is expected the pass rate for TCP will return to historical norms as more candidates take the discipline sections. The guidance offered is still to choose the discipline which fits your education, strengths and career plan.



Q1

On June 6th, the AICPA released the passing rates for the Core sections (AUD, FAR, and REG) and for the Disciplines (BAR, ISC, and TCP).

Core Sections			Discipline Sections		
AUD	FAR	REG	BAR	ISC	TCP
44.63%	41.92%	63.42%	42.94%	50.93%	82.36%

COLLABORATING WITH OUR PEAR PARTNERS

Commitment to PEAR: The Board is dedicated to integrating the Pro-Equity Anti-Racism (PEAR) framework into our operations, aligning with Executive Order 22-04 to foster an anti-racist Washington.

PEAR Ecosystem: Our goal is to cultivate an environment that values equity, inclusion, and a sense of belonging, ensuring that our services are accessible and respectful to all communities.

Collaborative Teams: The internal PEAR team and the advisory team, comprised of diverse partners, work together to guide the agency's PEAR initiatives. The teams are actively working together to advance our PEAR mission. We are excited to share our collaborative efforts with you soon.

Engagement and Participation: We encourage community members to join our efforts, offering ways to engage, collaborate, and contribute to our mission for a more equitable society.

For more details or to get involved, please visit our [PEAR Recruitment page](#). Together, we can make a difference.



2023 ELIJAH WATT SELLS AWARD

The American Institute of CPAs (AICPA) announced the winners of the 2023 Elijah Watt Sells Award. The Elijah Watt Sells Award program was established by the AICPA in 1923 to recognize outstanding performance on the CPA Examination.

The award is given to candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, completed testing during the 2023 calendar year, and passed all four sections of the Examination on their first attempt. An approximate total of 86,000 individuals sat for the Examination in 2023, with 40 candidates meeting the criteria to receive the Elijah Watt Sells Award.

The Board would like to congratulate Vineet Kotak, and Paul Poliakov, Washington State Candidates, who received the 2023 Elijah Watt Sells award.



REVIEW YOUR WEBSITE AND MARKETING MATERIALS

In the world of accounting, maintaining the integrity and accuracy of marketing practices is crucial. There has been a trend of complaints received by the Board regarding outdated or misleading marketing by CPAs and CPA firms. Most of these grievances highlight unlicensed firms falsely advertising attest or compilation services, or individuals improperly using the CPA designation. It is imperative for firms and practitioners to regularly review and update their marketing materials to ensure compliance with licensing requirements.



CPA LICENSURE: THE VERIFYING CPA PROCESS

As a CPA, you may be asked by a CPA applicant to assist their application process by reviewing their experience as a verifying CPA.

As a verifying CPA, you play a crucial role. Your responsibility is to attest to the experience of applicants seeking their initial license. Here's an overview of what you need to know:

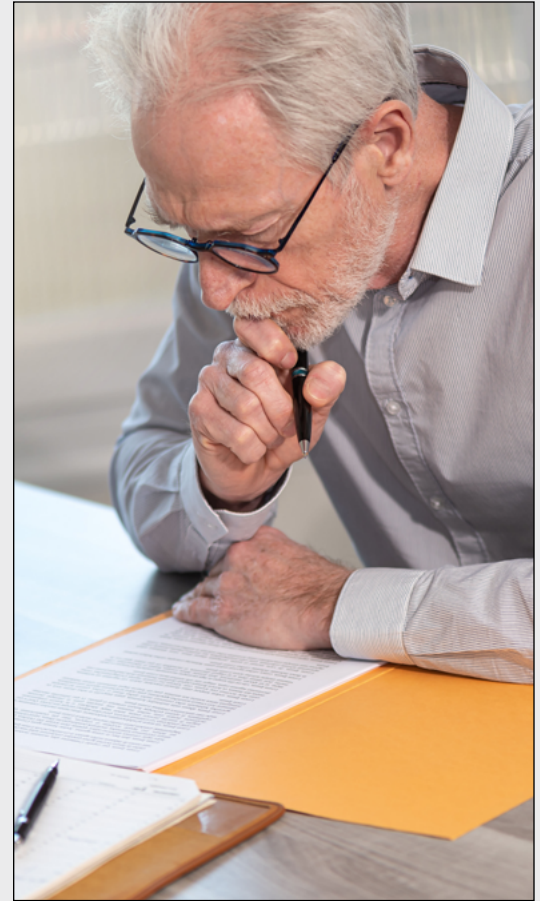
Experience Requirements: Applicants must meet the Board's experience requirements, which involve utilizing skills commonly used in business, accounting, and auditing.

Affidavit Submission: A complete Experience Affidavit must be submitted with the online initial license application, detailing the qualifying experience.

Work Environment: The employment experience must occur in an environment conducive to developing relevant skills.

Verifying CPA's Role: You must ensure that the experience is accurately represented and meets the Board's standards.

Your confirmation helps maintain the integrity of the CPA profession by ensuring that only qualified individuals are granted licensure. Thank you for your dedication to upholding these standards.



Oh No! I Got a Dreaded Lapsed Notice

Did you forget to submit your renewal application? You can [get your license back in an active status](#) quickly by:

- Completing the required Continuing Professional Education (CPE)
 - 120 CPE credit hours, including a [Washington State Board Approved Ethics course](#).
 - The CPE hours must be completed within the 36 months preceding your application date, except the Washington State Board Approved Ethics course, which must be completed within the 6 months preceding the date of application.
- Logging your completed CPE in the CPE Tracker located in our online services through your [SecureAccess Washington \(SAW\)](#) account registered with us.
- Uploading [acceptable CPE documentation](#) (course completion certificates, etc.) into the CPE Tracker for all CPE claimed.
- Submitting the reinstatement application through our [online services](#).
- Paying the reinstatement fee of \$480.

We process reinstatement applications as quickly as possible to keep your time in a lapsed status to a minimum.

