

1 DEPARTMENT OF REGULATORY AGENCIES

2 ~~Board of Accountancy~~

3 Certified Public Accountants

4 3 CCR 705-1

5 RULES OF THE STATE BOARD OF ACCOUNTANCY

6 EFFECTIVE JANUARY 1, 2013~~October 30, 2010~~

7 CHAPTER 1 - BOARD ORGANIZATION AND ADMINISTRATION

8 1.1 ACRONYMS

9 A. AICE Association of International Credential Evaluations.

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10 B. AICPA American Institute of Certified Public Accountants.

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11 C. CPA Certified Public Accountant.

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12 D. CPE Continuing Professional Education.

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13 E. CR&R Colorado Rules and Regulations. Also see Rule 1.2.

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14 F. CRS Colorado Revised Statutes.

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15 G. FASB Financial Accounting Standards Board.

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16 H. GASB Government Accounting Standards Board.

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17 I. GAAP Generally accepted accounting principles. Also see 1.2.

18 J. GAAS Generally accepted auditing standards. Also see 1.2.

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19 K. IRS Internal Revenue Service.

20 L. IQAB International Qualifications Appraisal Board.

21 M. MRA Mutual Recognition Agreement.

22 N. NACES National Association of Credential Evaluation Services.

23 O. NASBA The National Association of State Boards of Accountancy.

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24 P. NIES NASBA's International Evaluation Services.

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25 Q. PCAOB Public Company Accounting Oversight Board.

R. SEC Securities and Exchange Commission.

## 1.2 ABBREVIATIONS AND DEFINITIONS ~~AND ABBREVIATIONS~~

Words and phrases capitalized in these Rules are defined in this Chapter 1. In addition to the definitions found in Colorado Revised Statutes ("C.R.S.") Section § 12-2-102, the following apply:

A. Act

~~Act means~~ Title 12, Article 2 of the Colorado Revised Statutes (Sections 12-2-101 through 12-2-132, C.R.S.)

B. Active/Valid

The status of a ~~Licensee's Certificate Holder's~~ ~~Ce~~certificate, license, or Ra Firm's registration, permit, or other authority allowing the Licensee to assume or Certified Public Accountant (CPA) or Firm Registrant to use the CPA designation and to perform any service for which an active Active CPA certificate of certified public accountant CPA or active or valid Firm registration is required pursuant to Section 12-2-120(6), C.R.S.

CB. AICPA Ethics Examination

Pursuant to Sections 12-2-109(1)(ab) and 12-2-109(2)(b), C.R.S., the professional ethics course and examination means shall mean Professional Ethics: AICPA's Comprehensive Course, a course of study concerning the subject of professional ethics and the related examination prepared and administered by the AICPA.

DC. AICPA

~~The American Institute of Certified Public Accountants,~~

ED. AICPA Code of Professional Conduct

The Code of Professional Conduct issued by the AICPA in the "AICPA Professional Standards" as of June 1, 2011, and incorporated herein by reference.

~~This Rule does not include later amendments to or editions of the AICPA's Code of Professional Conduct. Copies of the AICPA Professional Standards, as of June 1, 2011 are available for public inspection during regular business hours at the~~ The Code of Professional Conduct issued by the AICPA

~~Board~~ office at the Division of Professions and Occupations, Department of Regulatory Agencies, 1560 Broadway, Suite 1350, Denver, Colorado, 80202 and at any state publications depository library. For further information regarding how this material can be obtained or examined, contact the Program Director for the Board at 1560 Broadway, Suite 1350, Denver, Colorado, 80202.

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1 EF. AICPA Professional Standards

2 The AICPA Professional Standards as of June 1, 2011, issued by the AICPA and  
3 incorporated herein by reference. This Rule does not include later amendments to or  
4 editions of the AICPA Professional Standards as of June 1, 2011. Copies of the AICPA  
5 Professional Standards as of June 1, 2011 edition

6 is available for public inspection during regular business hours at the Board office at the Division  
7 of Professions and Occupations, Department of Regulatory Agencies, 1560 Broadway,  
8 Suite 1350, Denver, Colorado, 80202 and at any state publications depository library.  
9 For further information regarding how this material can be obtained or examined, contact  
10 the Program Director for the Board at 1560 Broadway, Suite 1350, Denver, Colorado,  
11 80202.

12 FG. Applicant

13 An ~~a~~ Applicant is an ~~I~~ individual ~~individual~~ who ~~has~~ submitted an application for an  
14 ~~initial~~ original, ~~R~~ Renewal ~~renewal~~, ~~R~~ reinstated, ~~R~~ reactivated, ~~R~~ Retired, or Inactive GPA  
15 Certificate, but does not include an Individual seeking certification through reciprocity  
16 under Section 12-2-113(1)(a) and (c), C.R.S.

17 GF. Board H. Baccalaureate Degree

18 Means ~~A~~ a degree conferred by a college or university that demonstrates the recipient  
19 has obtained not less than 120 credit hours of higher education.

20 HI.

21 The Colorado State Board of Accountancy

22 G. Candidate

23 ~~A Candidate is~~ A ~~an~~ individual who ~~has~~ submitted an application to sit for the  
24 Examination.

25 I. Certificate

26 A certificate of ~~C~~ Certified ~~P~~ Public ~~A~~ Accountant.

27 JKH. Certificate Holder

28 An ~~Individual~~ person granted a Colorado GPA ~~C~~ Certificate pursuant to the requirements  
29 in Article 2 of Title 12, C.R.S.

30 KL. Client

31 An Individual ~~A~~ person or entity that agrees with a Licensee ~~Certificate Holder or a Firm~~  
32 to receive any Professional Service.

1 J. Competence  
2 The knowledge and ability to assure that the quality of the services rendered meets  
3 professional standards. It requires a Certificate Holder to (1) be responsible for  
4 assessing and evaluating whether the Certificate Holder's education, experience and  
5 judgment are adequate for the responsibility assumed, and (2) maintain a commitment to  
6 learning and professional improvement that continues throughout a Certificate Holder's  
7 professional life.

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8 K. Conflict of Interest  
9 A conflict of interest arises if, when performing a professional service for a party, the  
10 Certificate Holder or Firm has another interest or relationship that threatens the  
11 Certificate Holder's or Firm's ability to perform the service objectively and free of bias or  
12 undue restriction.

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13 L. Contingent Fee  
14 A fee established for the performance of any service pursuant to an arrangement in  
15 which no fee will be charged unless a specific finding or result is attained, or in which the  
16 amount of the fee is otherwise dependent upon the finding or result of such service.  
17 Solely for purposes of these Rules, fees are not regarded as being contingent if fixed by  
18 courts or governmental entities acting in a judicial or regulatory capacity, or in tax  
19 matters if determined based upon the results of judicial proceedings or the findings of  
20 governmental agencies acting in a judicial or regulatory capacity or there is a reasonable  
21 expectation of substantive review by a taxing authority.

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22 M. CPA  
23 Certified Public Accountant

24 N. CPE  
25 Continuing professional education that satisfies the requirements of Section 12-2-119,  
26 C.R.S. and Chapter 7 of these Rules.

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27 NON. CPE  
28 Continuing professional education as required and described in Section 12-2-119,  
29 C.R.S. and Chapter 7 of these Rules.

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30 M. CPE Reporting Period  
31 A two-year period from January 1 of an even-numbered year through December 31 of an  
32 odd-numbered year during which the Certificate Holder must complete CPE.

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33 N. CR&R

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CPE concerning Sections 12-2-101 through 132404-132 and 13-90-107(1)(f), C.R.S. and the Rules of the Colorado State Board of Accountancy as provided in Rule 7.9.C. Rules and Regulations. In order to qualify as a CR&R course, the course must review and encourage compliance with all Colorado statutes and rules and regulations regarding CPAs and Firms.

OPO. C.R.S.

~~The Colorado Revised Statutes.~~

Q. Discipline

Any form of punishment against a Firm, an Individual, a certificate, permit, registration, or other form of practice right or authority, including but not limited to, censure, reprimand, sanction, probation, civil penalty, fine, consent decree or order, suspension, revocation, or any modification of, or restriction, condition, or limitation imposed on, a permit, registration, or practice right, s or authority.

P

RP. Due Care

~~The discharge of responsibilities to clients, employers and the public with diligence and competence which requires a Certificate Holder or Firm to (1) render services carefully and in a timely manner, (2) be thorough, (3) observe applicable technical and ethical standards, and (4) plan and supervise adequately any professional activity for which the Certificate Holder or Firm is responsible.~~

Q. Ethics CPE

CPE concerning professional ethical behavior in Regulatory Ethics or Behavioral Ethics as defined by the Fields of Study. **For the purpose of CPE, Behavioral Ethics are not considered to be Personal Development.**

QSR. Examination

The Uniform CPA Examination.

RTS. Expired/Lapsed

The status of a Certificate Holder's certificate or Firm's registration following a failure to renew the certificate or registration by the expiration date. ~~A Certificate Holder with a certificate in expired status is prohibited by law from holding out as a CPA and from performing any service for which an Active certificate is required pursuant to Section 12-2-120(6), C.R.S. A Firm Registrant is prohibited by law from holding out as a Firm composed of CPAs and from performing any service for which an Active registration is required pursuant to Section 12-2-120(6), C.R.S.~~

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1 SUT. Fields of Study

2 The NASBA CPE Fields of Study, published as an addendum to the Joint  
3 Standards published January 2012 and incorporated herein by reference. This  
4 Rule does not include later amendments to or editions of the NASBA CPE Fields  
5 of Study. Copies of the NASBA CPE Fields of Study may be inspected in the  
6 offices of the Board during regular business hours or on the Department of  
7 Regulatory Agencies website at www.dora.state.co.us/Accountants. The public  
8 should contact the Board's Program Office at 1560 Broadway, Suite 1350, Denver,  
9 Colorado 80202 to obtain or examine the Joint Standards and the NASBA CPE  
10 Fields of Study.

11  
12 ~~TV~~ ~~The NASBA CPE Fields of Study, incorporated by reference in Chapter 7~~

13 U. Financial Statements

14 Statements and related disclosures ~~related thereto~~ that purport to show an actual or  
15 anticipated financial position ~~that~~which relates to a point in time, or results of operations,  
16 cash flow, or changes in financial position ~~that~~which relate to a period of time, on the  
17 basis of U.S. GAAP or another comprehensive basis of accounting. The term includes  
18 specific elements, accounts, or items of such statements but does not include incidental  
19 financial data included in management advisory services reports to support  
20 recommendations to a Client~~client~~, nor does it include tax returns and supporting  
21 schedules.

22 ~~UVV.~~ Firm

23 A business entity composed of one or more CPAs engaged in the Practice~~practice~~ of  
24 Public Accounting ~~public accounting~~ as a domestic or foreign partnership, single-owner  
25 professional corporation, or single-member limited liability company; "partnership" means  
26 any form of partnership, including a ~~corporation, professional corporation,~~ registered  
27 limited partnership, limited liability partnership, and limited liability limited partnership,  
28 limited partnership, limited liability company or professional limited liability company.

29 ~~VW.~~ GAAP

30 ~~Generally Accepted Accounting Principles~~

31 ~~X.~~ GAAS

32 ~~Generally Accepted Auditing Standards~~

33 ~~Y.~~ He, His, Him

34 Masculine pronouns when used also include the feminine.

1 ~~WYZ.~~ Holding Out

2 Any — Except as provided in Section 12-2-121(2)(a), C.R.S., any activity by an  
3 Individual or entity that informs or implies or tends to indicate to others an  
4 Active/Valid status as a CPA or Firm Registrant. This  
5 includes, but is not limited to, any oral or written representation, such as business cards  
6 or letterhead, resumes, biographies, the display of a certificate evidencing a CPA  
7 designation, or the listing as a CPA or Firm in directories or on the Internet. "Activity"  
8 includes any continuing representation caused by or used by an Individual or entity,  
9 including but not limited to, any oral or written representation, such as signage,  
10 directories, or Colorado Certificate Holder or Firm Registrant in directories or on the  
11 Internet.

12 ~~XZ.~~ ~~AA.~~ Inactive

13 The status of a Certificate upon following the Certificate Holder's request that the Board  
14 transfer of that the Certificate status to the inactive list. ~~Inactive.~~

15 ~~YAA.~~ Individual

16 "Individual" means Aa natural person.

17 ~~ZAB.~~ Independence

18 The absence of relationships that impair or appear to impair a Certificate Holder's  
19 objectivity in performing an engagement in which the Certificate Holder or Firm will issue  
20 an attestation report or opinion other than a report in which a lack of independence is  
21 disclosed.

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22 ~~AC.~~ Integrity

23 An element of character fundamental to professional recognition which requires a  
24 Certificate Holder to (1) be honest and candid within the constraints of client  
25 confidentiality, (2) observe both the form and the spirit of technical and ethical standards,  
26 and (3) keep service and the public trust above personal gain or advantage. It is the  
27 quality from which the public trust derives and the benchmark against which a Certificate  
28 Holder must ultimately test all decisions. It can accommodate the inadvertent error and  
29 the honest difference of opinion. It cannot accommodate deceit or subordination of  
30 principle.

31 ~~AD.~~ Joint Standards

32 The *Joint AICPA/NASBA Statement on Standards for Continuing Professional Education*  
33 *(CPE) Programs* jointly issued by the AICPA and NASBA published January 2012, and  
34 incorporated herein by reference. This Rule does not include later amendments to or  
35 editions of the Joint Standards. Copies of the Joint Standards may be inspected in the  
36 offices of the Board during regular business hours or on the Department of Regulatory

1 ~~Agencies website at [www.state.co.us/Accountants/](http://www.state.co.us/Accountants/). The public should contact the~~  
2 ~~Board's Program Office at 1560 Broadway, Suite 1350, Denver, Colorado 80202 to~~  
3 ~~obtain or examine the AICPA's code of Professional Conduct, incorporated by reference~~  
4 ~~in Chapter 7~~

5 ~~AAAG~~ Licensee

6 An Individual or Firm authorized to Hold Out, ~~and to~~ offer and provide services as a  
7 ~~certified public accountant~~ CPA(s), either as a Certificate Holder or through Mobility,  
8 under the Act, ~~Title 12, Article 2 of the Colorado Revised Statutes (Sections 12-2-101~~  
9 ~~through 12-2-132, C.R.S.)~~

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10 ~~ABAD, AE~~ ~~NASBA~~

11 ~~The National Association of State Boards of Accountancy,~~

12 ~~AF~~ Objectivity

13 A principle that requires a Certificate Holder or Firm to (1) be impartial, intellectually  
14 honest and free of conflicts of interest, (2) protect the integrity of their work regardless of  
15 service or capacity, and (3) avoid any subordination of their judgment.

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16 ~~AG~~ Peer Review

17 A study, appraisal, or review by an independent CPA or Firm of one or ~~AE~~  
18 ~~Network~~

19 An association of two or more entities that includes at least one CPA firm that:

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20  
21 1. Cooperates pursuant to an agreement for the purpose of enhancing the association  
22 members' capabilities to provide Professional Services, and;

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23  
24 2. Shares one or more of the following characteristics:

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25 a. Shares the use of a common brand name or shares ~~common initials~~, as  
26 part of the firm name;

27 b. Shares common control among the members through ownership,  
28 management, or other means;

29 c. Shares profits or costs, excluding costs ~~aspects~~ of operating the  
30 association, costs of developing audit methodologies, manuals, ~~and~~  
31 training courses, and other costs immaterial to the members;

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32 d. Shares a common business strategy that involves ongoing collaboration  
33 among ~~st~~ the members whereby the members are responsible for  
34 implementing the association's strategy and are held accountable for  
35 performance pursuant to that strategy;

36 e. Shares a significant part of ~~the~~ professional resources, including but not  
37 limited to: common systems that enable members to exchange  
38 information, such as Client data, billing, and time records; partners and  
39 staff; technical departments to consult on technical or industry specific

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issues, transactions, or events for assurance engagements; audit methodology or audit manuals; ~~or~~ training courses and facilities;  
f. Members are required to follow common quality control policies and procedures, and compliance is monitored by the association.

AC.

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1 ~~work of another CPA or of a registered partnership, AF. ~~Network Firm~~~~  
2  
3 A Firm that is a member of a Network.  
4  
5  
6 ~~ADG.~~ Owner  
7 A shareholder of a corporation, a member of a ~~or~~ limited liability company, a partner of a  
8 partnership, or any other Person having an interest in any entity that is functionally  
9 equivalent to an owner's interest.  
10 ~~AEH.~~ Peer Review Oversight Committee  
11 ~~A~~The committee established by the Board to oversee the Peer Review requirement.  
12  
13 ~~AFI.~~ Peer Review  
14 The study, appraisal, or review of the professional accounting work of a Certificate  
15 Holder or Registrant that issues attest or compilation reports by an unaffiliated  
16 Licensee ~~and acceptance of the CPA's or~~  
17 ~~AGJ.~~ Firm's Peer Review Program  
18 A Sponsoring Organization's entire Peer Review process, including, but not limited to,  
19 the standards for administering, performing, and reporting on Peer Reviews, oversight  
20 procedures, training, and related guidance materials.  
21 ~~AHK.~~ Peer Review Reports  
22 Reports issued ~~documents~~ by the Peer Reviewer/Reviewing Firm ~~sponsoring~~  
23 organization's ~~report acceptance body as defined~~ in accordance with the Board-  
24 approved Peer Review ~~Standards, standards described in Chapter 8.~~  
25 ~~AIL.~~ Peer Review Standards  
26 Board-approved professional standards for administering, performing, and reporting on  
27 Peer Reviews.  
28 ~~AJM.~~ Peer Reviewer/Reviewing Firm  
29 A Licensee responsible for conducting a Peer Review.  
30 ~~AKN.~~ Person

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1 | ~~“Person”~~ includes individuals, any form of partnership, professional corporations, and  
2 | limited liability companies.

3 |

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1 ALQAH. Practice of Public Accounting  
2 Performing for a Client client or offering to perform for a Client client or potential  
3 Client client, one or more kinds, or any combination of services involving the use of  
4 accounting or attestation skills, including but not limited to: the issuance of reports on  
5 financial statements, or of one or more types of management advisory or consulting  
6 services, or the preparation of tax returns, or the furnishing of tax advice.

7 AMPAI. Practice Privilege/Mobility  
8 The privilege for a CPA or Firm ~~whose principal place of business is located in another~~  
9 ~~jurisdiction~~ to practice public accounting in this state pursuant to, ~~and subject to, the~~  
10 ~~conditions contained in~~ Section 12-2-121(2), C.R.S. and Chapter 11.

11 ~~ANQAJ. Principal Place of Business~~  
12 ~~The office location designated by a CPA or Firm~~

13 AK. Professional Services  
14 Any service performed or offered to be performed by a Licensee Certificate Holder, Firm  
15 or a holder of a Practice Privilege while Holding Out ~~holding out as a CPA or Firm.~~

17 AORAL. Reactivation  
18 The process by which an Inactive or Retired status Certificate is returned to Active  
19 status.

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20 APSAM. Registrant  
21 A Firm that has been engaged in the practice of public accounting granted registration  
22 pursuant to the requirements in Article 2 of Title 12 the Act, C.R.S.

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23 AQTAN. Reinstatement  
24 The process by which a CPA Certificate that has Expired expired is returned to Active,  
25 Inactive, or Retired status or by which a Firm registration that has Expired expired  
26 is returned to Active Valid status.

27 ARUAG. Renewal  
28 The application process at the end of an expiration period of applying to retain a CPA  
29 Certificate in an Active, Inactive, or Retired status, every two years in accordance with  
30 the schedule established by the Division of Registrations pursuant to Sections 12-2-108  
31 (3), C.R.S. and 24-34-102, C.R.S. or of applying to retain a Firm registration in

1 Active/Valid/Valid status in accordance with a schedule established by the Division of  
2 Professions and Occupations.

3 ~~every three years pursuant to Section 12-2-117(2.2), C.R.S.~~

4 ASV. Report Acceptance Body

5 A Sponsoring Organization's committee responsible for the acceptance of Peer Review  
6 documents.

7 ATWAP. Reporting Period

8 ~~A two-year period from January 1 of the even-numbered year through December~~  
9 ~~31 of the odd-numbered year immediately preceding the expiration date of a~~  
10 ~~certificate during which the Certificate Holder must shall complete CPE.~~

11 ~~AX. Responsible Party~~

12 Firm ~~The partner, shareholder, or member designated to notify the Board of changes to~~  
13 the Firm pursuant to Section 12-2-117(2)(a)(III), C.R.S.

14 AUYAQ. Retired

15 The status of a Certificate following the Board's approval of a Certificate Holder's  
16 application to transfer the Certificate status to Retired.

17 AVZ. Sponsoring Organization

18 A Board-approved professional society or other organization responsible for the  
19 facilitation and administration of Peer Reviews through use of its Peer Review Program  
20 and Peer Review Standards.

