

Board of Accountancy

WASHINGTON STATE

December 2024



The Good Work of CPAs

by **Kate Dixon, Board Chair**

Certified Public Accountants (CPAs) play a vital role in shaping the financial health and transparency of America's economy. Their expertise extends beyond tax preparation and auditing; CPAs are trusted advisors who guide businesses, individuals, and nonprofits through complex financial decisions. Whether ensuring compliance with evolving regulations, analyzing risks, or crafting strategies to achieve financial goals, CPAs embody a steadfast commitment to integrity and professionalism. In a world increasingly driven by data and accountability, their dedication helps build the foundation of national trust, ensuring that financial systems remain robust, reliable, and fair.

Beyond their professional contributions, CPAs often serve as unsung heroes within their communities. Many generously volunteer their time and expertise to support local causes, from serving on nonprofit boards to organizing financial literacy workshops. This spirit of service reflects their deep-rooted commitment to fostering economic well-being at every level of society. As quiet leaders who balance meticulous work with a sense of purpose, CPAs exemplify the power of professionalism and community engagement, proving that steadfast dedication can have a profound ripple effect on the lives of countless individuals and organizations.



Kate Dixon

As we reflect on the end of the year, I am grateful for the dedication and resolve of industry participants who uphold high standards and thoughtfully consider the future of our field. Their commitment to integrity, innovation, and community fosters trust and drives progress, even amid constant change. As we move into another year of transformation, perseverance, and collaboration remain our compass, anchoring our growth and inspiring optimism for the future.

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HELP US, HELP YOU, ANY SUGGESTIONS?

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



It's Time for Renewals & Real Time Audits (RTA)!

The Real Time Audit allows Board staff to verify renewal applicants' CPE compliance while they are still in their renewal window.

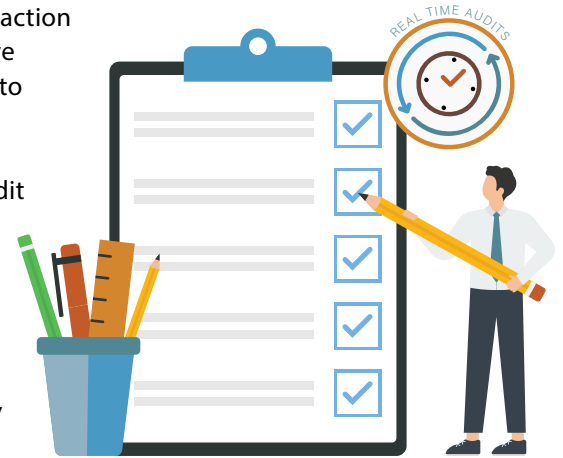
Renewal applicants are chosen for audit at random from a list of completed renewal applications made up of licensees in an active status, licensees in an inactive status, and non-licensee firm owners.

If your application is selected for the CPE audit, you will be notified by email using the email address you confirmed during your renewal application.

If you are selected for the CPE Audit and have uploaded your certificates of completion to your CPE Tracker, you will have no action needed when you get the audit notice. If you have not uploaded your certificates, you will be asked to submit the certificates by logging back into your [online services](#) and attaching the certificates to each tracker entry, within 30 days of notice of audit selection.

Notifications will come from noreply@salesforce.com or cpe@acb.wa.gov. Please add these email addresses to your safe list.

Staff will review your audit submission and notify you of the result.



Double Check the URL When Logging Into Your Online Services

When logging into your CPAOnline account, make sure the website you are visiting begins with <https://secureaccess.wa.gov>.

Recently, fake websites that look like SecureAccess Washington have been created to try to trick users into typing in their credentials to them, rather than the real website. The fake websites often have .com or .net addresses, while the real SecureAccess Washington will always have a .gov address.

These fake sites may have come up in search results if a user used a search engine to find SecureAccess Washington.

Please be careful and always check that the page you are logging into begins with <https://secureaccess.wa.gov>.



CPE Each and Every Year

20-Hour Minimum Annual Requirement

Here we are approaching the end of 2024. Have you completed your required CPE for this year? Even if it is not your renewal year, you still have a CPE requirement to meet before the year ends. We sent emails in August reminding everyone of their 20-hour minimum annual CPE requirement. Did you set that aside for later, then forget to get back to it? We have all been there. You still have time to get it done, but time is running out.