21 AWAAAR. Substantial Equivalency

22 A determination by the Board or its designee that the education, examination, and  
23 experience requirements contained in the statutes and administrative rules of another  
24 jurisdiction are comparable to, or exceed the education, examination, and experience  
25 requirements contained in the AICPA/NASBA Uniform Accountancy Act (UAA) or that an  
26 individual CPA's education, examination, and experience qualifications are comparable  
27 to or exceed the ~~education, examination, and experience~~ requirements contained in the  
28 ~~Act or Rules.~~ UAA.

29 ~~In ascertaining substantial equivalency as used in these Rules, the Board shall take into~~  
30 ~~account the qualifications without regard to the sequence in which experience,~~  
31 ~~education, or examination requirements were attained.~~

32 AXAB. Undergone a Peer Review

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~~Having enrolled in an approved Peer Review Program within 30 days of licensure, registration, or beginning attest or compilation services as provided in Rule 8.14.A.1.~~

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~~AAC. Upper-Division~~

~~Coursework acceptable for transfer at the junior or above level by a baccalaureate, masters, or doctorate-granting institution. On and after July 1, 2015, Upper-Division means coursework or a course that is delivered by a baccalaureate, masters or doctorate-granting institution that is acceptable for transfer at the junior or above level by another baccalaureate, masters or doctorate-granting institution.~~

~~AYAD. U.S. GAAP~~

~~Generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB) and the Government Accounting Standards Board (GASB) described in the "AICPA Professional Standards" as of June 1, 2011, and incorporated herein by reference. This Rule does not include later amendments to or editions of the AICPA Professional Standards. Copies of the AICPA Professional Standards, as of June 1, 2011 edition are available for public inspection during regular business hours at the Board's office at the Division of Professions and Occupations, Department of Regulatory Agencies, 1560 Broadway, Suite 1350, Denver, Colorado, 80202 and at any state publications depository library. For further information regarding how this material can be obtained or examined, contact the Board's Office Program Director for the Board at 1560 Broadway, Suite 1350, Denver, Colorado, 80202 or via email at [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us).~~

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~~AZAE. U.S. GAAS~~

~~Generally accepted auditing standards issued by the AICPA and Government Auditing Standards issued by the United States General Accounting Office as described in the "AICPA Professional Standards" as of June 1, 2011, and incorporated herein by reference. This Rule does not include later amendments to or editions of the AICPA Professional Standards. Copies of the AICPA Professional Standards, as of June 1, 2011 edition are available for public inspection during regular business hours at the Board's office at the Division of Professions and Occupations, Department of Regulatory Agencies, 1560 Broadway, Suite 1350, Denver, Colorado, 80202 and at any state publications depository library. For further information regarding how this material can be obtained or examined, contact the Program Director for the Board at 1560 Broadway, Suite 1350, Denver, Colorado, 80202 or via email at [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us).~~

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**1.32 INCORPORATION BY REFERENCE**

~~These Rules do not include later amendments to or editions of the materials incorporated by reference in this Rule 1.3. Copies of these materials are available for~~

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1 public inspection during regular business hours at the Board's Office at 1560 Broadway,  
2 Suite 1350, Denver, Colorado, 80202 and at the Colorado State Publications Library or  
3 at the specific websites provided below. For information on obtaining or examining  
4 these materials, contact the Board's Office at 1560 Broadway, Suite 1350, Denver,  
5 Colorado, 80202 or via email [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us).

6 A. *AICPA Code of Professional Conduct*

7 The Code of Professional Conduct issued by the AICPA in the "*AICPA Professional*  
8 *Standards*" as of June 1, 2011, and incorporated herein by reference. These materials  
9 may also be obtained at [AICPA.org](http://AICPA.org).

10 B. *AICPA Professional Standards*

11 The *AICPA Professional Standards* as of June 1, 2011, issued by the AICPA and  
12 incorporated herein by reference. These materials may also be obtained at [AICPA.org](http://AICPA.org).

13 C. *Fields of Study*

14 The *NASBA CPE Fields of Study*, published as an addendum to the Joint Standards  
15 published January 2012 and incorporated herein by reference. Copies of the *NASBA*  
16 *CPE Fields of Study* may be inspected in the Board's Office during regular business  
17 hours or on the Board's website at [www.dora.state.co.us/Accountants](http://www.dora.state.co.us/Accountants) or at  
18 [www.learningmarket.org/files/subject\\_areas\\_fieldsofstudy\\_redesigned\\_2012.pdf](http://www.learningmarket.org/files/subject_areas_fieldsofstudy_redesigned_2012.pdf).

19 D. *Joint Standards*

20 The *Joint AICPA/NASBA Statement on Standards for Continuing Professional Education*  
21 *(CPE) Programs* jointly issued by the AICPA and NASBA published January 2012, and  
22 incorporated herein by reference. Copies of the Joint Standards may be inspected in the  
23 Board's Office during regular business hours or on the Board's website at  
24 [www.dora.state.co.us/Accountants](http://www.dora.state.co.us/Accountants) or at [www.learningmarket.org](http://www.learningmarket.org).

25 E. *Statements of Governmental Accounting Standards*

26 The statements of Governmental accounting standards issued June, 2012 and  
27 available at [www.gasb.org/store](http://www.gasb.org/store).

28 F. *FASB Accounting Standards Codification*

29 The FASB Accounting Standards Codification issued as of October 31, 2011 and  
30 available at [www.fasb.org/store](http://www.fasb.org/store).

31 G. *Governmental Auditing Standards, December 2011 Revision*

32 The Governmental Auditing Standards, December 2011 Revision are available at  
33 [www.gao.gov/yellowbook](http://www.gao.gov/yellowbook) issued by the U.S. Governmental Accountability Office.

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- 1 H. Securities and Exchange Commission Formatted: No underline, Font color: Auto
- 2 1. SEC Final Rules, Release 33-9353, August 30, 2012, and earlier Releases,
- 3 available at [www.sec.gov/rules/final.shtml](http://www.sec.gov/rules/final.shtml)
- 4 2. SEC Concept Releases, Release IC-29779, August 31, 2011, and earlier
- 5 Releases, available [www.sec.gov/rules/concept.shtml](http://www.sec.gov/rules/concept.shtml)
- 6 3. SEC Interpretative Releases, Release 34-67448, July 17, 2012, and earlier
- 7 Releases, available [www.sec.gov/rules/interp.shtml](http://www.sec.gov/rules/interp.shtml) Formatted: Font: Not Bold
- 8 4. SEC Policy Statements, Release 34-67177, June 11, 2012, and earlier Releases,
- 9 available [www.sec.gov/rules/policy.shtml](http://www.sec.gov/rules/policy.shtml) Formatted: Font: Not Bold
- 10 I. Circular 230 Tax Professionals – (Rev.8-2011) Formatted: Font: Not Bold
- 11 Circular 230, Catalog Number 16586R, published June 30, 2011, is available at
- 12 [www.irs.gov/Tax-Professionals/Circular-230-Tax-Professionals](http://www.irs.gov/Tax-Professionals/Circular-230-Tax-Professionals).
- 13 J. Part 9904 - Cost Accounting Standards
- 14 The standards of the Cost Accounting Standards Board (CASB) codified in Title 48,
- 15 Chapter 99: Federal Acquisition Regulations System at Part 9904 – Cost Accounting
- 16 Standards, as amended July 25, 2012, available at
- 17 [www.whitehouse.gov/omb/procurement\\_casb/](http://www.whitehouse.gov/omb/procurement_casb/), Formatted: Font: 11 pt, Not Bold
- 18 K. The FASAB Handbook of Accounting Standards and Other Pronouncements, As
- 19 Amended Formatted: Font: 11 pt, Not Bold
- 20 The FASAB handbook, as of June 30, 2011, is available at
- 21 [www.fasab.gov/pdffiles/2011\\_fasab\\_handbook.pdf](http://www.fasab.gov/pdffiles/2011_fasab_handbook.pdf). Formatted: Font: 11 pt
- 22 **1.4 MEETINGS** Formatted: Font: 11 pt, Bold, No underline, Font color: Auto
- 23 A. Meetings of the Board shall be held at intervals necessary to transact business or upon
- 24 the call of the chair or request by a majority of the members. Formatted: Font: Not Bold
- 25 ~~BB. The election of a chair, as required by Section 12-2-104(1)(a), C.R.S., shall be held~~
- 26 ~~annually.~~
- 27 C. The chair shall preside at all meetings and shall perform such other duties as the Board
- 28 may direct. In the absence or inability of the chair to act, the vice-chair will preside over
- 29 the meeting. In the absence or inability of the vice-chair to act, a majority of the
- 30 members attending a duly called meeting shall appoint a member to preside.
- 31 CD. The Board shall follow *Robert's Rules of Order Newly Revised*, to the extent that the
- 32 rules do not conflict with state or federal statutes or rules, in the conduct of its business.

1 | DE. Except as otherwise provided by law, all regular meetings of the Board are open to the  
2 | public, who may, at the discretion of the Board, participate in any one of the following  
3 | ways: (1) by requesting in writing to the Board that they be included on the agenda; (2)  
4 | by written invitation of the Board; (3) by verbal invitation of the Board to members of the  
5 | audience at a Board meeting. The Board may ~~establish a time limit~~ participation for  
6 | presentations by the public, and the presiding officer may ~~remove~~ exclude from the  
7 | meeting ~~room~~ any person who is disruptive, abusive, or disorderly.

8 | **1.53 CONFERRING WITH BOARD MEMBERS**

9 | In the event any person contacts a Board member regarding any matter applicable to the  
10 | ~~Colorado Accountancy Act, Article 2 of Title 12, C.R.S.~~ or these Rules, any expression of  
11 | opinion by that Board member ~~is~~ will be exclusively his opinion and ~~will~~ in no way  
12 | ~~commit~~ commit the Board. All requests for the Board to consider an issue ~~must~~ shall be  
13 | directed to the Board's Program Director.

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14 | **1.64 COMMITTEES**

15 | \_\_\_\_\_ The Board may appoint such committees as it deems necessary to effectively  
16 | administer, implement and carry out the provisions of the Colorado Accountancy Act and these  
17 | Rules. Committees may include members of the public. Board committees ~~will~~ shall be guided  
18 | and assisted administratively by ~~Division~~ the Board's of Professions and Occupations staff. The  
19 | action of a committee ~~will~~ shall be deemed ~~to be~~ the action of the Board only when that action is  
20 | adopted and ratified by the Board.

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21 | ~~1.5~~ \_\_\_\_\_ ~~NOTICES FROM CERTIFICATE HOLDERS AND FIRM REGISTRANTS~~

22 | ~~A.~~ \_\_\_\_\_ ~~Certificate Holder Address and Name Changes~~

23 | ~~1. Certificate Holders shall inform the Board of any name, address,~~  
24 | ~~telephone, or email change within 30 days of the change. The Board will not change a~~  
25 | ~~Certificate Holder's information without explicit notification in a manner prescribed by~~  
26 | ~~the Board.~~

27 | \_\_\_\_\_ ~~2. The Board requires one of the following forms of documentation to~~  
28 | ~~change a Certificate Holder's name or social security number:~~

29 | \_\_\_\_\_ ~~a. marriage license;~~

30 | \_\_\_\_\_ ~~b. divorce decree;~~

31 | \_\_\_\_\_ ~~c. court order; or~~

32 | \_\_\_\_\_ ~~d. a driver's license or social security card with a second form~~  
33 | ~~of identification may be acceptable at the discretion of the Division of Registrations.~~

34 | ~~B.~~ \_\_\_\_\_ ~~Firm Registration Changes~~

- 1 ~~1. The partner, shareholder, or member designated by the Firm~~  
2 ~~pursuant to Section 12-2-117(2)(a)(III), C.R.S. shall notify the Board, in a manner~~  
3 ~~prescribed by the Board, within 30 days of any change including the:~~
- 4 ~~a. location or addition/deletion of places of business or~~  
5 ~~termination of a Firm;~~
  - 6 ~~b. composition or structure of the Firm;~~
  - 7 ~~c. name of the Firm;~~
  - 8 ~~d. responsible party for the Firm; and~~
  - 9 ~~e. names of any partner, principal, shareholder, or member.~~

10 ~~C. Renewal Notices to Certificate Holders and Firm Registrants~~

11 ~~renewal of certificates and registrations according to a schedule established and in a manner~~  
12 ~~approved by the Division of Registrations pursuant to Section 24-34-102(8), C.R.S. to the last~~  
13 ~~address furnished to the Board and there is a 60-day grace period from the expiration date of the~~  
14 ~~CPA certificate or Firm registration within which to pay the renewal fee, plus a late fee.~~

15 ~~2. Failure to receive a renewal notice does not relieve the Certificate Holder~~  
16 ~~or the Registrant of the obligation to pay the renewal fee and submit appropriate documentation~~  
17 ~~in support of the renewal application such as CPE and Peer Review requirements as listed in~~  
18 ~~Chapters 6, 7, and 8.~~

19 ~~3. Pursuant to Section 12-2-123.5, C.R.S., Certificate Holders and~~  
20 ~~Registrants are not excused of their obligation to respond to Board communications due to a~~  
21 ~~failure to properly notify the Board of any changes.~~

22 ~~1.6 GENERAL INFORMATION CONCERNING CPA CERTIFICATES~~

23 ~~Every certificate, while it remains in the possession of the Certificate Holder, shall~~  
24 ~~be preserved by the holder, but such certificate shall, nevertheless, always remain the property~~  
25 ~~of the Board. In the event that the certificate is suspended or revoked, it shall be delivered by~~  
26 ~~the Certificate Holder to the Board.~~

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28  
29

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1 **CHAPTER 2 - EDUCATION REQUIREMENTS FOR EXAMINATION AND CERTIFICATION**

2 **2.1 GENERAL INFORMATION**

- 3 A. Conversion of quarter hours to semester hours. For purposes of these Rules, ~~three~~ 3  
4 quarter hours shall be equivalent to ~~two~~ 2 semester hours unless otherwise specified.
- 5 B. Transcripts. The Applicant's claim to college or university credits for eligibility for  
6 ~~Examination~~ examination and certification must be confirmed by an official transcript of  
7 credit forwarded by the institution to the Board's office or its designee. However, the  
8 Board may accept an official transcript from the Applicant if the transcript is provided in  
9 an official envelope sealed by the granting institution.
- 10 C. On and after July 1, 2015, the Board cannot issue a Certificate to an Applicant who has  
11 not satisfied the requirements of Rule 2.5. Any application for certification pending on  
12 and after July 1, 2015 that does not satisfy the requirements of Rule 2.5 will be  
13 considered incomplete.
- 14 D. Any application that is not complete within one year of the receipt date will expire and be  
15 destroyed. The Applicant must submit a new application along with all new required  
16 information and fees.
- 17 E. The Board or its designee will not consider or review an incomplete application.

18 **2.2 ACCREDITED COLLEGE OR UNIVERSITY ACCREDITATION**

- 19 A. A college or university ~~is deemed will be considered to be~~ an "accredited college or  
20 university" under Sections 12-2-109(1)(~~ba~~ (t) and (~~e~~) and 12-2-109(2)(~~a~~ (t)), C.R.S., if the  
21 college or university is accredited by one of the six accrediting agencies or its successor  
22 agency as follows: Middle States Association of Colleges and Schools, North Central  
23 Association of Colleges and Schools, New England Association of Schools and  
24 Colleges, Northwest ~~Association~~ Commission of Schools and Colleges, Southern  
25 Association of Colleges and Schools, and Western Association of Schools and Colleges.  
26 "Accredited College" means a college or university deemed accredited under this Rule  
27 2.2.A.
- 28 B. ~~The~~ Upon request of an institution or Applicant, the Board may deem a Baccalaureate  
29 Degree obtained approve an Applicant's coursework from a non-accredited college or  
30 university as conferred by an Accredited College if the Applicant demonstrates that the  
31 degree would be unconditionally accepted into a graduate program at an Accredited  
32 College.
- 33 C. Except as otherwise provided in paragraph D of this Rule 2.2, the Board may deem  
34 coursework obtained from a non-accredited college or university as obtained from an  
35 Accredited College if the Applicant demonstrates ~~does not meet the requirements of this~~

Chapter 2 if either can provide satisfactory documentation that the coursework would be accepted for credit at an Accredited College.

D. On and after July 1, 2015, the Board may deem Upper-Division coursework obtained from a non-regionally accredited college or university as obtained from an Accredited College only if: (1) the non-accredited college or university offers a Baccalaureate Degree or higher degree, or the coursework is obtained from a community college with an accounting certificate program approved by the Board; and (2) the Applicant demonstrates that the coursework would be accepted for credit at an Accredited College noted above.

E. In the matter of colleges or universities located outside the United States or its territories, the Board may require also request that the Applicant submit his transcript to a generally recognized academic credential evaluation service for assistance in evaluating whether:

1. A ~~4~~ ~~A~~ degree would be unconditionally accepted into a graduate program at an Accredited College;
2. ~~2~~ Coursework obtained from a non-accredited college or university would be accepted for credit at an Accredited College;
3. An accounting program satisfies the requirements for program approval under of Section 12-2-112, C.R.S.;
4. Coursework is, or is equivalent to, a concentration in accounting; and
5. A degree conferred by a non-accredited college or university meets the definition of ~~is a~~ Baccalaureate Degree.

F. The Board will not accept an evaluation described in paragraph E of this Rule 2.2 unless it is prepared by NIESNASBA or an evaluation service that is a member of the National Association of Credential Evaluation Services (NACES), or the Association of International Credential Evaluations (AICE), or another organization approved by the Board for assistance in either evaluating or in determining whether the coursework would be the equivalent of a concentration in accounting.

G. On and after July 1, 2015, the Board may deem coursework obtained from a community college with an accounting certificate program approved by the board as obtained from an accredited college if the applicant had a Baccalaureate Degree from an accredited college prior to obtaining that coursework.

### 2.3 APPROVED ACCOUNTING PROGRAM

A. An accounting program at an Accredited College is deemed approved by the Board.

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- 1 B. The Board may deem an accounting program at a non-accredited college or university  
2 as approved for the purposes of ~~with regard to~~ a specific application if ~~is accredited~~.
- 3 1. The Applicant demonstrates that an Accredited College would accept coursework  
4 or a degree obtained from the non-accredited college or university for credit or into  
5 a graduate program; and
- 6 2. On or after July 1, 2015, only if the non-accredited college or university offers a  
7 Baccalaureate Degree or higher degree, and the Applicant demonstrates that an  
8 Accredited College would accept coursework or a degree obtained from the non-  
9 accredited college or university for credit or into a graduate program.
- 10 C. An accounting certificate program at a community college is deemed approved if it has  
11 been awarded the designation of Qualifying Educational Credit for ~~CPA GPA~~  
12 Examination ~~by the Board. by the Board as described in Rule 2.8.~~ will be deemed to have  
13 fulfilled the requirements of Section 12-2-112, C.R.S.

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1 **2.4 EDUCATION REQUIREMENTS FOR EXAMINATION ON AND AFTER JULY 1, 2015**

2 ~~A person.~~ Persons who has a Baccalaureate Degree or higher degree deemed conferred  
3 by an Accredited College and who has fulfilled the requirements described in this Rule 2.4 has  
4 met the education requirements necessary ~~described in Rule 2.5.A. and B.~~ are eligible to sit  
5 for the Examination on and after July 1, 2015.

6 ~~B.~~ After July 1, 2015, persons who meet the education requirements described in Rule  
7 2.6 are eligible to sit for the Examination.

8 ~~**2.5 EDUCATION REQUIREMENTS FOR CERTIFICATION PRIOR TO JULY 1, 2015 –**~~  
9 ~~**CONCENTRATION IN ACCOUNTING OR THE EQUIVALENT**~~

10 A. ~~These education requirements apply to persons who receive their baccalaureate degree~~  
11 ~~and otherwise complete the following education requirements before July 1, 1993 and~~  
12 ~~who apply for certification prior to July 1, 2015.~~

13 ~~1.~~ At An Applicant must have completed at least 27 semester hours of (40  
14 quarter hours) in accounting subjects of which 21 semester hours (32 quarter hours)  
15 must be in specialized accounting courses such as cost accounting, tax, intermediate  
16 accounting, accounting theory and advanced accounting. At least three of the 27  
17 semester hours (four quarter hours of the 40 quarter hours) must be in auditing and must  
18 address GAAS. To receive credit for accounting related coursework with course grades  
19 of C or greater. The, the transcripts must indicate an accounting program code, or the  
20 Applicant must otherwise furnish other information to demonstrate that the coursework  
21 was in accounting. The 27 semester hours must include the following: an accounting  
22 related course.

23 ~~2.~~ At least 21 semester hours (32 quarter hours) in related courses in other 1.  
24 areas of business administration such as business law, management, marketing,  
25 statistics, business communications, economics and finance. No more than six  
26 semester hours (nine quarter hours) shall be in any one area.

27 ~~3.~~ The courses required by Paragraphs (1) and (2) above shall be taken at or  
28 acceptable for transfer by colleges and universities with approved accounting  
29 programs defined in Rule 2.3.

30 ~~B.~~ These education requirements apply to persons who receive their baccalaureate  
31 degree and otherwise complete the following education requirements after June 30,  
32 1993 and who apply for certification prior to July 1, 2015.

33 ~~1.~~ A 21 semester hours of Upper-Division coursework in accounting addressing subject  
34 areas such as:

35 baccalaureate degree from an accredited college or university described in Rule 2.2.

1 ~~2. At least 27 semester hours (40 quarter hours) in accounting subjects of which at~~  
2 ~~least three hours (four quarter hours) must be in auditing and the hours in~~  
3 ~~auditing must address GAAS. To receive credit for accounting related~~  
4 ~~coursework, the transcripts must indicate an accounting program code, or the~~  
5 ~~Applicant must furnish other information to demonstrate an accounting related~~  
6 ~~course. At least 21 semester hours (32 quarter hours) must be in upper division~~  
7 ~~accounting courses such as:~~

- 8 ○ Accounting Ethics
- 9 ○ Accounting Information Systems
- 10 ○ ~~Accounting Research and Analysis~~

- 11 \_\_\_\_\_
- 12 ○ Accounting Theory
- 13 ○ Financial Accounting and Reporting of Business Organizations \_\_\_\_\_
- 14 ○ Financial Accounting and Reporting for Government and Not-for-Profit
- 15 Entities \_\_\_\_\_
- 16 ○ Financial Statement Analysis
- 17 ○ Fraud Examination
- 18 ○ Internal Controls and Risk Assessment \_\_\_\_\_
- 19 ○ Managerial or Cost Accounting
- 20 ○ Taxation
- 21 ○ Tax Research and Analysis
- 22 ○ Other areas as approved by the Board

23 2. The 21 semester hours must include a 3 semester hour (4 quarter hours), or  
24 more. Upper-Division course concentrating on U.S. GAAS.

25 B. An Applicant must successfully complete at least 21 semester hours of  
26 coursework (32 quarter hours) in related courses in other areas of business  
27 administration that addresses subject areas such as: these listed below. No more than  
28 six semester hours (nine quarter hours) shall be in any one area.

- 31 ○ Behavior of Organizations, Groups, and Persons
- 32 ○ Business Communications \_\_\_\_\_
- 33 ○ Business Ethics
- 34 ○ Business Law
- 35 ○ Computer Information Systems
- 36 ○ Economics
- 37 ○ Finance
- 38 ○ Legal and Social Environment of Business
- 39 ○ Management
- 40 ○ Marketing
- 41 ○ Quantitative Applications in Business
- 42 ○ Statistics
- 43 ○ Other areas as approved by the Board

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1. Of the 21 semester hours, no more than 6 semester hours (8 quarter hours) can be in any single subject area. But semester hours in excess of the 6-hour maximum may count toward the total 120 semester hour requirement.

2. Of the 21 semester hours, at least 15 semester hours must be in Upper-Division coursework.

C4. The Upper-Division courses must be taken at a college or university that offers a Baccalaureate Degree or higher degree or a community college with an accounting certificate program approved by the Board, and all coursework required by this Rule Paragraphs (2,4 must) and (3) above shall be taken at or be acceptable for transfer by an Accredited College colleges and universities with approved accounting programs described in Rule 2.3.

D. The coursework required under this Rule 2.4 may be obtained at a community college that has been awarded the designation of Qualifying Educational Credit for CPA CPA Examination by the Board by the Board.

#### **2.52-6 EDUCATION REQUIREMENTS FOR CERTIFICATION ON AND AFTER JULY 1, 2015**

An Individual -person ~~These education requirements apply to persons who~~ has a Baccalaureate Degree or higher degree deemed conferred by an Accredited College -and who has fulfilled the requirements described in this Rule 2.5 has met the education requirements necessary ~~apply~~ for certification on and after July 1, 2015.

A. ~~A.~~ An Applicant must have successfully completed a total of 150 baccalaureate degree plus an additional 30 semester hours (45 quarter hours) of non-duplicative coursework, study or a higher degree.

B. ~~The~~ An Applicant must have completed at least 33 semester hours of accounting coursework with course grades of C or higher. All courses must be designated by an accounting program code or the Applicant must otherwise demonstrate that the coursework was in accounting. The 33 semester hours must include the following:

1. B. ~~Completion of the additional 30 semester hours (45 quarter hours) within five years of passing the Examination.~~

C. ~~At least 27 semester hours of Upper-Division coursework (40 quarter hours) must be in upper-division accounting courses such as these courses described in Rule 2.4.A.1;~~

5.B.2. ~~A total of 6 -Six semester hours (eight quarter hours) must be in auditing, of which three semester hours of auditing, which must include a 3 semester hour (4 quarter hours), or more, Upper-Division course concentrating on U.S. (four quarter hours) must address GAAS. The remaining three semester hours (four~~

1 ~~quarter hours~~) may be in advanced auditing or a subset of basic auditing such as  
2 fraud or ~~informational~~ information technology auditing; and

3 3. A ~~3-Three~~ semester hours (4 ~~four~~ quarter hours), or more,) must be course  
4 concentrating on in a separate accounting ethics ~~course~~. ~~All courses must be~~  
5 ~~designated by an accounting program code.~~

6 C. ~~The~~An Applicant must have successfully completed at least ~~D. — At least~~ 27 semester  
7 hours of coursework in (40 quarter hours) must be in upper division business  
8 administration, which must include. ~~The 27 semester hours must include the following:~~

9 1. At least 21 ~~courses of which three~~ semester hours of Upper-~~Division~~ coursework  
10 as described in 2.4.B.; and

11 a. At least 3 (4 ~~four~~ quarter hours) of the 21 semester hours of Upper  
12 Division coursework must be in Upper-~~Division~~ business, technical, or  
13 accounting communications.

14 2. ~~Of Other areas in business administration may be in the 27 areas described~~  
15 ~~in Rule 2.5.B.3. No more than nine~~ semester hours, no more than 9 semester (44  
16 quarter hours can be ) in any single ~~subject~~one area. But may count towards this  
17 requirement. However, semester hours in excess ofabove the nine-hour  
18 maximum may count toward the total 150 semester hour requirement.

19 DE. The Upper Division courses must be taken at a college or university that offers a  
20 Baccalaureate Degree or higher degree or a community college with an accounting  
21 certificate program approved by the Board, and all coursework required by this Rule 2.5  
22 must Paragraphs (C) and (D) above shall be taken at or be acceptable for transfer by an  
23 Accredited College ~~one or more colleges or universities with approved accounting~~  
24 programs as defined in Rule 2.3.

### Summary of Rules 2.4 and 2.5

#### Minimum Education Requirements for ~~F.~~ Examination and Certification

##### On and After July 1, 2015\*

	<u>Degree</u>	<u>Upper</u> <u>Division Hours</u>		<u>Total</u> <u>Hours</u>	
		<u>Accounting</u>	<u>Business</u>	<u>Accounting</u>	<u>Business</u>
<u>For</u>	<u>Baccalaureate</u>	<u>21</u>	<u>15</u>	<u>27</u>	<u>21</u>

<u>Examination</u>	<u>Degree</u>	<u>Semester Hours</u>	<u>Semester Hours</u>	<u>Semester Hours</u>	<u>Semester Hours</u>
<u>For Licensure</u>	<u>Baccalaureate Degree + 30 Semester Hours</u>	<u>27 Semester Hours</u>	<u>21 Semester Hours</u>	<u>33 Semester Hours</u>	<u>27 Semester Hours</u>

\*ATTENTION: On and after July 1, 2015, the Board cannot issue a Certificate to an Applicant who has not satisfied the requirements of Rule 2.5 regardless of the date on which the application was received by the Board or its designee.

E. The coursework required under this Rule 2.5 may be obtained at a community college that has been awarded the designation of Qualifying Educational Credit for GPA Examination by the Board.

**2.6 EDUCATION REQUIREMENTS FOR EXAMINATION AND CERTIFICATION ON OR BEFORE JUNE 30, 2015**

**(This Rule 2.6 is deemed repealed as of July 1, 2015)**

An Individual person who has a Baccalaureate Degree or higher degree deemed conferred by an Accredited College and who has fulfilled the requirements described in this Rule 2.6 has met the education requirements necessary to sit for the Examination and to be issued a certification as a ~~CPA~~ through June 30, 2015. ~~until July 1, 2015.~~

A. An Applicant must have completed at least 27 semester hours of accounting coursework. The transcripts must indicate an accounting program code or the Applicant must otherwise demonstrate that the coursework was in accounting. The 27 semester hours must include the following:

1. 21 semester hours of course-work in specialized accounting review courses addressing subject areas such as: will not be accepted toward the required accounting or business course credit.

- o Accounting Ethics
- o Accounting Information Systems
- o Accounting Research and Analysis
- o Accounting Theory
- o Financial Accounting and Reporting of Business Organizations
- o Financial Accounting and Reporting for Government and Not-for-Profit Entities
- o Financial Statement Analysis
- o Fraud Examination
- o Internal Controls and Risk Assessment

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- 1           o Managerial or Cost Accounting
- 2           o Taxation
- 3           o Tax Research and Analysis
- 4           o Other areas as approved by the Board

5  
6           2.     The 21 ~~G.~~ A maximum of six semester hours must include a 3 semester hour  
7           (4~~nine~~ quarter hours), or more, course concentrating on U.S. GAAS.

8 B.     An Applicant must successfully complete at least 21 semester hours of coursework in  
9 business administration that addresses subject areas such as:

- 10           o Behavior of Organizations, Groups, and Persons
- 11           o Business Communications
- 12           o Business Ethics
- 13           o Business Law
- 14           o Computer Information Systems
- 15           o Economics
- 16           o Finance
- 17           o Legal and Social Environment of Business
- 18           o Management
- 19           o Marketing
- 20           o Quantitative Applications in Business
- 21           o Statistics
- 22           o Other areas as approved by the Board

23  
24           1.     Of the 21 ~~s~~Semester hours, no more than 6 semester hours (8 quarter hours)  
25 can) will be in any single subject area. But semester hours in excess of the 6-  
26 hour maximum may count toward the total 120 semester hour accepted for  
27 independent studies and internships. If the college or university accepts these  
28 courses or activities as meeting the requirement.

29  
30 C.     The courses required in this Rule 2.6 of the degree, they must be taken at or acceptable  
31 for transfer reflected on the official transcript by an Accredited College accounting  
32 program code. The Board may ask for additional information before accepting these  
33 types of courses.

34 **2.7     EDUCATION IN LIEU OF EXPERIENCE UNDER SECTION 12-2-109(1)(b)(IIe), C.R.S.**  
35 **(Expires on June 30, 2015)**

36 **(This Rule 2.7 is deemed repealed as of July 1, 2015.)**

37 A person who has a Baccalaureate Degree or higher degree deemed conferred by an  
38 Accredited College and who has fulfilled the requirements described in this Rule 2.7 has  
39 met. These education requirements apply to persons who choose the education requirements  
40 necessary to sit for the Examination and to be issued a ~~C~~certificate of certified public accountant  
41 through education in lieu of experience until July 1, 2015.\*

1 On and after July 1, 2015, an Applicant who has filed an application under this Rule 2.7 who has  
2 not been issued a ~~Certificate of certified public accountant~~ must fulfill the requirements under  
3 Rules 2.4 and 2.5 before a ~~Certificate~~ can be issued regardless of the date the application was  
4 received by the Board or its designee.

5 \*ATTENTION: On and after July 1, 2015, no certificate can be issued to any person unless the  
6 person has satisfied the requirements of Rules 2.5., regardless of the date his application was  
7 received. Any application ~~option to qualify~~ for certification ~~pending on~~ and ~~after~~ who apply for  
8 certification ~~prior to~~ July 1, 2015 that does not satisfy the requirements of Rule 2.5 will be  
9 considered incomplete.-

10 A. An Applicant must have:

11 1. A ~~Baccalaureate Degree deemed conferred by.~~—A ~~baccalaureate degree plus~~  
12 an ~~Accredited College~~ and have successfully completed at least 30 additional ~~30~~  
13 semester hours ~~(45 quarter hours)~~ of non-duplicative ~~coursework; study~~ or

14 2. ~~A~~ master's degree or ~~other~~ higher degree deemed conferred by an Accredited  
15 College; and;

16 3. Completed at least 45 semester hours of accounting coursework ~~with course~~  
17 ~~grades of C or greater.~~ The transcripts must indicate an accounting program  
18 code or the Applicant must otherwise demonstrate that the coursework was in  
19 accounting. The 45 semester hours must include 39 hours in specialized  
20 accounting courses that address subject areas such as:

- 21 o Accounting Ethics
- 22 o Accounting Information Systems
- 23 o Accounting Research and Analysis
- 24 o Accounting Theory
- 25 o Financial Accounting and Reporting of Business Organizations
- 26 o Financial Accounting and Reporting for Government and Not-for-Profit
- 27 Entities
- 28 o Financial Statement Analysis
- 29 o Fraud Examination
- 30 o Internal Controls and Risk Assessment
- 31 o Managerial or Cost Accounting
- 32 o Taxation
- 33 o Tax Research and Analysis
- 34 o Other areas as approved by the Board

35

36 a. The 45 semester hours must include at least 6 semester hours (8 quarter  
37 hours) in auditing, including a 3 semester hour (4 quarter hours), or more,  
38 course concentrating on U.S. GAAS.

1 4. An Applicant must successfully complete at B. At least 45 semester  
2 hours (60 quarter hours) in accounting subjects (combination of undergraduate and  
3 graduate coursework) in such areas as elementary accounting, accounting theory,  
4 accounting practice, managerial accounting, cost accounting, tax accounting, not for  
5 profit accounting, auditing, governmental accounting and accounting related computer  
6 and information systems. Of the 45 semester hours (60 quarter hours), at least six  
7 semester hours (eight quarter hours) must be in auditing. In order to receive credit for  
8 accounting related computer and information systems coursework, the transcript must  
9 indicate an accounting program code, or the Applicant may furnish other information to  
10 indicate an accounting related course.

11 C. At least 36 semester hours (48 quarter hours) of coursework courses in business  
12 administration that addresses subject which may be in areas such as:

- 13 o Behavior of Organizations, Groups, upper division economics, the legal and  
14 social environment of business, business law, marketing, finance,  
15 management, organizational, group and individual behavior, quantitative  
16 applications in business and Persons
- 17 o Business Communications
- 18 o Business Ethics
- 19 o Business Law
- 20 o Computer Information Systems
- 21 o Economics
- 22 o Finance
- 23 o Legal and Social Environment of Business
- 24 o Management
- 25 o Marketing
- 26 o Quantitative Applications in Business
- 27 o Statistics
- 28 o Other areas as approved by the Board

29 a5. Of the 36 semester hours, no upper division written communication. No  
30 more than nine semester hours (14 quarter hours can) shall be in any  
31 single subject one area. But semester hours in excess of the 9-hour  
32 maximum may count toward the total 150 semester hour requirement.  
33

34 B.D. The courses required by this Rule 2.7 must Paragraphs (B) and (C) above shall be taken  
35 at or acceptable for transfer by one or more Accredited Colleges colleges or universities  
36 with approved accounting programs as defined in Rule 2.3.

37 E. Three semester hours (four quarter hours) of auditing required in Paragraph (B) must  
38 address GAAS. The remaining three semester hours (four quarter hours) may be in  
39 advanced auditing or a subset of basic auditing such as fraud or information technology  
40 auditing.  
41

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1 **2.8 COMMUNITY COLLEGE CERTIFICATE PROGRAMS**

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2 The Board may approve a program allowing a person who has a Baccalaureate Degree or  
3 higher degree outside of accounting and deemed conferred by an Accredited College to  
4 complete the requisite accounting and business courses as outlined in Rule 2.5 at a community  
5 college which has been reviewed and accepted by the Board.

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1 | **CHAPTER 3 - EXAMINATION GENERAL REQUIREMENTS AND PROHIBITED CONDUCT**

2 | **3.1 APPLICATIONS**

3 | \_\_\_\_\_ Application to sit for the Examination shall be made in a manner prescribed by  
4 | the Board or its designee. An application is deemed complete at the time all required  
5 | information and fees are received. Any application that is not complete within one year of the  
6 | receipt date will expire and be destroyed. The Applicant must submit a new application along  
7 | with all new required information and fees. The Board or its designee will not consider or review  
8 | an incomplete application applications.

9 | **3.2 EXAMINATION ELIGIBILITY**

10 | \_\_\_\_\_ A Candidate may be eligible to sit for the Examination after satisfying earning a  
11 | baccalaureate degree demonstrating the education requirements completion of 120 semester  
12 | hours as provided defined in Chapter 2.

13 | **3.3 OFFICIAL TRANSCRIPTS**

14 | \_\_\_\_\_ A Candidate must supply an official transcript to the Board or its designee when  
15 | applying to sit for the Examination. An additional official transcript may be required at the time  
16 | the Candidate applies for certification. These official transcripts must be sent from the granting  
17 | institution directly to the Board or its designee. However, the The Board may will accept an  
18 | official transcript from the Candidate if the transcript is has been provided in an official envelope  
19 | sealed by the granting institution.

20 | **3.4 WITHDRAWALS**

21 | A. A If ~~Where a~~ Candidate may withdraw from the for Examination examination by filing  
22 | a written request to the Board's designee not less than 30 days or re-examination fails to  
23 | request in writing the withdrawal of his application 30 days or more prior to the date fixed  
24 | by the Board, Examination date. Examination fees will be forfeited unless the failure to  
25 | timely submit the request was due to: for the Examination as provided in Section 12-2-  
26 | 106(2), C.R.S., Examination fees will be forfeited unless the failure was due to the health  
27 | condition of the Candidate or a member of his immediate family or the death of an  
28 | immediate family member (substantiated by a physician's statement or death certificate)  
29 | or if the Candidate enters military service and is unable to sit for the Examination or for  
30 | other good cause deemed adequate by the Board.

31 | 1. The health condition of the Candidate or a member of his immediate family  
32 | substantiated by a physician's statement;

33 | 2. The death of a member of the Candidate's immediate family substantiated by a  
34 | death certificate;

35 | 3. The Candidate entered military service and is unable to sit for the Examination; -or

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1 | 4. For other good cause deemed adequate by the Board.

2 | B. For the purposes of this Rule 3.4, "immediate family" means directly related family  
3 | members, including grandparents, parents, spouse, sibling, child, or grandchild,  
4 | including "step" relationships.

5 |

1 **3.5 CANDIDATE CONDUCT DURING EXAMINATION**

2 A. \_\_\_\_\_ The Candidate shall conduct himself in a manner ~~that~~<sup>which</sup> does not violate the  
3 standards of test administration. Violations of the ~~standards of test administration~~  
4 standards include, but are not limited to:

- 5 1. Making a false, fraudulent or materially misleading statement or a material  
6 omission on, or in connection with, any application for evaluation and  
7 e~~Examination~~ to become a ~~certified public accountant~~ CPA of this state. The  
8 withdrawal of any application does not deprive the Board of its authority to take  
9 action against the Applicant.
- 10 2. Failing to comply with written guidelines of conduct to be adhered to by  
11 Candidates during the Examination or oral guidance by a testing center  
12 administrator at any Examination location.
- 13 3. Cheating, subverting, attempting to subvert, aiding, abetting or conspiring to  
14 cheat on the Examination. The voluntary departure or ~~expulsion~~removal from an  
15 Examination ~~does~~shall not deprive the Board of its authority to take action  
16 against the Candidate.
- 17 4. Cheating, subverting, attempting to subvert, aiding, abetting or conspiring to  
18 cheat on the Examination includes, but is not limited to, engaging in, soliciting, or  
19 procuring any of the following:
  - 20 a. any form of communication between the Candidate and anyone, other than  
21 a proctor or Examination administrator, while the Examination is in  
22 progress;
  - 23 b. any form of communication between the Candidate and anyone at any  
24 time concerning the content of the Examination including, but not limited  
25 to, any Examination question or answer, unless the Examination has been  
26 publicly released by the preparer of the Examination;
  - 27 c. taking by another of all or any part of the Examination for the Candidate;
  - 28 d. possession or use at any time during the Examination or while the  
29 Candidate is in the Examination testing center of any device, material,  
30 document, or other thing that is not expressly authorized for use by  
31 Examinees during the Examination including, but not limited to, notes, crib  
32 sheets, books, and electronic devices; or
  - 33 e. using or referring at any time after the commencement of the Examination  
34 and prior to the conclusion of the Examination, including all breaks during  
35 the Examination, to any person, device, material, document or other thing  
36 that is not expressly authorized for use by Candidates.