The 20-hour minimum annual CPE requirement has been in place since January 2020. However, the last renewal period showed us that this requirement is still not yet fully ingrained, as we received hundreds of CPE extension requests from CPAs who missed their 20-hour minimum annual CPE requirement in one or more years of their CPE reporting period.

Even if you complete the overall 120-hour CPE requirement, including a [Washington State Board approved ethics course](#), within your CPE reporting period, you will not meet your [CPE requirement](#) if you have not completed 20 hours of qualifying CPE each year of your CPE reporting period.

Keep in mind that these specific types of acceptable CPE are not included in the minimum annual requirement:

- First-time instructor/developer of a CPE course or college or university course qualifying for CPE credit.
- Authorship of published articles, books, or other publications relevant to the profession.

If you have CPE hours in these areas, they will count towards your overall CPE requirement but will not count towards your minimum annual requirement. You must be a student of a program qualifying for CPE credit for it to count towards your minimum annual requirement.

The exception to the 20-hour minimum annual CPE requirement is if you intend on renewing in an inactive status. Please see the related article: [Renewal – Active or Inactive Options](#).



PEAR Continues to Make Progress in Washington

The Board is continuing to integrate the Pro-Equity Anti-Racism (PEAR) framework into our operations, aligning with [Executive Order 22-04](#) to foster an anti-racist Washington. 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.

Progress made throughout 2024:

- Revised several documents and forms to improve accessibility (ongoing).
- Changed pronouns in the RCWs and WACs to be gender neutral.
- Continued Diversity, Equity, and Inclusion training for all employees.
- Enhanced our website to further improve compliance with the American Disabilities Act.
- Completed training to recognizing and mitigating bias in hiring.

For additional details related to PEAR, please visit our website at acb.wa.gov/PEAR.

Together, we can make a difference!



Being a Verifying CPA:

Ensuring Accurate and Complete Experience Affidavits

Serving as a verifying CPA for licensure applicants is a meaningful responsibility. You play a critical role in ensuring applicants meet the required experience qualifications to join our profession. The responsibilities of a verifying CPA can be found in [WAC 4-30-080](#).

Recently, we've encountered recurring issues with experience affidavits submitted to the Board, which we hope to address with your assistance. Here are a few challenges we've observed:

- **Missing employment end dates:** Applicants sometimes leave the end date of their employment blank. If they are currently employed, applicants should clearly indicate this by writing "currently employed" or "present" instead of leaving this section incomplete. Without an end date, it's impossible for us to verify the total months of experience listed.
- **Including Leave in Total Experience:** Applicants occasionally include period of leave in their total months of qualifying experience. For example, they might list employment from September 1, 2022, to September 1, 2024, and claim 18 months instead of 24 months due to a leave of absence. To address this, applicants should exclude period of leave from their calculations. If leave occurred, they should list their employment in two separate entries, one before the leave and one after.

These issues can often be avoided when the verifying CPAs carefully reviews the affidavit for accuracy and completeness before signing it. If the affidavit is incomplete or incorrect, a new affidavit with corrected information, updated signatures, and signature dates will be required. Taking the time to review the document thoroughly can save you from having to review and sign it again later.

Your thoroughness as a verifying CPA ensures that applicants meet the required standards and that our profession maintains its high level of integrity. If you have any questions regarding the [experience requirements](#) or the [experience affidavit](#), please contact customerservice@acb.wa.gov.



Peer Review Rule Changes

At the Board's October 18, 2024, public rules hearing and Board meeting, the Board adopted rule changes to WAC 4-30-130, Quality assurance review (QAR) requirements for licensed CPA firms. The major change excludes compilations from peer review. Note that licensees or firms that perform compilations are still required to have a firm license. The added section to the rule reads:

(10) **Compilations.** Compilations are excluded from board-approved peer review requirements.

(a) A firm may be required to include compilations in any peer review program to satisfy membership requirements for the AICPA or any other professional organization; to satisfy licensing requirements in other jurisdictions; or for any other reason whatsoever.

(b) A firm license is still required even if a firm only performs compilation services that are otherwise excluded from board-approved peer review.

For the full rule, please use the link [WAC 4-30-130](#).

Client Record Requests

Records are important to clients, which is why it is one of the most common reasons for filed complaints. CPAs are required to provide certain records, but not all, and it is beneficial to have all parties on the same page.