- 1 B. A violation of this Rule 3.5 is cause for sanctions including disqualification. Sanctions  
2 may range from entering a failing grade on all parts of the Examination in which cheating  
3 occurred, suspension, or total prohibition from sitting for future Examinations, other  
4 conditions or limitations, or any combination of these sanctions.
- 5 C. Any Candidate observed cheating or who is otherwise disrupting the Examination may  
6 be immediately ~~expelled~~ removed from the testing center.
- 7 D. Any Candidate suspected of cheating or who may have been observed cheating may be  
8 requested to remain for a reasonable period of time following an Examination session  
9 and may be questioned by test center officials. Test center officials must report ~~any~~  
10 ~~alleged to the Board regarding any~~ cheating incident to the Board.
- 11 E. If more than one Candidate is knowingly involved in a connected offense of cheating, all  
12 persons involved are subject to sanctions, although not necessarily of the same severity.
- 13 F. Other jurisdictions to which a Candidate may apply for the Examination will be notified of  
14 the sanction imposed by the Board.
- 15 G. If upon a full investigation the Board has objective and reasonable grounds to believe  
16 and finds that the Candidate has violated the provisions of this Rule 3.5, it may impose  
17 the sanctions described in paragraph B of this Rule 3.5. The Board shall incorporate the  
18 findings in its order. For purposes of this paragraph G, "full investigation" means a  
19 reasonable ascertainment of the underlying facts on which the Board's action is based.
- 20 H. The Candidate, within ~~sixty~~60 days after the date of service of the order, may request a  
21 hearing before the ~~agency~~Board as provided in Section 24-4-105, C.R.S. on the issue of  
22 whether the Candidate committed a violation of this Rule 3.5, ~~T~~and the action of the  
23 ~~agency~~Board after any hearing shall be subject to judicial review as provided in Section  
24 24-4-106, C.R.S.
- 25 I. This Rule 3.5 does not limit the Board's authority to impose penalties or take any other  
26 action authorized under Section 12-2-123, C.R.S.

27 **3.6 CONDITIONING REQUIREMENTS**

- 28 A. Granting of Credit.
- 29 1. Candidates are allowed to sit for each section of the Examination individually and  
30 in any order.
- 31 2. Candidates retain credit for any section(s) passed for 18~~eighteen~~ months, without  
32 having to attain a minimum score on failed sections and without regard to  
33 whether they have taken other sections. Candidates are not allowed to retake a  
34 failed section(s) within the same Examination~~examination~~ window.

1 | ~~3.~~ Candidates must pass all ~~4four~~ sections of the Examination within a  
2 | "rolling" ~~18eighteen~~-month period ~~that, which~~ begins on the date ~~that~~ the first  
3 | passed section is taken.

4 | 4. In the event all ~~4four~~ sections of the Examination are not passed within the rolling  
5 | ~~18eighteen~~-month period, credit for any section(s) passed outside the  
6 | ~~18eighteen~~-month period will expire and the section(s) must be retaken.

7 | 5. Written requests for exceptions to the requirements set forth above may be  
8 | granted at the discretion of the Board for individual hardship or other good cause  
9 | demonstrated in a timely manner.

### 10 | 3.7 EXAMINATION WINDOW

11 | ~~\_\_\_\_\_~~The Examination window refers to a ~~3three~~-month period in which  
12 | Candidates have an opportunity to take the Examination. The window is composed of ~~2two~~  
13 | months in which the Examination is available to be taken and ~~1one~~ month in which the  
14 | Examination will not be offered while routine maintenance is performed ~~and the Examination is~~  
15 | ~~refreshed~~. Thus, Candidates will be able to test ~~2two~~ out of the ~~3three~~ months within an  
16 | Examination window.

### 17 | 3.8 NOTICE TO SCHEDULE (NTS)

18 | A. After a Candidate has been determined eligible to take any section of the Examination  
19 | and the Candidate has paid the required fee, the Board's designee will send the  
20 | Candidate an NTS for the Candidate to take the section or sections of the Examination.

21 | B. The Candidate ~~has~~will have ~~6six~~ months from the date of the NTS to take the  
22 | Examination section for which the Candidate is eligible.

23 | C. A Candidate who fails to take the approved Examination section within ~~6six~~ months must  
24 | reapply to the Board's designee for establishment of new eligibility.

### 25 | ~~3.9 EXAMINATION MORE THAN 10 YEARS PRIOR TO THE LICENSURE APPLICATION~~ 26 | ~~DATE~~

27 | ~~A. If an Applicant applies for licensure with Examination scores obtained more than~~  
28 | ~~10 years prior to the application receipt date, the Applicant shall:~~

29 | ~~1A. Obtain and supply proof of completing 80 hours of CPE taken within 2two~~  
30 | ~~years of the application receipt date. No education in Personal~~  
31 | ~~Development, as defined by the Fields of Study, may be counted toward the~~  
32 | ~~80 hours. In addition to the 80 hours of CPE the Applicant must complete~~  
33 | ~~and pass the AICPA Ethics Examination and obtain 2two hours of CR&R,~~  
34 | ~~within 2 years of the application receipt date ;,; or,~~

1 ~~2B. Supply the Board with proof of 3three years of experience as~~  
2 ~~describeddefined in Chapter 4 within the 5five years of application receipt~~  
3 ~~date.~~

4 ~~3.10 VERIFICATION OF EXAM SCORES~~

5 ~~If Examination scores cannot be verified through the Board's records or the~~  
6 ~~records of the Board's designee, the Board may require the Applicant to qualify~~  
7 ~~for and sit for the Examination again prior to applying for licensure.~~

8

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**CHAPTER 4 - EXPERIENCE REQUIREMENTS FOR CERTIFICATION**

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The following requirements apply to Applicants who seek to qualify for certification pursuant to Sections 12-2-108 and 12-2-109, C.R.S.

**4.1 GENERAL EXPERIENCE AND VERIFICATION REQUIREMENTS**

A. An Applicant ~~has satisfied the experience requirement necessary to~~ may be issued a CPA ~~Certificate upon completion~~ certificate when the Applicant has obtained one year of 1,800 verified and qualifying ~~ied~~ work hours verified by one or more verifiers as defined in Rule 4.1 E. An Applicant applying under education in lieu of experience need not complete these hours, as provided in Section 12-2-109(1)(b)(II), C.R.S. and Rule 2.7, experience except as provided described in Section 12-2-109(1)(b)(II), C.R.S. and Rule 2.7.

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1. The This work hours must be completed within the 5 years immediately preceding the date the application is received by the Board or its designee.

2. The experience shall include a minimum of 1,800 verified qualifying work hours which shall be:

1. may include any combination of full-time or part-time work. Academic internship hours may be included if not claimed under Chapter 2 for education credit.

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3. Except as provided in Rule 4.1.D, the work hours must be obtained while employed, including academic internships, for one or more employers.

4. The work hours must be obtained that extends over a period of not less than ~~one~~ year and not more than ~~three~~ years;

2. acquired prior to the date the Applicant applies for certification; and

3. obtained no more than five years immediately preceding the date the application is received by the Board or its designee.

B. The work experience must involve the application of appropriate technical and behavioral standards, such as the standards contained in the AICPA Code of Professional Standards Conduct, U.S. GAAP, U.S. GAAS, Statements on Standards for Attestation Engagements (SSAE), Statements on Standards for Accounting and Review Services (SSARS), Statements on Standards for Tax Services (SSTS), Statements on Standards for Management Consulting Services, or other such standards as determined by the Board.

C. "Verified qualifying work hour(s)" means ~~hours shall mean~~ hours spent primarily applying the standards described in Rule 4.1.B. Holidays, vacations, and family/employee sick leave shall not be included as verified qualifying work hours. Clerical experience does ~~shall~~ not count toward qualifying work hours. Clerical

1 | experience includes, but is not limited to, ~~meremere~~ data entry, mathematical  
2 | calculations, account analysis of information already recorded, and ~~merely merely~~  
3 | recording information in the general ledger.

4 | D. Comparable work experience not specifically addressed by these Rules may be  
5 | considered by the Board on a case-by-case basis, but must include application of the  
6 | standards described in Rule 4.1.B.

7 | E. “Verifier” means an individual who is for the entire period verified shall mean an Active  
8 | status CPA licensed in a U.S. jurisdiction any State or an individual holding an Active  
9 | certificate or designation from an organization or country that has entered into an active  
10 | Mutual Recognition Agreement (MRA) with the U.S. International Qualifications  
11 | Appraisal Board (IQAB) for the entire period verified. The Verifier cannot be subordinate  
12 | to the Applicant. ) The Verifier must attest to having direct and continuous knowledge of  
13 | the work performed by the Applicant and to having performed contemporaneous during  
14 | the entire work period being verified. Such verification must include periodic review and  
15 | evaluation of the Applicant's work.

16 | F. The Applicant must shall submit a certificate of experience from all ~~of the~~ relevant  
17 | employers including details of the work experience and verification in a manner  
18 | prescribed by the Board or its designee. Certificates of experience for part-time work  
19 | must shall contain a record of the actual part-time hours the Applicant has worked for  
20 | each week of part-time employment. The certificate of experience and all additional  
21 | details must shall be signed by the Verifier.

22 | G. The Board may reserves the option to request and review information regarding the work  
23 | experience submitted, including evidence of experience with the standards described in  
24 | Rule 4.1.B, work papers, reports, syllabus, course materials and/or time records. The  
25 | Board may also interview require interviews with Applicants and Verifiers.

#### 26 | **4.2 EXPERIENCE IN PUBLIC ACCOUNTING**

27 | Qualifying public accounting experience, for purposes of this Rule, consists shall consist  
28 | of performing services for a Clientient or potential Clientient, including, but not limited  
29 | to, any combination of services involving the use of accounting or attestation skills, the  
30 | issuance of reports on Financial Statements financial statements, management advisory  
31 | or consulting services, preparing preparation of tax returns, or furnishing ~~of~~ advice on tax  
32 | matters. Such work consists shall consist of employment by a CPA or Firm performing  
33 | services primarily involving the application of the standards described in Rule 4.1.B.

#### 34 | **4.3 EXPERIENCE IN INDUSTRY**

35 | Qualifying industry experience consists shall consist of performing services, including for  
36 | an employer, primarily involving the application of the standards described in Rule 4.1.B.  
37 | Such services may include, but are not limited to, internal audit, installation of internal  
38 | control systems, preparing Financial Statements preparation of financial statements,

1 management advisory or consulting services, ~~preparing~~ preparation of tax returns, or ~~the~~  
2 furnishing of advice on tax matters.

3 **4.4 EXPERIENCE IN GOVERNMENT**

4 Qualifying government experience ~~consists~~ shall consist of employment by a federal,  
5 state, or local government entity. Such work ~~consists~~ shall consist of employment  
6 performing services primarily involving the application of the standards described in Rule  
7 4.1.B. Such services may include, but are not limited to, internal or external audit,  
8 installation of internal control systems, ~~preparing Financial Statements~~ preparation of  
9 ~~financial statements~~, management advisory or consulting services, ~~or regulatory~~  
10 ~~reporting on financial matters~~, preparation of tax returns, or the furnishing of advice on  
11 ~~tax matters~~.

1 | **4.5 EXPERIENCE IN ACADEMIA**

2 | A. Qualifying academic experience consists of teaching in the accounting discipline for  
3 | academic credit at a regionally accredited college or university. The teaching must  
4 | include at least two different ~~Upper-Division accounting upper-division~~ courses involving  
5 | the standards described in Rule 4.1.B. One year of experience ~~consists~~ shall consist of  
6 | teaching no less than 12 semester hours or the equivalent in quarter hours. Courses  
7 | outside the field of accounting ~~do~~ shall not count toward the experience requirement.  
8 | Such non-qualifying courses include, but are not limited to, business law, finance,  
9 | computer applications, personnel management, marketing, economics, and statistics.

10 | B. In addition to a certificate of experience, the Applicant must submit with the application a  
11 | letter from each institution where the qualifying hours were taught, signed by the dean or  
12 | department head at that institution. The letter must include state: (a) the number of credit  
13 | hours ~~that~~ which the Applicant taught for the relevant years; and (b) the names and  
14 | academic level, course description, and syllabus for each course of the courses taught;  
15 | ~~and (c) a course description and syllabus.~~ The Verifier must shall be the department  
16 | chair or a faculty member ~~who also shall be a CPA described in Rule 4.1.E.~~ who shall  
17 | also be a CPA as described in Rule 4.1.E.

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1 **CHAPTER 5 – REQUIREMENTS FOR CERTIFICATION**

2 **5.1 GENERAL PROVISIONS**

3 A. An Applicant must complete and submit an application with applicable fees as  
4 prescribed by the Board or its designee.

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5 B. Education, training, or service gained in military service as outlined in Section 24-34-  
6 102(8.5), C.R.S. will be accepted towards satisfying the requirements for certification  
7 upon presentation of evidence deemed satisfactory to the Board that the education,  
8 training or service meets the standards otherwise applicable at the time of receipt of the  
9 application. The Applicant must provide timely and complete evidence for review and  
10 consideration. The Board will consider the evidence on a case-by-case basis.

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11 C. Individuals granted a Certificate who issue attest or compilation reports must enroll in a  
12 Peer Review Program within 30 days following the date the Board grants the initial  
13 Certificate, pursuant to Chapter 8 of these Rules.

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14 D. A Certificate Holder may engage in the Practice of Public Accounting as a sole  
15 proprietor.

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16 G. A Certificate Holder (including a single Owner) must register any form of partnership,  
17 professional corporation, or limited liability company as provided in Chapter 12 before he  
18 can Hold Out or engage through that legal entity in any activity for which an Active or  
19 Valid Certificate or registration is required under Section 12-2-120(6), C.R.S.

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20 H. Applicants should note that upon issuance, Certificates are subject to the regular  
21 Certificate maintenance and other requirements under Chapter 6.

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22 **5.2 INITIAL CERTIFICATION REQUIREMENTS**

23 A. The Board shall issue a Certificate to an Applicant who has:

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24 1. met the minimum education requirements as described in Chapter 2;

25 2. taken and passed the Uniform CPA Examination;

26 3. taken the AICPA Ethics course and passed the AICPA Ethics  
27 Examination with a score of 90 percent or better within 2 years  
28 immediately preceding the application receipt date; and

29 4. met the experience requirements as described in Chapter 4.

30 B. The Applicant must complete 2 hours of CR&R within 6 months after the date the  
31 Board grants the initial Certificate. CR&R completed prior to the date the Board  
32 grants the initial Certification will satisfy this requirement if taken within the 6  
33 months prior to Certification or within the CPE Reporting Period in which the  
34 Certificate is granted.

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5.1 GENERAL PROVISIONS REGARDING CERTIFICATION

A. An Applicant for initial certification must comply with the following requirements:

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1. An Applicant must complete an application as prescribed by the Board and submit such application with applicable fees to the Board or its designee; and

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Except as otherwise provided in Section 12-2-113, C.R.S. an Applicant must:

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a. meet the minimum education requirements as described in Chapter 2;

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b. take and pass the Uniform CPA Examination;

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c. have taken and passed the AICPA Ethics Examination with a score of 90 percent or better within 2 years immediately preceding the application receipt date;

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d. have at least 1,800 hours of verified, qualified experience as described in Chapter 4, except as provided in Rule 2.7;

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B. Education, training, or service gained in military service as outlined in Section 24-34-102(8.5), C.R.S. will be accepted towards satisfying the requirements for certification upon presentation of evidence deemed satisfactory to the Board that the education, training and service meets the standards otherwise applicable at the time of receipt of the application. The Applicant must provide timely and complete evidence for review and consideration. The Board will consider the evidence on a case-by-case basis.

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C. Individuals granted a Certificate who issue attest or compilation reports must enroll in a Peer Review Program within 30 days of the Board granting the initial Certificate, pursuant to Chapter 8 of these Rules.

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D. A Certificate Holder may engage in the Practice of Public Accounting as a sole proprietor. Sole proprietors are not required to register with Board.

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E. A Certificate Holder (including a single Owner) must register any form of partnership, professional corporation, or limited liability company as provide in Chapter 12 before he can Hold Out or engage through that legal entity in any activity for which an Active or Valid certificate or registration is required under Section 12-2-120(6), C.R.S.

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F. The name used by a sole proprietor cannot be misleading. However, the name may be the sole proprietor's legal name and designation (e.g. John R. Doe, CPA), provided the sole proprietor maintains his Certificate in an Active status.

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G. A sole proprietor shall notify the Board of his trade name by filing an application with the Board or its designee.

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H. A sole proprietor may list a trade name as a dba on his individual CPA Certificate. The trade name notification as filed with the Secretary of State must accompany any

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~~changes made to the individual's Certificate. Changes made to the registered trade name must be reported to the Board according to Chapter 6.~~

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## ~~5.2 REQUIREMENTS FOR INITIAL CERTIFICATION~~

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~~An Applicant applying for initial certification must meet the requirements in Rule 5.1 and is required to complete 2 hours of CR&R within 6 months after the Board grants the initial Certificate. CR&R completed within 6 months prior to certification will satisfy this requirement.~~  
**5.3 EXAMINATION MORE THAN 10 YEARS PRIOR TO THE CERTIFICATION APPLICATION DATE**

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~~A. If an Applicant applies for licensure with Examination scores obtained more than 10 years prior to the application receipt date, the Applicant must:~~

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~~1. Obtain and supply proof of completing 80 hours of CPE taken within 2 years prior to the application receipt date. No education in Personal Development, as defined by the Fields of Study, may be counted toward the 80 hours. In addition to the 80 hours of CPE, the Applicant must complete and pass the AICPA Ethics Examination and obtain 2 hours of CR&R within 2 years of the application receipt date; or,~~

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~~2. Provide the Board proof of 3 years of experience as described in Chapter 4 obtained within 5 years prior to the application receipt date.~~

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## ~~5.4 VERIFICATION OF EXAM SCORES FOR CERTIFICATION~~

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~~If Examination scores cannot be verified through the Board's records or the records of the Board's designee, the Board may require the Applicant to qualify for and sit for the Examination again prior to applying for licensure.~~

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## ~~5.53 RECIPROCITY REQUIREMENTS FOR CERTIFICATION BY RECIPROCITY~~

### ~~5.1 APPLICANTS HOLDING A CPA CERTIFICATE FROM ANOTHER U.S. JURISDICTION~~

~~A. The Board may issue a Certificate to a holder of a Certificate or license in Active status issued by another State provided the Applicant:~~

~~1. possessed the requirements necessary for issuance of a Certificate in Colorado on the date that the Applicant's certificate or license was issued by the other State; or~~

~~1. meets the Substantial Equivalency requirements defined in Chapter 1; and~~

- 1 2. provides verification that he holds an Active certificate or license issued by  
2 another State; and
- 3 3. attests to having completed all CPE required to maintain an Active license in the  
4 other State during its most recent renewal period up to and including the  
5 application receipt date.
- 6 B. The Applicant must complete 2 hours of CR&R within 6 months following the date the  
7 Board grants the initial Certificate. CR&R completed prior to the date the Board grants  
8 the initial Certification will satisfy this requirement if taken within the previous 6 months  
9 or within the CPE Reporting Period in which the Certificate is granted.
- 10 C. An Applicant who holds a certificate or license issued by another State based upon  
11 passage of the Examination but who does not hold a certificate or license to practice is  
12 not eligible for reciprocity through that certificate or license.
- 13 D. The Board may rely on NASBA, the AICPA, and other professional bodies deemed  
14 acceptable to the Board in determining whether an Applicant meets the requirements of this  
15 Rule 5.5.A.
- 16 A. The Board may issue a CPA Certificate certificate to a holder of a certificate, license, or  
17 permit in Active status issued by another U.S. licensing jurisdiction provided the  
18 Applicant:
- 19 1. meets the Substantial Equivalency requirements defined in Chapter 1;
- 20 2. provides a verification of holding an Active certificate, license, or permit issued by  
21 another U.S. licensing jurisdiction; attests to having completed at least 80  
22 hours of CPE within two years immediately preceding the application receipt date;  
23 and
- 24 3. attests to having completed all CPE required to maintain an Active license in the  
25 other U.S. licensing jurisdiction during the most recent renewal period up to  
26 also completes and including the application receipt date; and
- 27 4. otherwise meets the requirements in Rule 5.1.
- 28 B. An applicant for certification by reciprocity must pass the AICPA Ethics  
29 Examination and complete two hours of CR&R within 6 months after the Board grants  
30 the Certificate. A CR&R course completed within two years 6 months immediately prior to  
31 certification will satisfy this requirement preceding the application receipt date.
- 32 CB. An Applicant who holds a certificate, license, or permit issued by from another U.S.  
33 licensing jurisdiction that based upon passage of the Examination but who does not  
34 authorize the Applicant to engage in the Practice of Public Accounting as defined in  
35 Chapter 1 in that licensing jurisdiction, is hold a license to practice shall not be eligible for  
36 reciprocity through that certificate, license or permit.

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1 ~~DC. The Board may rely on NASBA, the AICPA, and or other professional bodies deemed~~  
2 ~~acceptable to the Board for evaluation of other jurisdictions' CPA qualification~~  
3 ~~requirements in making Substantial Equivalency determinations.~~  
4

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1 **5.642 INTERNATIONAL APPLICANTS - MUTUAL RECOGNITION AGREEMENT (MRA)**

2 **HOLDING A CERTIFICATE OR DESIGNATION FROM AN ORGANIZATION THAT HAS**  
3 **ENTERED INTO A MUTUAL RECOGNITION AGREEMENT (MRA) WITH THE U.S.**  
4 **INTERNATIONAL QUALIFICATIONS APPRAISAL BOARD (IQAB)**

5 A. The Board recognizes the IQAB, a joint body of NASBA and the AICPA, which is  
6 charged with:

7 1. evaluating the professional credentialing process of CPAs, or their equivalents,  
8 from other countries; and

9 2. negotiating principles of reciprocity agreements with the appropriate professional  
10 and governmental organizations of other countries seeking recognition as having  
11 requirements Substantially Equivalent to the requirements for the U.S. CPA  
12 certificate.

13 B. The Board may issue a Certificate to an Individual holding an Active Certificate or  
14 designation from an organization that has entered into a MRA with the IQAB, provided  
15 that the Applicant has:

16 1. passed the International Qualifications Examination (IQEX) or the Examination;  
17 and

18 2. has 1 year of work experience in accordance with the requirements of Chapter 4.

19 C. The Applicant must complete 2 hours of CR&R within 6 months following the date the  
20 Board grants the initial Certificate. CR&R completed prior to the date the Board grants  
21 the initial Certification will satisfy this requirement if taken within the previous 6 months  
22 or within the CPE Reporting Period in which the Certificate is granted.

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23 ~~A. The Board recognizes the IQAB, a joint body of NASBA and the AICPA, which is charged~~  
24 ~~with:~~

25 ~~1. evaluating the professional credentialing process of CPAs, or their equivalents,~~  
26 ~~from other countries; and~~

27 ~~2. negotiating principles of reciprocity agreements with the appropriate professional~~  
28 ~~and governmental organizations of other countries seeking recognition as having~~  
29 ~~requirements substantially equivalent to the requirements for the U.S. CPA~~  
30 ~~certificate.~~

31 ~~B. The Board may issue a CPA Certificate certificate to an individual holding an Active~~  
32 ~~certificate or designation from an organization that has entered into a MRA with the~~  
33 ~~IQAB, provided that the Applicant has:~~

1. ~~passed~~ passes the International Qualifications Examination (IQEX) or the Uniform CPA Examination;
2. ~~has one year of work experience in accordance with the requirements of Chapter 4; and~~

5.         

3. otherwise meets the requirements in Rule 5.1.

~~C. An applicant for certification as described in this Rule 5.4 must complete and passes the AICPA Ethics Examination and complete two hours of CR&R within 6 months after the Board grants the Certificate. A CR&R course completed within 6 months immediately prior to certification will satisfy this requirement two years immediately preceding the application receipt date.~~

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**5.753 INTERNATIONAL APPLICANTS WITH EDUCATION OBTAINED OUTSIDE THE U.S. AND NOT HOLDING A CERTIFICATE OR DESIGNATION – NO MUTUAL RECOGNITION AGREEMENT (MRA) FROM AN ORGANIZATION THAT HAS NOT ENTERED INTO A MRA WITH THE IQAB**

~~A. If the Applicant holds a Certificate or designation from an organization that has not entered into a MRA with the IQAB, the application submitted to the Board will be considered by the Board as an application for initial certification and the Board may issue a Certificate, provided that the Applicant:~~

1. ~~meets the education requirements of Chapter 2 based upon evaluation by NIES or an evaluation service that is a member of NACES, AICE, or other organizations approved by the Board; or~~
2. ~~obtained education from an Accredited college that otherwise meets the education requirements set forth in Chapter 2; and~~

3. ~~otherwise meets the requirements in Rule 5.2.A. — If the Applicant holds A. — The Board may issue a CPA certificate to an Applicant who obtained education outside the U.S. or its territories and who does not hold a certificate or designation from an organization that has not entered into a MRA with the IQAB, the application submitted to the Board will be considered by the Board as an application for initial licensure, and the Board may issue a Certificate, provided that the Applicant:~~

1. ~~passes the Examination;~~
2. ~~meets the education requirements of Chapter 23 based upon evaluation by NASBA or an evaluation service that is a member of NACES, AICE, or other organizations approved by the Board; or~~

- 1 ~~2.~~ obtained education from an Accredited college that otherwise meets the
- 2 coursework is equivalent to the education requirements set forth in Chapter
- 3 2; and
- 4 ~~3.~~ otherwise 3. meets the experience requirements in Rule 5.1.
- 5

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1 ~~CHAPTER 6 – CERTIFICATE STATUS AND MAINTENANCE~~

2 **INTRODUCTION**

3 ~~This of Chapter 4; and~~

4 ~~4. completes and passes the AICPA Ethics Examination and two hours of CR&R~~  
5 ~~within two years immediately preceding the application receipt date.~~

6 ~~B. The Board may rely on the IQAB, NASBA, the AICPA or other bodies deemed~~  
7 ~~acceptable to the Board for evaluation of foreign credentials in making Substantial~~  
8 ~~Equivalency determinations.~~

9

1 **CHAPTER 6 - CERTIFICATE MAINTENANCE AND STATUS CHANGES AND**  
2 **MAINTENANCE**

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3 This Chapter sets forth the general requirements regarding a Certificate, including CPE  
4 requirements, and how a Certificate Holder may renew, reactivate or reinstate a Certificate, and  
5 obtain a Retired or Inactive status Certificate. For specific CPE requirements, see Chapter 7. It  
6 is the responsibility of the Certificate Holder to complete the Renewal process when and as  
7 required if a Certificate Holder wants to maintain a Certificate in an Active, Retired, or Inactive  
8 status.

9 **6.1 GENERAL INFORMATION**

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10 A. A Certificate Holder must preserve his Certificate while it is in his possession, but the  
11 Certificate is always the property of the Board.

12 B. A Certificate that is suspended or revoked must be immediately delivered to the Board.

13 C. No Individual can Hold Out as defined in Chapter 1 unless that Individual holds an Active  
14 Certificate as a CPA issued pursuant to the Act, except that:

15 1. an Individual who holds an Active license or Certificate as a CPA issued pursuant  
16 to the laws of another State may use or assume the title or designation “certified  
17 public accountant” or “CPA” or similar designation immediately followed or  
18 preceded by the name or abbreviation of the State issuing such license or  
19 Certificate, such as “CPA NM” or “New Mexico CPA”;

20 2. an Individual whose license or Certificate is in an Inactive status in this or another  
21 State may use or assume the title or designation “certified public accountant” or  
22 “CPA” or similar designation immediately followed or preceded by the term  
23 “inactive”; or

24 3. an Individual whose license or certificate is in a retired status in this or another  
25 State may use or assume the title or designation “certified public accountant” or  
26 “CPA” or similar designation immediately followed or preceded by the term  
27 “retired.”

28 4. while practicing in this state under Section 12-2-121(2), C.R.S. and Chapter 11,  
29 an Individual who holds an Active license or Certificate as a CPA issued pursuant  
30 to the laws of another State may use or assume the title or designation “certified  
31 public accountant” or “CPA” or similar designation, and an Individual holding  
32 equivalent authority in a non-U.S. jurisdiction may use or assume the equivalent  
33 designation authorized in his non-U.S. jurisdiction.

34 **6.2 NOTICES**

35 A. Certificate Holder Address and Name Changes.

1 1. Certificate Holders shall inform the Board of any name, business trade name,  
2 address, telephone, or email change within 30 days of the change. The Board  
3 will not change a Certificate Holder's information without explicit notification  
4 provided in a manner prescribed by the Board.

5 2. The Board requires one of the following forms of documentation to change a  
6 Certificate Holder's name or social security number:

7 a. marriage license;

8 b. divorce decree;

9 c. court order; or

10 d. a driver's license or social security card with a second form of  
11 identification may be acceptable at the discretion of the Division of  
12 Professions and Occupations.

13 3. Board communications are sent to the last address furnished to the Board.  
14 Failure to respond to a Board communication within 30 days, as provided in  
15 Section 12-2-123.5, C.R.S., is grounds for discipline up to and including  
16 revocation. Failure to notify the Board of change of address does not relieve a  
17 Certificate Holder of the obligation to respond to a Board communication.

18 B. Renewal Notices to Certificate Holders.

19 1. The Board may send notices for Renewal of Certificates according to a schedule  
20 established and in a manner approved by the Division of Professions and  
21 Occupations pursuant to Section 24-34-102(8), C.R.S. to the last address  
22 furnished to the Board.

23 2. There is a 60-day grace period from the expiration date of the Certificate within  
24 which to pay the Renewal fee, plus a late fee. A Certificate Holder will not be  
25 disciplined for Holding Out or practicing public accounting with an Expired  
26 Certificate during the grace period.

27 3. Failure to receive a Renewal notice does not relieve the Certificate Holder of the  
28 obligation to renew a Certificate.

29 **6.3 NAMES**

30 A. A CPA engaged in the practice of public accounting must not Hold Out, perform or offer  
31 to perform Professional Services using a name that has not been provided to the Board.

32 B. A CPA may use an assumed or trade name if:

33 1. The assumed or trade name is filed with the Colorado Secretary of State  
34 pursuant to Section 7-71-101, C.R.S.;

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- 1 2. The assumed or trade name has been provided to the Board in a manner  
2 prescribed by the Board
- 3 3. The assumed or trade name otherwise complies with these Rules.
- 4 C. The name under which a CPA Holds Out or engages in the Practice of Public  
5 Accounting must not be misleading.
- 6 D. A name is considered misleading if the name:
- 7 1. Implies the existence of a corporation by the use of words or abbreviations such  
8 as "Corporation," "Incorporated," "P.C.," "Corp.," or "Inc.," if the CPA is not  
9 incorporated or is not a professional corporation.
- 10 2. Implies the existence of a partnership by the use of a designation such as "Smith  
11 & Jones," "C.P.A.s," "Partnership," "Ltd.," "LP," "LLP," or "LLLP" if the CPA is not  
12 or has not established such an entity.
- 13 3. Implies the existence of a limited liability company by the use of abbreviations  
14 such as "Ltd.," "L.L.C.," "LLC," or "LC" if the CPA has not established such an  
15 entity.
- 16 4. Implies that the CPA is associated with or employs another Person by the use of  
17 terms such as "& Company," "& Associates," or "Group" if, in addition to the CPA,  
18 there is not at least 1 other Owner or Person employed, professionally  
19 associated, or contractually related on a regular and continuous basis with the  
20 CPA.
- 21 5. Implies the existence of more than 1 CPA by the use of terms such as "CPAs," or  
22 "Certified Public Accountants" if no more than 1 CPA is an Owner or is employed  
23 by, or professionally associated, or contractually related on a regular and  
24 continuous basis to the CPA
- 25 6. Includes the name of a Person who is neither a CPA in any State nor a CPA or  
26 legal equivalent in a foreign country if "CPA" is included in the name.
- 27 7. Indicates or implies an association with Persons who are not associated with the  
28 CPA, except that a CPA who is a member of a Network may include the brand  
29 name or initials of the Network provided that the name does not otherwise violate  
30 this Rule 6.3.
- 31 8. Contains any representation that would likely cause a reasonable person to be  
32 misled or confused about the CPA's legal entity type, e.g., corporation,  
33 partnership, limited liability company, or sole proprietorship, or about ownership.
- 34 9. Contains any representation that would likely cause a reasonable person to have  
35 a false or unjustified expectation of favorable results or capabilities.

1 10. Claims or implies the ability to influence a regulatory body or official.

2 11. Includes the name of any CPA or Firm whose Certificate, license, or registration  
3 has been revoked or disciplined such that the Licensee or registrant is prohibited  
4 from practicing public accounting or prohibited from using the title CPA or  
5 Holding Out if the name includes the designation "CPAs" or any other language  
6 or device tending to indicate the disciplined CPA or Firm possesses an Active  
7 Certificate, license, or registration.

8 E. A name must not be formulated in such a manner that the initials or parts of the name  
9 form a term, phrase, or imply an association that is misleading.

10 F. All assumed and trade names must be reported to the Board in a manner prescribed by  
11 the Board.

#### 12 **6.4 OFFERING SERVICES VIA THE INTERNET**

13 Any CPA licensed by the Board offering or performing Professional Services via the  
14 Internet must include the following information on the Internet site:

15 1. Name of the Certificate Holder;

16 2. Mailing and physical address of the principal location where the Certificate  
17 Holder offers or provides Professional Services;

18 3. Business telephone number; and

19 4. Colorado Certificate number.

#### 20 **6.5 DISCIPLINE**

21 A. Pursuant to Section 12-2-123(1), C.R.S., the Board may impose discipline up to and  
22 including revocation for any of the causes contained in Section 12-2-123(1), C.R.S., the  
23 Act, or these Rules.

24 B. Pursuant to Section 12-2-123(1)(g), C.R.S., the Board may impose discipline up to and  
25 including revocation against any Certificate Holder who receives Discipline, as defined in  
26 Rule 1.1.P, against his permit, certificate, license or other authority to practice as a  
27 certified public accountant or public accountant from any licensing authority in any  
28 jurisdiction.

29 C. Pursuant to Section 12-2-123(1)(h), C.R.S., the Board may impose discipline up to and  
30 including revocation against any Certificate Holder who receives Discipline, as defined in  
31 Rule 1.1.P, from any state or federal agency, non-U.S. agency, or the PCAOB for  
32 improper conduct or willful violation of the rules or regulations of such agency or the  
33 PCAOB.

1 **6.6 DISCLOSURE BY LICENSEES**

2 A. A Licensee must notify the Board within 45 days of any of the following events relating to  
3 the Licensee:

4 1. Imposition of Discipline by:

5 a. The SEC, PCAOB, or IRS.

6 b. Another State board of accountancy for any cause other than failure to  
7 pay a professional license fee by the due date.

8 c. Any other federal or State agency regarding the Licensee's conduct while  
9 rendering Professional Services.

10 d. Any federal or State taxing, insurance or securities regulatory authority.

11 e. Any non-U.S. authority or credentialing body that regulates the practice of  
12 accountancy.

13 2. Notice of disciplinary charges filed by the SEC, PCAOB, IRS, or another State  
14 board of accountancy, or a federal or State agency concerning the Practice of  
15 Public Accounting or a non-U.S. authority or credentialing body that regulates the  
16 Practice of Public Accounting.

17 3. Initiation of a civil proceeding or an alternative dispute resolution proceeding by a  
18 governmental entity relating to an audit report for a public or non-public company.

19 4. Judgment, settlement or resolution of a civil proceeding or an alternative dispute  
20 resolution proceeding by a governmental entity relating to an audit report for a  
21 public or non-public company.

22 5. Initiation of an administrative proceeding or disciplinary proceeding by any  
23 federal, State, or non-U.S. agency, board, or administrative or licensing authority  
24 or any professional association or entity regarding an audit report for a public or  
25 non-public company.

26 6. Any decision, judgment, settlement or resolution of an administrative proceeding  
27 or disciplinary proceeding by any federal, State or non-U.S. agency, board, or  
28 administrative or licensing authority or any professional association or entity  
29 regarding an audit report for a public or non-public company.

30 7. Any judgment, award or settlement of a civil action or arbitration proceeding of  
31 \$150,000 or more in which the Licensee was a party if the action or proceeding  
32 included any allegation of negligence, violation of specific standards of practice,  
33 fraud, or misappropriation of funds in the Practice of Public Accounting or during  
34 employment.

1 8. A criminal charge against or a conviction of the Licensee, deferred prosecution,  
2 or a plea of guilty or *nolo contendere* to a crime by the Licensee if:

3 a. the crime is a felony under the laws of any state, or of the United States  
4 or of any territory, insular possession state of the United States, or the  
5 District of Columbia or any non-U.S. jurisdiction; or

6 b. an element of the crime is dishonesty or fraud.

7 9. Occurrence of any matter that must be reported by the Licensee to the PCAOB  
8 pursuant to the Sarbanes-Oxley Act of 2002, 15 U.S.C. sec. 7201 et seq., and  
9 PCAOB Rules and forms adopted pursuant thereto.

10 B. The notice to the Board shall include the following information regarding the reportable  
11 event:

12 1. If the reportable event is a disciplinary proceeding, alternative dispute resolution  
13 proceeding, administrative proceeding or civil action by any entity referenced in  
14 Rule 6.6.A.1, the name of the entity, its jurisdiction, the case name, the docket or  
15 proceeding or case number by which it is designated, a description of the matter  
16 or a copy of the document initiating the action or proceeding and, if the matter  
17 has been adjudicated or settled, a copy of the consent decree, order or decision.

18 2. If the reportable event is a criminal conviction or plea, the court, its jurisdiction,  
19 the case name, the case number, and a description of the matter or a copy of the  
20 indictment or charges, and, if the matter has been adjudicated, a copy of the  
21 judgment of conviction.

22 3. If the reportable event concerns a civil action or arbitration proceeding, the court  
23 or arbiter, the jurisdiction, the case name, the case number, a description of the  
24 matter or a copy of the complaint, and a copy of the verdict, the court or  
25 arbitration decision, or, if settled, the court's order of dismissal.

26 C. The reporting Licensee may submit a written explanatory statement to be included in the  
27 Board's records.

28 D. Documents provided to the Board shall be closed to public inspection if federal statute or  
29 regulation or State statute or rule or regulation so provides.

30 **6.7 APPLICATION FOR BOARD ACTION**

31 A Certificate Holder or a Person wishing the Board to take any action regarding the status of a  
32 Certificate shall apply in a manner prescribed by the Board, except as otherwise provided under  
33 Rule 6.9.A (transfer to Inactive status).

34

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1 **6.8 ACTIVE CERTIFICATE**

2 An Active Certificate expires and must be renewed according to the schedule established by the  
3 Division of Professions and Occupations pursuant to Section 24-34-102, C.R.S. in order to  
4 maintain the Certificate in Active status.

5 A. Upon initial certification, the Certificate Holder must complete 2 hours of CR&R within 6  
6 months after the date the Board grants the initial Certificate.

7 1. CR&R completed prior to the date the Board grants the initial Certification will  
8 satisfy this requirement if taken within the 6 months prior to Certification or within  
9 the CPE Reporting Period in which the Certificate is granted.

10 2. CR&R courses completed under this requirement may satisfy the CR&R  
11 requirement under paragraph C.2 of this Rule 6.8.

12 B. CPE hours completed prior to certification, but within the CPE Reporting Period, may be  
13 eligible for CPE credit upon Renewal of the initial Certificate if the hours were not used  
14 to meet the education requirements for initial certification or taken in preparation for the  
15 Examination.

16 C. A Certificate Holder, including the holder of an initial Certificate, must complete 10 hours  
17 of CPE for each full quarter in which the Certificate Holder was actively licensed during a  
18 CPE Reporting Period.

19 1. No more than 20 percent of CPE can be in Personal Development, as defined by  
20 the Fields of Study.

21 2. Four hours of CPE must be in Ethics, of which 2 hours may be in CR&R.

22 3. As of January 1, 2014, no more than 50 percent of CPE can be in any  
23 combination of teaching or publishing an article or book as.

24 D. As a condition of Renewal, Certificate Holders shall attest that they have complied with  
25 the requirements of this Rule 6.8.

26 E. The Board cannot renew the certificate of a Certificate Holder who issues attest or  
27 compilation reports unless he attests to having Undergone a Peer Review as provided in  
28 Chapter 8.

29 **6.9 INACTIVE STATUS CERTIFICATE**

30 An Inactive Certificate expires and must be renewed according to the schedule established by  
31 the Division of Professions and Occupations pursuant to Section 24-34-102, C.R.S., to maintain  
32 the Certificate in Inactive status.

33 A. Transfer of a Certificate to Inactive Status.

To transfer a Certificate to Inactive status, a Certificate Holder must submit notice in a manner prescribed by the Board or provide written notice by first class mail to the Board.

B. Conditions of an Inactive Certificate.

1. Inactive Certificate Holders are not required to comply with CPE requirements for the period during which the Certificate is Inactive.

2. Inactive status must be indicated by the word "Inactive" (e.g., Inactive CPA, Inactive Certified Public Accountant) if the Certificate Holder uses the CPA designation in any manner.

3. A Certificate Holder with a Certificate in Inactive status cannot Hold Out or perform any service for which an Active Certificate is required under Section 12-2-120(6)(a), C.R.S.

C. A Certificate Holder may transfer a Certificate to Inactive status whether or not he has complied with CPE requirements. However, transferring a Certificate to Inactive status does not relieve the Certificate Holder of the obligation to complete any CPE required prior to transferring the Certificate to Inactive status. The Certificate Holder may be subject to discipline for failure to complete required CPE and must meet the requirements of Rule 6.12 to reactivate the Certificate.