This year, the Board implemented [WAC 4-30-053](#) "Client record requests." This rule sets out the requirements in responding to record requests in a readily accessible format to anyone.



Renewal: Active or Inactive Options

Beginning with the 2025 renewal period, you have two options for renewal:

Active Status

- Complete the 120-hour CPE requirement, including a [Washington State Board approved ethics course](#) and the 20-hour minimum annual requirement, within your CPE reporting period.
- Log your completed CPE in the CPE Tracker located in our [online services](#).
- Submit an online renewal application through our [online services](#) indicating that you are renewing in an active status.
- Pay the \$230 renewal fee.

Inactive Status

- Complete a [Washington State Board approved ethics course](#) within your CPE reporting period.
- Log your completed CPE in the CPE Tracker located in our [online services](#).
- Submit an online renewal application through our [online services](#) indicating that you are renewing in an inactive status.
- Pay the \$230 renewal fee.

If you chose to renew in an inactive status, you may not hold out or practice public accounting until you [convert your license to an active status](#) or renew in an active status during your next renewal period.

If you have any questions, please contact us at customerservice@acb.wa.gov.



Tips for a Stress-Free Renewal

Is your license due for renewal in 2025? If so, you will want to follow the tips below for a smooth renewal. (Even if it isn't your renewal year, you will want to consider completing the tips in the second bullet now to stay ahead of things.)

- Complete your [required CPE](#) by December 31, 2024.
- Log in to your [SecureAccess Washington \(SAW\)](#) account before the renewal period opens.
 - **Log your completed CPE** – this will save you time when completing your renewal application.
 - **Update your contact information** – this will ensure you are receiving our reminders and other correspondence.
- Submit your online renewal application between January 1 and April 30 to avoid the \$100 late fee.
- Renew by June 30 to avoid the lapse of your license.
- Keep in mind that the volume of emails and phone calls to our office increases tremendously at this time of year; contact us early in the renewal cycle with any questions. Email: customerservice@acb.wa.gov Phone: (360) 753-2586
- Review our [“Not Enough CPE to Renew – CPE Extension Requests”](#) page if your CPE requirements will not be met before the end of your CPE reporting period or you missed the 20-hour minimum annual requirement in one or more years of your CPE reporting period.



CPA-inactive and CPA-retired Proposed Rule Changes

With the addition of the inactive status for a CPA license on July 1, 2024, the Board determined additional rule updates are needed to reflect this change. The Board is proposing the adoption of a new rule, WAC 4-30-057, Restrictions on CPA-inactive and CPA-retired, which will provide guidance on allowable and prohibited activities and restricted title usage.

The proposed new rule in its entirety reads:

WAC 4-30-057 Restrictions on CPA-inactive and CPA-retired. (1) Introduction. Effective July 1, 2024, persons holding a license may renew their license in an inactive status. The purpose of this rule is to explain restrictions on the activities of persons while their license is in an inactive status, as well as persons who wish to use the title "CPA-retired."

(2) **CPA-inactive restrictions.** Persons holding an inactive license are prohibited from the practice of public accounting. [RCW 18.04.025\(9\)](#). The "practice of public accounting" means performing or offering to perform by a person or firm holding itself out to the public as a licensee, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. [RCW 18.04.025\(17\)](#).

(3) **CPA-inactive allowable activities.** Persons holding an inactive license may perform or offer to perform services in an employer-employee relationship in industry, government, nonprofit, or education, or uncompensated work such as a volunteer, trustee, director, or executor.

(4) **CPA-inactive prohibited activities.** Persons holding an inactive license may not perform or offer to perform public accounting services:

- (a) As an independent contractor in industry, government, nonprofit, or education;
- (b) For compensation as a trustee, director, or executor;

(c) As a sole practitioner offering to perform services for a client or potential client; or

(d) As part of a CPA firm either offering to perform services for a client or potential client or working in purely an administrative role.

For the purpose of this section, "compensation" does not include reimbursement of actual expenses or a limited per diem allowance for expenses.

(5) **CPA-inactive conversion to active status.** At any time, persons holding an inactive license may apply to convert their license status from inactive to active. See [WAC 4-30-120](#).

(6) **CPA-inactive professional conduct rules.** Persons holding an inactive license are subject to the following rules for ethics and prohibited practices:

- (a) Integrity and objectivity. See [WAC 4-30-040](#);
- (b) General standards. See [WAC 4-30-046](#);
- (c) Compliance with standards. See [WAC 4-30-048](#);
- (d) Accounting principles. See [WAC 4-30-049](#);
- (e) Acts discreditable. See [WAC 4-30-052](#);
- (f) Form of organization and name. See [WAC 4-30-056](#);
- (g) Other authorized titles. See [WAC 4-30-058](#).

(7) **CPA-inactive continuing professional education (CPE).** Persons holding an inactive license have limited CPE requirements for renewal. See [WAC 4-30-134](#). However, persons holding an inactive license are still required to maintain professional competence in all their allowable roles regardless of limited CPE requirements for renewal.

(8) **CPA-inactive restricted title use.** Persons holding an inactive license may only use the title "CPA-inactive" and are prohibited from using the titles "certified public accountant" or "CPA." Persons holding an inactive license may not perform any of the activities in subsection (4) of this section regardless of whether or

Continued on the following page.

CPA-inactive and CPA-retired Proposed Rule Changes (continued)

not they use the title "CPA-inactive."

(9) **CPA-retired.** Persons who have reached 60 years of age and hold a license in good standing in either an active or inactive status, may apply to retire their license. When their license is in a retired status, they may then use the title "CPA-retired."

(10) **CPA-retired allowable activities.** The title "CPA-retired" may be used when performing uncompensated services such as a volunteer, trustee, director, or executor.

(11) **CPA-retired prohibited activities.** Persons who have retired their license may not use the title "CPA-retired" to perform or offer to perform services:

(a) In an employer-employee relationship in industry, government, nonprofit, or education;

(b) As an independent contractor in industry, government, nonprofit, or education;

(c) For compensation as a trustee, director, or executor;

(d) As a sole practitioner offering to perform services for a client or potential client; or

(e) As part of a CPA firm either offering to perform services for a client or potential client or working in purely an administrative role.

For the purpose of this section, "compensation" does not include reimbursement of actual expenses or a limited per diem allowance for expenses.

(12) **Renewal out of retirement.** At any time, persons who have retired their license may apply to renew as an active licensee. See [WAC 4-30-122](#).

(13) **CPA-retired restricted title use.** Persons who have retired their license are prohibited from using the titles "certified public accountant," "CPA," or "CPA-inactive." However, persons who have retired their license may perform any of the activities in subsection (11) of this section without use of the title "CPA-retired."

(14) **Lapsed licensees.** Persons with a lapsed license are prohibited from using the titles "CPA-inactive," "CPA-retired," as well as the titles "certified public accountant," or "CPA."

Additionally, the Board is proposing changes to [WAC 4-30-058](#), Other authorized titles. The subsection related to CPA-retired will be deleted and some of the information moved to section (9) of the proposed new rule if it is adopted. The provision to retire and use the CPA-retired designation if "At any age, has held an active license in good standing, not suspended or revoked, to practice public accounting in any state for a combined period of not less than 20 years." has been removed. Retirement of a CPA license would require a licensee to reach the age of 60 and hold a license in good standing.

Comments and Scheduled Public Rules Hearing

Comments regarding the proposed new rule and rule changes can be submitted:

- By email to the Board at kirsten.donovan@acb.wa.gov by January 29, 2025.
- In person at the scheduled [Rules Hearing](#).

Rules Hearing Date and Time:

January 31, 2025, at 9:00 a.m.

Attend in person:

Radisson Hotel Seattle Airport
San Juan Rooms 2 & 3
18118 International Blvd
Seattle, WA 98188

Attend virtually:

The link to join the Microsoft Teams meeting will be available on the Board's website approximately two weeks before the hearing date at: <https://acb.wa.gov/next-board-meeting>. A phone number will be provided as well in case you are unable to attend online.

Let us know what you think. We welcome your input in the rule making process.

Were You Granted a CPE Extension in 2022?

If you were granted a CPE extension in 2022, you are not eligible for a CPE extension with your 2025 renewal per [WAC 4-30-134 \(3\)](#). An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six-year period). Your CPA license will remain in an active status until your license expiration date of June 30, 2025.

I am not eligible for a CPE extension, now what?