D. A Certificate may be reinstated to Active status as provided in Rule 6.12.

**6.10 RETIRED STATUS CERTIFICATE**

A Retired Certificate expires and must be renewed according to the schedule established by the Division of Professions and Occupations pursuant to Section 24-34-102, C.R.S., to maintain the Certificate in Retired status.

A. A Certificate Holder may transfer a Certificate from Active, Inactive or Expired status to Retired status. To transfer a Certificate to Retired status, the Certificate Holder must:

1. Submit an application in a manner prescribed by the Board;

2. Be at least 55 years old;

3. Have held an Active Certificate in good standing issued by any State for a total of at least 15 years and must have had an Active Colorado Certificate for at least 2 of those years; and

4. Attest to having completed 10 hours of CPE for each full quarter that the Certificate was Active during the CPE Reporting Period in which the Applicant retires. No more than 20 percent of the CPE can be in Personal Development, as defined by the Fields of Study. At least 2 hours of CPE must be in Ethics.

B. Conditions of a Retired Certificate.

1 1. A Retired Certificate Holder is not required to comply with CPE requirements for  
2 the period during which the Certificate is in Retired status.

3 2. Retired status must be indicated by the word "Retired" (e.g., Retired CPA,  
4 Retired Certified Public Accountant) if the Certificate Holder uses the CPA  
5 designation in any manner.

6 3. A Retired Certificate Holder cannot Hold Out or perform any service for which an  
7 Active Certificate is required under Section 12-2-120(6)(a) or (b), C.R.S.

8 C. A Certificate in Retired status may be reactivated to Active status pursuant to rule 6.12.

9 **6.11. EXPIRED STATUS CERTIFICATE**

10 A. A Certificate that is not renewed on or before the expiration date will expire;  
11 however, there is a 60-day grace period from the expiration date within which the  
12 Certificate may be renewed, subject to a late fee. A Certificate Holder will not be  
13 disciplined for Holding Out or practicing public accounting with an Expired  
14 Certificate during the grace period.

15 B. Conditions of an expired Certificate.

16 1. A Certificate Holder whose Certificate has Expired cannot Hold Out or  
17 perform any service for which an Active Certificate is required under  
18 Section 12-2-120(6), C.R.S.

19 2. A Certificate Holder is not required to comply with CPE requirements  
20 during the period in which his Certificate is in Expired status, except as  
21 provided in Rule 6.13.

22 C. An expired certificate may be transferred to Inactive status as provided in Rule  
23 6.9.A. An expired certificate may be reinstated to Active status as provided in  
24 Rule 6.13.

25 **6.12 REACTIVATION OF A RETIRED OR INACTIVE STATUS CERTIFICATE**

26 A. Conditions of Reactivation - Retired Less Than Two Years.

27 1. When a Certificate has been in Retired status for less than 2 years, it may be  
28 reactivated, provided the Certificate Holder completes 80 hours of CPE within the  
29 2 years immediately preceding the application receipt date.

30 2. Of the 80 hours required, no more than 20 percent can in Personal Development,  
31 as defined by the Fields of Study, and no more than 20 percent can be for any  
32 combination of teaching or publishing an article or book. At least 5 percent of the  
33 hours must be in Ethics CPE. Two hours must be in CR&R, which may count  
34 towards the Ethics CPE requirement.

1 B. Conditions of Reactivation - Retired Two Years or More.

2 1. When a Certificate has been in Retired status for 2 years or more, it may be  
3 reactivated, provided the Certificate Holder:

4 a. completes 80 hours of CPE within the 2 years immediately preceding the  
5 application receipt date; and

6 b. the 80 hours of CPE must include completing and passing the AICPA  
7 Ethics Examination and 2 hours of CR&R.

8 2. CPE in Personal Development, as defined by the Fields of Study, teaching, or  
9 publishing an article or book, cannot be counted toward the 80 hours.

10 C. Conditions of Reactivation - Inactive Less Than Two Years.

11 1. When a Certificate has been in Inactive status for less than 2 years, it may be  
12 reactivated, provided the Certificate Holder completes 80 hours of CPE within the  
13 2 years immediately preceding the application receipt date plus any hours of  
14 CPE required but not completed as of the date that the Certificate was  
15 transferred to Inactive status.

16 2. Of the 80 hours required, no more than 20 percent can in Personal Development,  
17 as defined by the Fields of Study, and no more than 20 percent can be for any  
18 combination of teaching or publishing an article or book. At least 5 percent of the  
19 hours must be in Ethics CPE. Two hours must be in CR&R, which may count  
20 towards the Ethics CPE requirement.

21 3. The maximum total hours of CPE required to reactivate an Inactive Certificate  
22 shall not exceed 160 hours.

23 D. Conditions of Reactivation - Inactive Two Years or More.

24 1. When a Certificate has been in Inactive status 2 years or more, it may be  
25 reactivated, provided the Certificate Holder completes 80 hours of CPE within the  
26 2 years immediately preceding the application receipt date plus any hours of  
27 CPE required but not completed as of the date that the Certificate was  
28 transferred to Inactive status.

29 2. The 80 hours of CPE must include passing AICPA Ethics Examination and 2  
30 hours of CR&R.

31 3. CPE in Personal Development, as defined by the Fields of Study, teaching, or  
32 publishing an article or book, cannot be counted toward the 80 hours.

33 E. If an Applicant submits insufficient documentation to prove completion of the CPE  
34 required, the Applicant may obtain additional CPE after the application receipt date and

1 until the application expires to meet the CPE requirements. However, the Applicant  
2 must complete the 80 hours plus any other hours required within a “rolling 2 year period”  
3 counting backwards from the date the Certificate Holder completes the final CPE course  
4 necessary to meet all CPE requirements. Any application that is not complete within one  
5 year of the receipt date will expire and be destroyed. The Applicant must submit a new  
6 application along with all required information and fees.

7 F. Notwithstanding this Rule 6.12, if a Retired status Certificate was in Expired or Inactive  
8 status at the time the Certificate Holder obtained Retired status, the Certificate Holder  
9 must meet the requirements in Rule 6.13 based on the period the Certificate was  
10 Expired and/or Inactive plus the period it was in Retired status.

### 11 **6.13 REINSTATEMENT OF AN EXPIRED CERTIFICATE**

12 A. Conditions of Reinstatement: Expired Less Than 2 Years.

13 1. When a Certificate has been Expired for less than 2 years, it may be reinstated,  
14 provided the Certificate Holder completes 80 hours of CPE within the 2 years  
15 immediately preceding the application receipt date plus any hours of CPE  
16 required but not completed as of the date that the Certificate Expired.

17 2. Of the 80 hours required, no more than 20 percent can in Personal Development,  
18 as defined by the Fields of Study, and no more than 20 percent can be for any  
19 combination of teaching or publishing an article or book. At least 5 percent of the  
20 hours must be in Ethics CPE. Two hours must be in CR&R, which may count  
21 towards the Ethics CPE requirement.

22 B. Conditions of Reinstatement: Expired to Inactive.

23 When a Certificate has been Expired for less than 2 years, it may be reinstated to  
24 Inactive status provided the Certificate Holder completes 2 hours of CR&R within the 2  
25 years immediately preceding the application receipt date.

26 C. Conditions of Reinstatement: Expired 2 Years or More and Less than 6 years.

27 1. When a Certificate has been in Expired status 2 years or more but less than 6  
28 years, it may be reinstated to Inactive or Active, provided the Certificate Holder  
29 completes 80 hours of CPE within the 2 years immediately preceding the  
30 application receipt date plus any hours of CPE required but not completed as of  
31 the date that the Certificate Expired.

32 2. The 80 hours of CPE must include passing AICPA Ethics Examination and 2  
33 hours of CR&R.

34 3. CPE in Personal Development, as defined by the Fields of Study, teaching, or  
35 publishing an article or book, cannot be counted toward the 80 hours.

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1 D. Conditions of Reinstatement: Expired Six Years or More.

2 To reinstate a Certificate to Inactive or Active status that has been Expired for 6 years or  
3 more the Certificate Holder must satisfy the conditions set forth in paragraphs 1, 2 or 3  
4 of this Rule 6.13.D.

5 1. Within two years immediately preceding the application receipt date, the  
6 Certificate Holder must:

7 a. Complete a total of 80 hours of CPE. CPE in Personal Development, as  
8 defined by the Fields of Study, teaching or publishing an article or book  
9 cannot be counted toward the 80 hours. The CPE must include  
10 completing and passing the AICPA Ethics Examination and 2 hours of  
11 CR&R, and

12 b. Obtain experience or education according to one of the following  
13 conditions:

14 i. one year of experience as provided in Chapter 4, except that the  
15 experience must be gained within 2 years immediately preceding  
16 the application receipt date; or

17 ii. a post-baccalaureate degree with a concentration in accounting  
18 obtained from an Accredited College, as defined in Rule 2.2,  
19 earned or conferred within 2 years immediately preceding the  
20 application receipt date.

21 2. The Certificate Holder may reinstate a Certificate Expired 6 years or more by  
22 satisfying the same conditions as an Applicant for initial certification, including  
23 passing the Examination, meeting the education and experience requirements as  
24 established by statute and these Rules and completing and passing the AICPA  
25 Ethics Examination.

26 3. The Certificate Holder may reinstate a Certificate Expired 6 years or more if the  
27 Certificate Holder holds a certificate or license in Active status issued by another  
28 State provided the other State meets the Substantial Equivalency requirements  
29 defined in Chapter 1.

30 a. The Certificate Holder must submit with the application for Reinstatement  
31 an official verification of licensure from the other State; and

32 b. Attest to having completed the 80 hours of CPE as described in this Rule  
33 6.13.D.1.a.

34 E. If an Applicant submits insufficient documentation to prove completion of 80 hours of  
35 CPE within the 2 years immediately preceding the application receipt date, the Applicant  
36 may obtain additional CPE after the application receipt date and until the application

1 expires to meet the CPE requirements. However, the Applicant must complete the 80  
2 hours within a “rolling” 2 year period counting backwards from the date the Certificate  
3 Holder completes the final CPE course necessary to meet all CPE requirements. Any  
4 application that is not complete within one year of the receipt date will expire and be  
5 destroyed. The Applicant must submit a new application along with all required  
6 information and fees.

#### 7 **6.14 CPE REQUIRED AFTER REACTIVATION OR REINSTATEMENT TO ACTIVE** 8 **STATUS**

9 A. When a Certificate is reactivated or reinstated to Active status, the CPE required for the  
10 current CPE Reporting Period is 10 hours for each full quarter remaining in the CPE  
11 Reporting Period in which the Certificate was reinstated or reactivated. No more than 20  
12 percent of the CPE can be in Personal Development, as defined by the Fields of Study  
13 and no more than 20 percent can be in any combination of teaching or publishing an  
14 article or book. Two hours of CPE must be in Ethics, which cannot be in CR&R.

15 B. Any course used for Reactivation or Reinstatement to Active status cannot be used to  
16 satisfy the requirements of this Rule 6.14.

#### 17 **6.15 EXCEPTIONS**

18 The Board in its discretion may grant exceptions to the requirements in this Chapter 6 for  
19 reasons of individual hardship or other good cause.

20 This Chapter sets forth the general requirements regarding a Certificate, including CPE  
21 requirements, and how **6.1 INTRODUCTION**

22 This Chapter sets forth the requirements, including CPE requirements, for a Certificate  
23 Holder may to renew, reactivate or reinstate a Certificate certificate, and to obtain a Retired or  
24 Inactive status Certificate certificate. For specific the CPE requirements standards, see Chapter  
25 7. It is the responsibility of the Certificate Holder to complete the Renewal renewal process  
26 when and as required every two years.

#### 27 **6.1 NOTICES 2 APPLICATION FOR BOARD ACTION**

##### 28 **A. Certificate Holder Address and Name Changes**

29 or a person wishing the Board to take any action regarding the status of a certificate shall apply

30 **1. Certificate Holders shall inform the Board of any name,**  
31 **business trade name, address, telephone, or email change within 30 days**  
32 **of the change. The Board will not change a Certificate Holder's information**  
33 **without explicit notification provided in a manner prescribed by the Board.**

34 **2. The Board requires one of the following forms of documentation to change**  
35 **a Certificate Holder's name or social security number:—**

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~~2. a. marriage license;~~

~~b. divorce decree;~~

~~c. court order; or~~

~~d. a driver's license or social security card with a second form of identification may be acceptable at the discretion of the Division of Registrations.~~

~~3. Board communications are sent to the last address furnished to the Board. Failure to respond to a Board communication within 30 days, as provided in Section 12-2-123.5, C.R.S., is grounds for discipline up to and including revocation. Failure to notify the Board of change of address does not relieve a Certificate Holder of the obligation to respond to a Board communication.~~

~~B. Renewal Notices to Certificate Holders~~

~~1. The Board may send notices for Renewal of Certificates~~

~~6.3 ACTIVE CERTIFICATE~~

~~An Active certificate expires and shall be renewed every even-numbered year, according to the schedule established and in a manner approved by the Division of Registrations pursuant to Section 24-34-102(8), C.R.S. to the last address furnished to the Board. There is a 60-day grace period from the expiration date of the Certificate within which to pay the Renewal fee, plus a late fee.~~

~~2. Failure to receive a Renewal notice does not relieve the Certificate Holder of the obligation to pay the Renewal fee and to submit appropriate documentation in support of the Renewal application such as CPE and Peer Review requirements as listed in Chapters 6, 7, and 8.~~

~~6.2 GENERAL INFORMATION CONCERNING CERTIFICATES~~

~~A. A Certificate Holder must preserve his Certificate while it is in his possession, but the Certificate is always the property of the Board.~~

~~B. A Certificate that is suspended or revoked must be immediately delivered to the Board.~~

~~C. Except as otherwise provided in Section 12-2-121, C.R.S., no individual can Hold-Out as defined in Chapter 1 of these Rules unless that individual holds an Active Certificate as a certified public accountant issued pursuant to Article 2, Title 12, provided that:~~

~~1. an individual who holds to maintain the certificate in an Active license, certificate, or permit as a certified public accountant issued pursuant to the laws of another state may use or assume the title or designation "certified public accountant" or "CPA" or similar designation immediately followed or preceded by the name or~~

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~~1 abbreviation of the state issuing such license, certificate, or permit, such as "CPA~~  
~~2 NM" or "New Mexico CPA";~~

~~3 2. an Individual whose license, certificate, or permit is in an Inactive status in this or~~  
~~4 another state may use or assume the title or designation "certified public~~  
~~5 accountant" or "CPA" or similar designation immediately followed or preceded by~~  
~~6 the term "inactive"; or~~

~~7 3. an Individual whose license, certificate, or permit is in a retired status in this or~~  
~~8 another state may use or assume the title or designation "certified public~~  
~~9 accountant" or "CPA" or similar designation immediately followed or preceded by~~  
~~10 the term "retired."~~

### ~~11 **6.3 NAMES**~~

~~12 A. A CPA engaged Within six months of the date the Board grants an initial certificate, the~~  
~~13 Certificate Holder shall complete two hours of CR&R.~~

~~14 B. After initial certification, a Certificate Holder shall complete ten hours of CPE during each~~  
~~15 full quarter remaining in the practice of public accounting reporting period, of which no~~  
~~16 more than 20 percent shall be in Personal Development, as defined by the Fields of~~  
~~17 Study. At least two hours of CPE must not Hold Out, perform be in Ethics, which may be~~  
~~18 satisfied by CR&R if taken as described in Rule 6.3.A.~~

~~19 C. As a condition for the renewal of an Active status certificate, each Certificate Holder shall~~  
~~20 complete a total of 80 hours of CPE during the reporting period. No more than 16 hours~~  
~~21 may be in Personal Development, as defined by the Fields of Study. Four hours of CPE~~  
~~22 must be in Ethics, of which up to two hours may be in CR&R.~~

~~23 D. Any course previously used to meet the education requirements for examination or offer~~  
~~24 to perform professional services using a name certification shall not be reported for~~  
~~25 subsequent CPE credit. A CPE course that has was taken prior to certification, but~~  
~~26 within the reporting period, may be eligible for CPE credit upon initial renewal if it was~~  
~~27 not been provided to the Board, used to meet the education requirements for initial~~  
~~28 certification.~~

~~29 B. A CPA may use an assumed or trade name if:~~

~~30 1. The assumed or trade name is filed with **6.4 INACTIVE CERTIFICATE**~~

~~31 An Inactive certificate expires and shall be renewed every even-numbered year, according to~~  
~~32 the Colorado Secretarys schedule established by the Division of State Registrations~~  
~~33 pursuant to Section 7-71-10124-34-102, C.R.S., to maintain the certificate in an~~  
~~34 Inactive status.~~

~~35 A. Transfer of a Certificate to Inactive Status~~

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1 ~~2. The assumed or trade name has been provided to the Board in a manner~~  
2 ~~prescribed by the Board~~ To transfer a certificate from Active to Inactive  
3 ~~status, a Certificate Holder shall submit notice in a manner prescribed by the~~  
4 ~~Board of the Certificate Holder's request to transfer to Inactive status.; and~~

5 ~~**B. Conditions of an Inactive Certificate**~~

6 ~~1. Inactive Certificate Holders are not required to comply with CPE requirements for~~  
7 ~~the period during which the certificate is Inactive.~~

8 ~~2. Inactive status must be indicated by the word "Inactive" (e.g., Inactive CPA,~~  
9 ~~Inactive Certified Public Accountant) if the Certificate Holder uses the CPA~~  
10 ~~designation in any manner.~~

11 ~~3. A Certificate Holder with a certificate in Inactive status is prohibited by law from~~  
12 ~~Holding Out as an Active CPA and from performing any service for which an~~  
13 ~~Active certificate is required pursuant to Section 12-2-120(6), C.R.S.~~

14 ~~**6.5 RETIRED STATUS CERTIFICATE**~~

15 A Retired certificate expires and shall be renewed every even-numbered year, according to the  
16 schedule established by the Division of Registrations pursuant to Section 24-34-102, C.R.S., to  
17 maintain the certificate in a Retired status.