- Do not submit a renewal application.
- Allow your license to lapse on July 1, 2025.

My license is lapsed, what next?

- [Reinstate your license](#) at any time.

We recommend submitting your reinstatement application as soon as possible after July 1, 2025. This will minimize the amount of time that your CPA license will be in a lapsed status. We do our best to process reinstatement applications quickly after the renewal period is over.

Keep in mind that the CPE reporting period for a reinstatement application is different than your CPE reporting period for renewal. For reinstatement your CPE must be completed within the 36 months prior to the date you submit your reinstatement application. Your [Washington State Board approved ethics course](#) must be completed within the 6 months prior to your application date.

As a reminder, during the time your license is in a lapsed status you will not be able to use the CPA title.

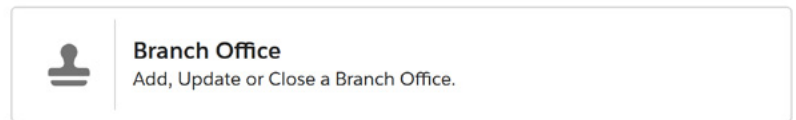


CPA Firms with Branch Offices

- Does your firm have multiple locations in Washington State?
 - Do you have all your locations registered with the Board?
 - Do you have a resident CPA listed as the managing CPA for each branch office?
- Have you closed or relocated a location?
 - Did you update the board to the change?

Branch office information can be managed through your firm's [online services](#).

Log into your online services and look for the "Branch Office" button to add, update, or close a branch office.



When you select Branch Office, double check that the "Branch Supervisor" and "Branch Supervisor State and Status" are filled out and don't show as blank or an error.

Branch Supervisor Name:

Branch Supervisor State & Status: ⚠ Non-WA, ⚠

Address: _____, WA

Disciplinary Actions

In accordance with [ACB Policy 2017-2](#), the Board makes available the following disciplinary actions. Additional details are accessible through the licensee search found at: <https://acb.wa.gov/>

Michael Harman
April 26, 2024

The Board entered into a Consent Agreement with Michael Harman. The Board found sufficient evidence of a violation of [WAC 4-30-142\(8\)](#).

Kyle Jordan / Kirchner & Jordan CPAs
October 3, 2024

The Board entered into a Consent Agreement with Kyle Jordan / Kirchner & Jordan CPAs. The Board found sufficient evidence of violations of [RCW 18.04.405](#), [WAC 4-30-046](#), and [WAC 4-30-050](#).

Carmelle Marescot Palomino / Marescot Palomino & Associates, PLLC
October 3, 2024

The Board entered Findings of Fact, Conclusions of Law and Default Order for Carmelle Marescot Palomino / Marescot Palomino & Associates, PLLC. The Board found sufficient evidence of violations of [WAC 4-30-130](#).

Ernst & Young LLP
October 18, 2024

The Board entered into a Consent Agreement with Ernst & Young LLP. The Board found sufficient evidence of violations of [WAC 4-30-142\(6\)\(b\)](#).

Dennis Bryan / Olympic Tax & Business Consulting, LLC
November 15, 2024

The Board entered into a Consent Agreement with Dennis Bryan / Olympic Tax & Business Consulting, LLC. The Board found sufficient evidence of violations of [WAC 4-30-040](#).

2025 Board Meeting Schedule

Board meetings are open to the public, and your participation is valued and encouraged. We post the [meeting agendas](#) to the website approximately two weeks prior to a scheduled meeting. You can provide your thoughts on any agenda item; plus, you can speak on any topic during the public input section at the end of the meeting.

The January and April meetings will be hybrid with both in person and virtual attendance options. The July and October meetings will be only held virtually. We will post information on accessing the meetings virtually on our website at www.acb.wa.gov as each meeting date approaches.

DATE	LOCATION
January 31, 2025	Radisson Hotel Seattle Airport San Juan Rooms 2 & 3 18118 International Blvd Seattle, WA 98188 or Microsoft Teams Meeting
April 25, 2025	Radisson Hotel Seattle Airport San Juan Rooms 2 & 3 18118 International Blvd Seattle, WA 98188 or Microsoft Teams Meeting
July 18, 2025	Microsoft Teams Meeting
October 17, 2025	Microsoft Teams Meeting



Meetings start promptly at 9:00 a.m.

Hope to see you there!