18 ~~A. Transfer of a Certificate to Retired Status~~

19 ~~1. To transfer a certificate from Active, Inactive or Expired status to Retired~~  
20 ~~status a Certificate Holder shall submit an application, in a manner prescribed by the~~  
21 ~~Board, to transfer to Retired status.~~

22 ~~2. A Certificate Holder shall be at least 55 years old and have held an Active~~  
23 ~~certificate in good standing from any state(s), as state is defined in Section 12-2-102(5),~~  
24 ~~C.R.S., for a total of at least 15 years.~~

25 ~~**B. Conditions of a Retired Certificate**~~

26 ~~1. A Retired Certificate Holder is not required to comply with CPE~~  
27 ~~requirements for the period during which the certificate is in Retired status.~~

28 ~~2. Retired status must be indicated by the word "Retired" (e.g., Retired CPA,~~  
29 ~~Retired Certified Public Accountant) if the Certificate Holder uses the CPA~~  
30 ~~designation in any manner.~~

31 ~~3. Retired Certificate Holders are prohibited from performing any service~~  
32 ~~for which an Active certificate is required pursuant to Section 12-2-120(6), C.R.S.~~

33 ~~**C. Exceptions**~~

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~~The assumed Board in its discretion may grant exceptions to the requirements in this Chapter for reasons of individual hardship or trade name otherwise complies with these Rules.~~

~~other good cause.~~

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## **6.6 REACTIVATION OF AN INACTIVE OR RETIRED STATUS CERTIFICATE**

### ~~A. Conditions of Reactivation: Inactive or Retired Less Than Two Years~~

~~When a certificate has been in Inactive or Retired status less than two years, it may be reactivated provided the Certificate Holder completes a total of 80 hours of CPE within the two years immediately preceding the application receipt date. No more than 16 hours may be in Personal Development, as defined by the Fields of Study. Four hours of CPE must be in Ethics of which two hours must be in CR&R.~~

### ~~B. Conditions of Reactivation: Inactive or Retired Two Years or More~~

~~When a certificate has been in Inactive or Retired status for two years or more, it may be reactivated provided the Certificate Holder completes a total of 80 hours of CPE within the two years immediately preceding the application receipt date. No CPE in Personal Development, as defined by the Fields of Study, shall be counted toward the 80 hours. The CPE must include the completion of the AICPA Ethics Examination and two hours of CR&R.~~

~~C. Notwithstanding the requirements described in Rule 6.6.A. and B. above, if the Retired status certificate to be reactivated was in expired status at the time the Certificate Holder obtained his Retired status certificate, the Certificate Holder shall meet the requirements for Reinstatement to an Active certificate in Rule 6.7 based on the period the certificate was expired.~~

## **6.7 REINSTATEMENT OF AN EXPIRED CERTIFICATE**

### ~~A. Conditions of Reinstatement: Expired Less Than Two Years~~

~~1. When a certificate has been expired for less than two years, it may be reinstated in an Active status provided the Certificate Holder completes a total of 80 hours of CPE within the two years immediately preceding the application receipt date. No more than 16 hours may be in Personal Development, as defined by the Fields of Study. Four hours of CPE must be in Ethics of which two hours must be in CR&R.~~

~~2. When a certificate has been expired for less than two years, it may be reinstated in an Inactive status provided the Certificate Holder completes two hours of CPE in CR&R within the two years immediately preceding the application receipt date.~~

### ~~B. Conditions of Reinstatement: Expired Two Years or More and Less Than Six Years~~

1 ~~When a certificate has been expired for two years or more and less than six years, it~~  
2 ~~may be reinstated in an Active or Inactive status provided the Certificate Holder~~  
3 ~~completes a total of 80 hours of CPE within the two years immediately preceding the~~  
4 ~~application receipt date. No CPE in Personal Development, as defined by the Fields of~~  
5 ~~Study, shall be counted toward the 80 hours. The CPE must include the completion of~~  
6 ~~the AICPA Ethics Examination and two hours of CR&R. When the Certificate Holder~~  
7 ~~provides satisfactory evidence of completing the conditions of this Paragraph (B), it will~~  
8 ~~be deemed that continued professional competency has been demonstrated.~~

9 ~~C. Conditions of Reinstatement: Expired Six Years or More~~

10 ~~When a certificate has been expired for six years or more, it may be reinstated in an~~  
11 ~~Active or Inactive status provided the Certificate Holder satisfies the conditions set forth~~  
12 ~~in either Paragraph (1) or (3) of this Rule 6.7.C.~~

13 ~~1. Within two years immediately preceding the application receipt date, the~~  
14 ~~Certificate Holder shall:~~

15 ~~a. Complete a total of 80 hours of CPE. No CPE in Personal Development,~~  
16 ~~as defined by the Fields of Study, may be counted toward the 80 hours.~~  
17 ~~The CPE must include the completion of the AICPA Ethics Examination~~  
18 ~~and two hours of CR&R, and~~

19 ~~b. Obtain experience or education according to one of the following~~  
20 ~~conditions:~~

21 ~~(1) one year of experience as provided in Chapter 4; or~~

22 ~~(2) a post-baccalaureate degree with a concentration in accounting~~  
23 ~~obtained from an accredited college or university, as defined by~~  
24 ~~Section 12-2-102(1), C.R.S.~~

25 ~~2. When the Applicant provides satisfactory evidence of completing the~~  
26 ~~requirements of Rule 6.7.C.1, it will be deemed that continued professional~~  
27 ~~competency has been demonstrated.~~

28 ~~3. The Certificate Holder may also reinstate a certificate expired six years or more~~  
29 ~~by satisfying the same conditions as an Applicant for initial certification, including~~  
30 ~~passing the Examination, meeting the education and experience requirements as~~  
31 ~~established by statute and Board Rules and completing the AICPA Ethics~~  
32 ~~Examination.~~

33 **6.8 CPE REQUIRED AFTER REACTIVATION OR REINSTATEMENT TO ACTIVE**  
34 **STATUS**

35 ~~A. When a certificate is reactivated or reinstated to Active status, the CPE required for the~~  
36 ~~next renewal is 10 hours for each full quarter remaining in the reporting period in which~~

1 ~~the certificate was reinstated or reactivated. No more than 20 percent of the CPE shall~~  
2 ~~be in Personal Development, as defined by the Fields of Study. Two hours of CPE must~~  
3 ~~be in Ethics, which may not be in CR&R.~~

4 ~~B. Any course used for reactivation or reinstatement to Active status may not be used to~~  
5 ~~satisfy the requirements of this Rule 6.8.~~

6

1 **CHAPTER 7 — CONTINUING PROFESSIONAL EDUCATION (CPE)**

2 **7.1 — INTRODUCTION**

3 ~~All Certificate Holders should participate in learning activities that maintain and/or improve their~~  
4 ~~professional competence. A Certificate Holder's field of employment does not limit the~~  
5 ~~need for CPE. Certificate Holders performing Professional Services need to have a broad~~  
6 ~~range of knowledge, skills and abilities. Thus, the concept of professional competence~~  
7 ~~should be interpreted broadly. Accordingly, acceptable CPE encompasses programs~~  
8 ~~that contribute to the development and maintenance of both technical and non technical~~  
9 ~~professional skills. It is the responsibility of Certificate Holders to be aware of and~~  
10 ~~comply with all CPE requirements described in Chapters 6 and 7.~~

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11 **7.2 — CPE STANDARDS**

12 ~~— Certificate Holders, program sponsors and program developers must follow the Joint~~  
13 ~~AICPA/NASBA Statement on Standards for Continuing Professional Education (CPE)~~  
14 ~~Programs, which were in effect, July 14, 2006. This Rule does not include later~~  
15 ~~amendments to or editions of the Joint Standards.—~~

16 ~~— The following are acceptable subjects for CPE courses as defined by the NASBA CPE~~  
17 ~~Fields of Study, which were in effect, July 14, 2006:~~

- 18 ~~○ —~~
- 19 ~~○ — Business Law~~
- 20 ~~○ — Business Management and Organization~~
- 21 ~~○ — Communications~~
- 22 ~~○ — Computer Science~~
- 23 ~~○ — Economics~~
- 24 ~~○ — Finance~~
- 25 ~~○ — Management Advisory Services~~
- 26 ~~○ — Marketing~~
- 27 ~~○ — Mathematics~~
- 28 ~~○ — Personal Development~~
- 29 ~~○ — Personnel/HR~~
- 30 ~~○ — Production~~

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- 1 ~~○ Regulatory Ethics~~
- 2 ~~○ Social Environment of Business~~
- 3 ~~○ Specialized Knowledge and Applications~~
- 4 ~~○ Statistics~~
- 5 ~~○ Taxes~~

6 ~~This Rule does not include later amendments to or editions of the Fields of Study.~~

7 ~~**7.4 — AVAILABILITY OF MATERIALS INCORPORATED BY REFERENCE**~~

8 ~~— The public should contact the Board's Program Director at 1560 Broadway, Suite 1350,~~  
 9 ~~Denver, Colorado 80202, (303) 894-7800, or [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us) to examine the~~  
 10 ~~Joint Standards and Fields of Study, incorporated by reference in Rules 7.2 and 7.3~~  
 11 ~~respectively. Copies of these materials may also be examined at any state publications~~  
 12 ~~depository library.~~

13 ~~**7.5 — CPE RECORDS RETENTION**~~

14 ~~— As set forth in the Joint Standards, the Certificate Holder is responsible for accurate~~  
 15 ~~reporting and documentation of all CPE hours completed. Certificate Holders must retain~~  
 16 ~~appropriate documentation for a minimum of five years from the end of the year in which the~~  
 17 ~~CPE was completed. Appropriate documentation includes:~~

- 18 ~~1. name and contact information of CPE program sponsor,~~
- 19 ~~participant's name,~~
- 20 ~~2. title of program~~
- 21 ~~3. field of study~~
- 22 ~~4. date(s) the program was offered or completed,~~
- 23 ~~5. location of program,~~
- 24 ~~6. type of instruction/delivery method,~~
- 25 ~~7. number of CPE credits completed, and~~
- 26 ~~8. certificate of completion or other verification supplied by the CPE program~~  
 27 ~~sponsor (for additional examples of acceptable evidence of completion, see the Joint~~  
 28 ~~Standards Section 200.11).~~

29 ~~**7.6 — HARDSHIP EXCEPTIONS**~~

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1 ~~A Certificate Holder seeking an exception to the CPE requirements must submit a~~  
2 ~~written request and evidence of good cause to the Board. The Board shall decide on a~~  
3 ~~case-by-case basis whether good cause has been demonstrated to make an exception~~  
4 ~~to the CPE requirements in accordance with Section 12-2-119(8), C.R.S.~~

5 ~~A. The Board may appoint a committee that may audit the CPE records of Certificate~~  
6 ~~Holders on a sample or complete basis to verify compliance with the requirements~~  
7 ~~described in Chapters 6 and 7.~~

8 ~~B. Upon notice from the Board, a Certificate Holder shall provide all documents and~~  
9 ~~information requested regarding CPE compliance in a manner prescribed by the Board~~  
10 ~~within 30 days of the Board's notice.~~

11 ~~A. If the Board finds that a Certificate Holder has failed to comply with the CPE~~  
12 ~~requirements, the Certificate Holder shall have 30 days from the mailing of the notice of~~  
13 ~~such finding to:~~

14 ~~1. provide further evidence that the hours completed meet the CPE requirements~~ ← **Formatted: Indent: Left: 0", Hanging: 0.5"**  
15 ~~established by these Rules;~~

16 ~~2. provide documentation described in Rule 7.5, of having completed additional CPE~~  
17 ~~hours during the reporting period; or~~

18 ~~3. cure the deficiency by completing the required number of CPE hours. Such~~  
19 ~~hours shall be counted only toward curing the deficiency and shall not be counted~~  
20 ~~toward the CPE requirements for a subsequent reporting period.~~

21 ~~B. If the Board finds that a Certificate Holder has failed to comply with the CPE~~  
22 ~~requirements, the Board may include the Certificate Holder in the CPE audit of a~~  
23 ~~subsequent reporting period.~~

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1 **CHAPTER 8 — PEER REVIEW REQUIREMENT**

2 **8.1 — INTRODUCTION**

3 In the interest of public protection, the Board requires all CPAs and Firms issuing attest and/or  
4 compilation reports to be enrolled in and undergo Peer Review at least every three  
5 years. Upon renewal of an Active certificate or Firm registration, all Certificate Holders  
6 and Firms, except those exempt from Peer Review described in Rule 8.3., must attest to  
7 having undergone a Peer Review during the previous renewal period. This shall include  
8 providing the date of the acceptance letter of the Peer Review and the name of the Peer  
9 Review Firm as well as whether the Peer Review resulted in a report rating of fail, pass  
10 with deficiencies or pass.

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11 **8.2 — PEER REVIEW PROGRAM STANDARDS**

12 A. To the extent not otherwise inconsistent with these Rules, the Board hereby adopts and  
13 incorporates by reference the *AICPA Standards for Performing and Reporting on Peer*  
14 *Reviews*, effective for Peer Reviews commencing on or after January 1, 2009. These  
15 rules do not include later amendments to or editions of these standards. The *AICPA*  
16 *Standards for Performing and Reporting on Peer Reviews* are available by contacting  
17 the AICPA at 1211 Avenue of the Americas, New York, New York, 10036-8775 or by  
18 contacting the Board's Program Director at 1560 Broadway, Suite 1350, Denver,  
19 Colorado 80202, (303) 894-7800.

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20 C. The name under which a CPA Holds Out or engages in the Practice of Public  
21 Accounting must not be misleading.

22 D. A name is considered misleading if the name:

23 1. Implies the existence of a corporation by the use of words or  
24 abbreviations such as "Corporation," "Incorporated," "P.C.," "Corp.," or "Inc." if  
25 the CPA is not incorporated or is not a professional corporation.

26 2. Implies the existence of a partnership by the use of a designation such as "Smith  
27 & Jones," "C.P.A.s," "Partnership," "Ltd.," "LP," "LLP," or "LLL" if the CPA is not  
28 or has not established such an entity.

29 3. Implies the existence of a limited liability company by the use of abbreviations  
30 such as "Ltd.," "L.L.C.," "LLC," or "LC" if the CPA has not established such an  
31 entity.

32 4. B. Peer review sponsoring organizations shall include those approved by the  
33 AICPA's Peer Review Board and other such organizations approved by the Board which  
34 adhere to the Peer Review standards defined in Paragraph (A) above.

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- 1 ~~C. The Firm, entity, or individual selected to conduct a Peer Review must be approved to~~  
2 ~~conduct the Peer Review by the AICPA's Peer Review Board-approved sponsoring~~  
3 ~~organization or other such organizations approved by the Board.~~
- 4 ~~D. Any Peer Review performed in accordance with the standards defined in Paragraph (A)~~  
5 ~~must be submitted to an approved Peer Review sponsoring organization for acceptance.~~
- 6 ~~E. Based upon the Peer Review outcome as stated in the acceptance letter from the~~  
7 ~~authorized Peer Review program administrator, the Board, or its authorized appointee~~  
8 ~~may impose remedial actions, including specified CPE courses that the Certificate~~  
9 ~~Holder or Board-designated individuals of a Firm must complete as a condition for~~  
10 ~~continued registration under this Chapter.~~
- 11 ~~F. The Board may take disciplinary action against a Certificate Holder or Firm who fails or~~  
12 ~~does not comply with any remedial action mandated in accordance with Paragraph (E)~~  
13 ~~above.~~
- 14 ~~G. No Certificate Holder or Firm shall be required to become a member of any Peer Review~~  
15 ~~sponsoring organization.~~

16 ~~8.3 EXEMPTION FROM PEER REVIEW~~

17 ~~A Certificate Holder or Firm who does not issue attest or compilation reports is exempt~~  
18 ~~from the Peer Review requirements of this Chapter.~~

19 ~~8.4 RETENTION OF DOCUMENTS RELATING TO PEER REVIEWS~~

20 ~~A. Certificate Holders and Firms subject to Peer Review shall maintain all documentation~~  
21 ~~necessary to establish that all Peer Reviews conformed to Peer Review standards. The~~  
22 ~~documentation maintained by the Certificate Holder or Firm shall include the following:~~

- 23 ~~1. Documentation of Peer Review Firm qualifications;~~
- 24 ~~2. Copies of all Peer Review reports;~~
- 25 ~~3. All correspondence that indicates the Certificate Holder's or Firm's concurrence or~~  
26 ~~non-concurrence with the results of the Peer Review; and~~
- 27 ~~4. All proposed remedial actions and all information relevant to those remedial~~  
28 ~~actions, including the implementation of the remedial actions.~~

29 ~~B. The documents described in Paragraph 8.4.A. Implies that the CPA is associated~~  
30 ~~with or employs another Person by the use of terms such as "& Company," "&~~  
31 ~~Associates," or "Group" if, in addition to the CPA, there is not at least one other~~  
32 ~~Owner or Person employed, professionally associated, or contractually related on~~  
33 ~~a regular and continuous basis with the CPA.~~

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1 ~~5. Implies the existence of more than one CPA by the use of terms such as "CPAs,"~~  
2 ~~or "Certified Public Accountants" if no more than one CPA is an Owner or is~~  
3 ~~employed by, or professionally associated, or contractually related on a regular~~  
4 ~~and continuous basis to the CPA.~~

5 ~~6. Includes the name of a Person who is neither a CPA in any State nor a CPA or~~  
6 ~~legal equivalent in a foreign country if "CPA" is included in the name.~~

7 ~~7. Indicates or implies an association with Persons who are not associated with the~~  
8 ~~CPA, except that a CPA who is a member of a Network may include the brand~~  
9 ~~name or initials of the Network provided that the name does not otherwise violate~~  
10 ~~this Rule 6.3.~~

11 ~~8. Contains any representation that would likely cause a reasonable person to be~~  
12 ~~misled or confused about the CPA's legal entity type, e.g., corporation,~~  
13 ~~partnership, limited liability company, or sole proprietorship, or about ownership.~~

14 ~~9. Contains any representation that would likely cause a reasonable person to have~~  
15 ~~a false or unjustified expectation of favorable results or capabilities, through the~~  
16 ~~use of a false or unjustified statement as to any material matter.~~

17 ~~10. Claims or implies the ability to influence a regulatory body or official.~~

18 ~~11. Includes the name of any CPA or Firm whose license or registration has been~~  
19 ~~revoked or disciplined by the Board such that the Licensee or registrant is prohibited~~  
20 ~~from practicing public accounting or prohibited from using the title CPA or Holding Out if~~  
21 ~~the name includes the designation "CPAs" or any other language or device tending to~~  
22 ~~indicate the disciplined CPA or Firm possesses an Active license or registration above~~  
23 ~~shall be retained in the office of the Certificate Holder or Firm until the completion of the~~  
24 ~~two most recent succeeding Peer Reviews or for a period of five years, whichever is later~~  
25 ~~and shall be made available to the Board upon its request.~~

26 **8.5 SUBMISSION OF PEER REVIEW REPORTS**

27 ~~A. If and when a complaint is filed and/or initiated by the Board against a Certificate Holder~~  
28 ~~or Firm, and at the time the Board requests a response, the Certificate Holder or~~  
29 ~~Firm will be required to submit the following documents related to its most recent~~  
30 ~~Peer Review or what the~~

31 ~~E. A name must not be formulated in such a manner that the initials or parts of the name~~  
32 ~~form a term, phrase, or imply an association that is misleading.~~

33 ~~F. All assumed and trade names must be reported to the Board in a manner prescribed by~~  
34 ~~the Board.~~

35 **6.4 OFFERING SERVICES VIA THE INTERNET**

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~~Any CPA licensed by the Board offering or performing Professional Services via the Internet must include the following information on the Internet:~~

~~\_\_\_\_\_ Name of Individual CPA licensed by the Board;~~

~~\_\_\_\_\_ Mailing and physical address of the principal location where the Certificate Holder offers or provides Professional Services;~~

~~\_\_\_\_\_ Business telephone number; and~~

~~\_\_\_\_\_ Colorado Certificate number.~~

## **6.5 DISCIPLINE**

~~A. Pursuant to Section 12-2-123(1), C.R.S., the Board may impose discipline up to and including revocation for any of the causes contained in Section 12-2-123(1), C.R.S., the Act, or these Rules.~~

~~B. Pursuant to Section 12-2-123(1)(g), C.R.S., the Board may impose discipline up to and including revocation against any Certificate Holder who receives Discipline, as defined in Rule 1.1.P, against his permit, certificate, license or other authority to practice as a certified public accountant or public accountant from any licensing authority in any jurisdiction.~~

~~C. Pursuant to Section 12-2-123(1)(h), C.R.S., the Board may impose discipline up to and including revocation against any Certificate Holder who receives Discipline, as defined in Rule 1.1.P, from any state or federal agency, non-U.S. agency, or the Public Company Accounting Oversight Board ("PCAOB") for improper conduct or willful violation of the rules or regulations of such agency or the PCAOB.~~

## **6.6 DISCLOSURE BY LICENSEES**

~~A. A Licensee must notify the Board determines to be the equivalent:~~

~~1. Peer Review report;~~

~~2. letter of response;~~

~~3. acceptance letter;~~

~~4. letter signed by the reviewed Certificate Holder or Firm accepting the Peer Review documents with the understanding that the reviewed Certificate Holder or Firm agrees to take certain actions; and~~

~~5. letter notifying the reviewed Certificate Holder or Firm that certain required actions have been completed.~~

~~B. A Certificate Holder or Firm who receives a Peer Review report rating of fail, a rating of pass with deficiency(ies) following a rating of fail, or a second consecutive rating of pass~~

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1 with deficiency(ies) must notify the Board in writing of such finding(s) within 45 days of  
2 the issuance of the report(s), including providing a copy of the report(s).

### 3 ~~8.6~~ **FACILITATED STATE BOARD ACCESS**

4 ~~The Board may use the Facilitated State Board Access (FSBA) system maintained by~~  
5 ~~the AICPA for accessing Peer Review documents when and if necessary.~~

### 6 ~~8.7~~ **CHANGE OF FIRM REGISTRATION STATUS — PEER REVIEW STATUS**

7 ~~In the event a Certificate Holder's or Firm's practice is sold, dissolved or merged with the~~  
8 ~~practice of one or more other Certificate Holders or Firms, determination of successor or~~  
9 ~~predecessor Firm(s) Peer Review year end(s) and other Peer Review due date(s), if~~  
10 ~~any, will be made in accordance with the Board approved sponsoring organization's~~  
11 ~~guidance.~~

### 12 ~~8.8~~ **CONFIDENTIALITY OF PEER REVIEW INFORMATION**

13 ~~Peer reviewers shall not disclose or use for their own benefit any confidential client~~  
14 ~~information which comes to their attention from Certificate Holders or Firms in carrying~~  
15 ~~out their responsibilities, except that they may furnish such information in response to a~~  
16 ~~formal request from an investigative or disciplinary body established by law or formally~~  
17 ~~recognized by the Board.~~

### 18 ~~8.9~~ **PEER REVIEW PROGRAM OVERSIGHT**

19 ~~A. The Board may establish a committee to oversee Peer Review sponsoring~~  
20 ~~organizations' administration of their Peer Review programs. The committee may consist~~  
21 ~~of up to five members appointed by the Board.~~

22 ~~B. A committee member may serve up to a three-year term, except that the terms of those~~  
23 ~~first appointed shall be arranged so that to the extent possible, an equal number of~~  
24 ~~members will rotate off annually.~~

25 ~~C. The committee may fill vacancies occurring during a term for the unexpired term with~~  
26 ~~members approved by the Board.~~

27 ~~D. Each committee member must hold a current Colorado CPA certificate or a current CPA~~  
28 ~~certificate from another substantially equivalent jurisdiction.~~

29 ~~E. Each committee member must have received a Peer Review report with a rating of pass~~  
30 ~~on the most recently accepted Peer Review for himself or his Firm.~~

31 ~~F. No committee member may be a member of any state board of accountancy or one of its~~  
32 ~~committees or perform any enforcement related work for a state board.~~

33 ~~G. Committee responsibilities may include but are not limited to:~~

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- 1 ~~1. Recommending to the Board the approval of sponsoring organizations, Peer~~
- 2 ~~Review programs and Peer Review standards.~~
- 3 ~~2. Monitoring and assessing the effectiveness of the sponsoring organizations, Peer~~
- 4 ~~Review programs and Peer Review standards.~~
- 5 ~~3. Reporting to the Board whether sponsoring organizations are administering and~~
- 6 ~~facilitating their Peer Review programs in conformity with the Board-approved Peer~~
- 7 ~~Review standards in all material respects.~~

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8 **8.10 — EFFECTIVE DATE**

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- 9 A. ~~These Peer Review requirements shall be effective for Certificate Holders and Firms~~
- 10 ~~upon renewal of CPA certificates and Firm registrations in 2014. At that time, and for all~~
- 11 ~~future renewals, Certificate Holders and Firms will be required to attest to having~~
- 12 ~~complied with the requirements of this Chapter and either (1) undergone a minimum of~~
- 13 ~~one Peer Review within three years prior to the renewal or (2) have not issued attest or~~
- 14 ~~compilation reports subject to Peer Review.~~
- 15 B. ~~A Certificate Holder's or Firm's due date for its initial Peer Review is 18 months from the~~
- 16 ~~date it enrolled in a Board-approved Peer Review program or should have enrolled,~~
- 17 ~~whichever date is earlier.~~

18 **CODE OF PROFESSIONAL CONDUCT PREAMBLE**

19 **Authority**

20 ~~The Rules of Professional Conduct are promulgated under the authority granted by 12-2-~~

21 ~~404(1)(c), C.R.S., to establish and maintain high standards of Competence and Integrity~~

22 ~~in the public accounting profession. The Rules of Professional Conduct apply with equal~~

23 ~~force to all Certificate Holders under this article, except where the wording of a specific~~

24 ~~rule indicates otherwise.~~

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25 **Principles**

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26 ~~Integrity, Objectivity, Independence, Due Care and Competence are the Principles upon which~~

27 ~~the Board's Rules of Professional Conduct are based. They express the profession's~~

28 ~~recognition of its responsibilities to the public, to clients, and to colleagues and guide~~

29 ~~Certificate Holders in the performance of their professional responsibilities. They express~~

30 ~~the basic tenets of ethical and professional conduct and call for an unswerving~~

31 ~~commitment to honorable behavior, even at the sacrifice of personal advantage. The~~

32 ~~Principles are not rules, rather they represent the policies or guidelines used by the~~

33 ~~Board in promulgating the Rules of Professional Conduct.~~

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34 **Responsibilities**

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1 ~~As professionals, Certified Public Accountants perform an essential role in society. Consistent~~  
2 ~~with that role, Colorado Certificate Holders have responsibilities to all those who use~~  
3 ~~their Professional Services. Certificate Holders also have a continuing responsibility to~~  
4 ~~cooperate with each other to improve the art of accounting, maintain the public's~~  
5 ~~confidence, and carry out the profession's special responsibilities for self-governance.~~  
6 ~~The collective efforts of all Certificate Holders are required to maintain and enhance the~~  
7 ~~tenets of the profession.~~

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## 8 ~~The Public Interest~~

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9 ~~A distinguishing mark of the profession is acceptance of its responsibility to the public. The~~  
10 ~~accounting profession's public consists of clients, credit grantors, governments,~~  
11 ~~employers, investors, the business and financial community, and others who rely on the~~  
12 ~~Objectivity and Integrity of CPAs to maintain the orderly functioning of commerce. This~~  
13 ~~reliance imposes a public interest responsibility on CPAs. The public interest is defined~~  
14 ~~as the collective well-being of the community of people and institutions the profession~~  
15 ~~serves.~~

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16 ~~In discharging their professional responsibilities, Certificate Holders may encounter conflicting~~  
17 ~~pressures from among each of those groups. In resolving those conflicts, Certificate~~  
18  ~~Holders should act with Integrity, guided by the precept that when Certificate Holders~~  
19  ~~fulfill their responsibility to the public, clients' and employers' interests are best served.~~

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20 ~~Those who rely on CPAs expect them to discharge their responsibilities with Integrity,~~  
21  ~~Objectivity, Due Care, and a genuine interest in serving the public. Certificate Holders~~  
22 ~~are expected to offer and provide services and enter into fee arrangements in a manner~~  
23 ~~that demonstrates a level of professionalism consistent with these Principles of the Code~~  
24 ~~of Professional Conduct.~~

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25 ~~All who accept a Colorado certificate of Certified Public Accountant commit themselves to honor~~  
26 ~~the public trust. In return for the faith that the public reposes in them, Certificate Holders~~  
27 ~~should continually seek to demonstrate their dedication to professional excellence.~~

## 28 ~~Applicability~~

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29 ~~Title 12, Article 2 of the C.R.S., requires that Certificate Holders adhere to the Rules of~~  
30 ~~Professional Conduct. Certificate Holders must be prepared to justify departures from~~  
31 ~~these Rules.~~

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32 ~~The Rules of Professional Conduct that follow apply to all professional services performed~~  
33 ~~except (a) where the wording of the rule indicates otherwise and (b) that a Certificate~~  
34 ~~Holder who is practicing outside the United States will not be subject to discipline for~~  
35 ~~departing from any of the rules stated herein as long as the Certificate Holder's conduct~~  
36 ~~is in accord with the rules of the organized accounting profession in the country in which~~  
37 ~~the Certificate Holder is practicing. However, where a Certificate Holder's name is~~  
38 ~~associated with Financial Statements under circumstances that would entitle the reader~~

1 to assume that United States practices were followed, the Certificate Holder must  
2 comply with the requirements of Rules 9.2, 9.5 and 9.6.

### 3 **9.1 — DEFINITIONS**

#### 4 **A. — Integrity**

5 — An element of character fundamental to professional recognition which requires a  
6 Certificate Holder to (1) be honest and candid within the constraints of client  
7 confidentiality, (2) observe both the form and the spirit of technical and ethical standards  
8 and (3) keep service and the public trust above personal gain or advantage. It is the  
9 quality from which the public trust derives and the benchmark against which a Certificate  
10 Holder must ultimately test all decisions. It can accommodate the inadvertent error and  
11 the honest difference of opinion. It cannot accommodate deceit or subordination of  
12 principle.

#### 13 **B. — Objectivity**

14 — A principle that requires a Certificate Holder to (1) be impartial, intellectually honest, and  
15 free of conflicts of interest, (2) protect the integrity of their work regardless of service or  
16 capacity and (3) avoid any subordination of their judgment.

#### 17 **C. — Independence**

18 — The absence of relationships that impair or appear to impair a Certificate Holder's  
19 objectivity in performing an engagement in which the Certificate Holder or the Certificate  
20 Holder's Firm will issue an attestation report or opinion other than a report in which a  
21 lack of independence is disclosed.

#### 22 **D. — Due Care**

23 — The discharge of responsibilities to clients, employers and the public with diligence and  
24 competence which requires a Certificate Holder or Firm to (1) render services carefully  
25 and in a timely manner, (2) be thorough, (3) observe applicable technical and ethical  
26 standards, and (4) plan and supervise adequately any professional activity for which the  
27 Certificate Holder or Firm is responsible.

#### 28 **E. — Competence**

29 — The knowledge and ability to assure that the quality of the services rendered meets  
30 professional standards. It requires a Certificate Holder to (1) be responsible for  
31 assessing and evaluating whether the Certificate Holder's education, experience and  
32 judgment are adequate for the responsibility assumed, and (2) maintain a commitment to  
33 learning and professional improvement that continues throughout a Certificate Holder's  
34 professional life.

#### 35 **F. — Contingent Fee**

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~~A fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specific finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. Solely for purposes of these Rules, fees are not regarded as being contingent if fixed by courts or governmental entities acting in a judicial or regulatory capacity, or in tax matters if determined based upon the results of judicial proceedings or the findings of governmental agencies acting in a judicial or regulatory capacity or there is a reasonable expectation of substantive review by a taxing authority.~~

~~G. Other Professional Standards~~

~~For the purpose of these Rules, Other Professional Standards shall include, but are not limited to:~~

- ~~1. Statements on Standards for Consulting Services~~
- ~~2. Statements on Standards for Tax Services~~
- ~~3. Statements on Standards for Accounting and Review Services~~
- ~~4. Statements on Standards for Attestation Engagements~~
- ~~5. Statements on Standards for Valuation services.~~

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~~The statements in this Rule 9.1.G. were issued by the AICPA and in effect as of January 1, 2009. This Rule does not include later amendments to or editions of the professional standards. Copies of professional standards may be inspected in the offices of the Board during regular business hours. The public should contact the Board's Program Director at 1560 Broadway, Suite 1350, Denver, CO 80202 to examine the professional standards.~~

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~~**9.2 INDEPENDENCE**~~

~~When a Certificate Holder or Firm performs Professional Services requiring Independence, they shall conform to the Independence standards established by the AICPA and in effect as of September 1, 2002, whether or not the individual CPA or Firm are members of the AICPA. When the Certificate Holder or Firm performs services regulated by the U.S. Securities and Exchange Commission (SEC) or the General Accounting Office (GAO), they also shall conform to the independence standards established by those bodies for those services and in effect as of August 15, 2003. This rule does not include later amendments to or editions of the AICPA, SEC or GAO standards.~~

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~~**9.3 INTEGRITY AND OBJECTIVITY**~~

~~A. Certificate Holders shall perform all professional services with integrity and objectivity. They shall not knowingly misrepresent facts or subordinate their judgment to others.~~

1 ~~1. Misrepresentations of fact or subordination of judgment include, but are not~~  
2 ~~limited to:~~

3 ~~a. Knowingly making, permitting, or directing another to make false and~~  
4 ~~misleading entries in an entity's financial statements or records.~~

5 ~~b. Misrepresenting or failing to disclose material facts to an external or~~  
6 ~~internal auditor, or accountant.~~

7 ~~c. Taking a position in a tax return or advising a tax client to take a position~~  
8 ~~that does not have a realistic possibility of being sustained on its merits in an~~  
9 ~~administrative or judicial review unless the position is not frivolous and is adequately~~  
10 ~~disclosed all as provided in the professional standards entitled, "Statement on Standards~~  
11 ~~for Tax Services."~~

12 ~~B. Subordination of judgment or principle. When disagreements and disputes arise in the~~  
13 ~~course of employment of a Certificate Holder related to the recording of transactions or~~  
14 ~~preparing financial statements, a Certificate Holder~~

15 ~~1. Shall determine whether (a) the entry or the failure to record a transaction in the~~  
16 ~~records, or (b) the financial statement presentation or the nature or omission of~~  
17 ~~disclosure in the financial statements, as proposed, represents the use of an acceptable~~  
18 ~~alternative and does not materially misrepresent the facts.~~

19 ~~a. If, after appropriate research or consultation, the Certificate Holder~~  
20 ~~concludes that the matter has authoritative support or does not result in a material~~  
21 ~~misrepresentation, the Certificate Holder need do nothing further.~~

22 ~~b. If the Certificate Holder concludes that the matter results in a material~~  
23 ~~misrepresentation or misstatement, the Certificate Holder shall make any concerns~~  
24 ~~known to the appropriate higher level(s) of management within the organization (for~~  
25 ~~example, the supervisor's immediate superior, senior management, the audit committee~~  
26 ~~or equivalent, the board of directors, the company's owners). Certificate Holders shall~~  
27 ~~document their understanding of the facts, the accounting principles involved, the~~  
28 ~~application of those principles to the facts, and the parties with whom these matters were~~  
29 ~~discussed.~~

30 ~~i. If, after discussing their concerns with the appropriate person(s) in~~  
31 ~~the organization, the Certificate Holder concludes that appropriate action was not taken,~~  
32 ~~they must assess their continuing relationship with the employer.~~

33 ~~ii. Certificate Holders also must assess any responsibility that may~~  
34 ~~exist to communicate to third parties, such as regulatory authorities or the employer's~~  
35 ~~(former employer's) external accountant.~~

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36 **9.4 RECEIPT OF COMMISSIONS AND CONTINGENT FEES**

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1 ~~A. Permitted Commission Arrangements. Certificate Holders who hold themselves out to~~  
2 ~~the public as CPAs and who are not otherwise prohibited by this rule from receiving a~~  
3 ~~commission shall disclose to the recipient of the services or the buyer of the product, in~~  
4 ~~writing, the nature, amount and source of any commission prior to performing the~~  
5 ~~services or making the referral or sale that generates the commission.~~

6 ~~B. Prohibition on Commissions and Contingent Fees. When Certificate Holders or Firms~~  
7 ~~perform an audit or review of a Financial Statement, or a compilation of a Financial~~  
8 ~~Statement when Certificate Holders do not disclose a lack of independence; or an~~  
9 ~~examination of prospective financial information, they shall not:~~

10 ~~1. For a commission, recommend or refer to a client any product or service,~~  
11 ~~or for a commission recommend or refer any product or service to be supplied by a~~  
12 ~~client, or receive a commission, or~~

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13 ~~2. Perform for a contingent fee any professional services for, or receive such a fee~~  
14 ~~from, a client. This prohibition on commissions and contingent fees shall apply during fee~~  
15 ~~period in which Certificate Holders are engaged to perform any of the services listed~~  
16 ~~above and the period covered by any Financial Statements involved in such listed~~  
17 ~~services.~~

18 ~~C. Contingent Fees in Tax Matters. Certificate Holders may not prepare an original or~~  
19 ~~amended tax return or claim for refund for a contingent fee. For purposes of this rule,~~  
20 ~~fees are not regarded as contingent if fixed by courts or other public authorities, or if~~  
21 ~~based on the results of judicial proceedings or the findings of governmental agencies. A~~  
22 ~~fee is considered to be based on the findings of a governmental agency if, at the time of~~  
23 ~~a fee arrangement, Certificate Holders can demonstrate a reasonable expectation of~~  
24 ~~substantive consideration by an agency with respect to the Certificate Holder's client. In~~  
25 ~~the case of the preparation of an original tax return, such expectation is not deemed~~  
26 ~~reasonable.~~

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27 **9.5 PROFESSIONAL COMPETENCE AND COMPLIANCE WITH APPLICABLE**  
28 **TECHNICAL STANDARDS**

29 A Certificate Holder shall comply with the following:

30 **A. General Standards**

31 ~~1. Professional Competence – Undertake only those professional services that the~~  
32 ~~Certificate Holder or the Certificate Holder's Firm can reasonably expect to complete~~  
33 ~~with professional competence.~~

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34 ~~2. Due Care – Exercise due care in the performance of professional services.~~

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35 ~~3. Planning and Supervision – Adequately plan and supervise the performance of~~  
36 ~~professional services.~~

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1 ~~4. Sufficient Relevant Data—Obtain sufficient relevant data to afford a reasonable~~  
2 ~~basis for conclusions or recommendations in relation to any professional services~~  
3 ~~performed.~~

4 ~~B. Auditing Standards~~

5 ~~—A Certificate Holder shall not permit the Certificate Holder's name to be associated with~~  
6 ~~Financial Statements in such a manner as to imply that the Certificate Holder is acting as~~  
7 ~~an independent public accountant unless the Certificate Holder has complied with the~~  
8 ~~applicable auditing standards. Applicable auditing standards shall include those defined~~  
9 ~~as generally accepted auditing standards by the AICPA, such as Statements on Auditing~~  
10 ~~Standards and Government Auditing Standards as promulgated by the United States~~  
11 ~~General Accounting Office or standards of any successor organizations, including~~  
12 ~~interpretations. Departures from these standards must be justified by those who do not~~  
13 ~~follow them.~~

14 ~~C. Accounting Principles~~

15 ~~—If Financial Statements or other financial data contain any material departure from an~~  
16 ~~accounting principle(s) promulgated by the Financial Accounting Standards Board~~  
17 ~~(FASB), the Government Accounting Standards Board (GASB), their predecessor~~  
18 ~~entities and other entities having similar generally recognized authority or jurisdiction to~~  
19 ~~establish such principle(s), a Certificate Holder shall not:~~

20 ~~1. Express an opinion or state affirmatively that the Financial Statements or other~~  
21 ~~financial data, of any entity are presented in conformity with generally accepted~~  
22 ~~accounting principles, or~~

23 ~~2. State that the Certificate Holder is not aware of any material modifications that~~  
24 ~~should be made to such statements or data for them to be in conformity with generally~~  
25 ~~accepted accounting principles.~~

26 ~~—If, however, the statements or data contain such a departure and the Certificate Holder~~  
27 ~~can demonstrate that unusual circumstances would have caused the Financial~~  
28 ~~Statements to be otherwise misleading, the Certificate Holder can comply with this rule~~  
29 ~~by describing the departure, its approximate effects, if practicable, and the reasons why~~  
30 ~~compliance with the principle would result in a misleading statement.~~

31 ~~D. Prospective Financial Information~~

32 ~~—Certificate Holders shall not permit their name to be used in conjunction with any~~  
33 ~~prospective financial information in a manner that may lead to the belief that the~~  
34 ~~Certificate Holders vouch for the achievability of the prospective financial information.~~  
35 ~~Certificate Holders should be guided by standards in this area promulgated by the~~  
36 ~~AICPA or by other entities having similar generally recognized authority or jurisdiction~~

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1 ~~over the service provided. Departures from applicable standards must be justified by~~  
2 ~~those who do not follow them.~~

3 ~~**Other Attestation Standards**~~

4 ~~— Certificate Holders shall not permit their name to be associated with assertions or~~  
5 ~~conclusions about the reliability of a written representation of another party unless they~~  
6 ~~have complied with the Statements on Standards for Attestation Engagements (SSAE)~~  
7 ~~promulgated by the AICPA or by other entities having similar generally recognized~~  
8 ~~authority or jurisdiction over the service provided.~~

9 ~~**9.6 OTHER PROFESSIONAL STANDARDS**~~

10 ~~— In performing tax services, accounting, review and compilation services, attestation~~  
11 ~~engagements, personal financial planning, business valuation, litigation support and~~  
12 ~~expert witness services, and consulting services, a Certificate Holder shall conform with~~  
13 ~~Rule 9.5.A., Other Professional Standards applicable to such services as promulgated~~  
14 ~~by the AICPA, and any other rules established or incorporated by reference by the~~  
15 ~~Board. For purposes of this rule, Other Professional Standards are considered to be~~  
16 ~~defined by Statements on Standards for Consulting Services, Statements on Standards~~  
17 ~~for Tax Services, Statements on Standards for Accounting and Review Services,~~  
18 ~~Statements on Responsibilities in Personal Financial Planning Practice and Statements~~  
19 ~~on Standards for Attestation Engagements, all of which have been issued by the AICPA~~  
20 ~~and incorporated by reference in this Chapter 9.~~

21 ~~**9.7 CONFIDENTIAL CLIENT AND EMPLOYER INFORMATION**~~

22 ~~A. — In General. Certificate Holders shall not disclose or use for their own benefit any~~  
23 ~~confidential information pertaining to a client or the employer of the Certificate Holder,~~  
24 ~~which information is obtained in the course of employment or performing Professional~~  
25 ~~Services. This rule shall not in any way be construed to relieve Certificate Holders of~~  
26 ~~their obligations under Rule 9.5. Information obtained as part of a proposed acquisition~~  
27 ~~or in evaluating the acquisition or merger of an accounting practice shall not be~~  
28 ~~disclosed or used to the Certificate Holders' benefit.~~

29 ~~B. — Exceptions. Rule 9.7.A shall not apply:~~

30 ~~1. — If information is disclosed with the specific consent of the client or the employer~~  
31 ~~of the Certificate Holder.~~

32 ~~2. — If information is disclosed pursuant to a subpoena or summons issued with~~  
33 ~~respect to the Certificate Holder or an entity with which the Certificate Holder is~~  
34 ~~associated, where the subpoena or summons has been determined to be legally~~  
35 ~~enforceable; or if information is disclosed to permit a Certificate Holder's compliance with~~  
36 ~~applicable laws and government regulations.~~

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1 ~~3. If information is disclosed as part of the public record in a civil law suit (legal~~  
2 ~~action) between the Certificate Holder and the client or employer.~~

3 ~~4. If information is disclosed in the course of a Peer Review of a Certificate Holder's~~  
4 ~~Professional Services. Professional practice reviewers shall not disclose any confidential~~  
5 ~~client information which comes to their attention from Certificate Holders in carrying out~~  
6 ~~their responsibilities, except that they may furnish such information in response to a~~  
7 ~~formal request from an investigative or disciplinary body of the kind referred to in Rule~~  
8 ~~9.7.B.5.~~

9 ~~5. If information is disclosed as part of the process of initiating a complaint with, or~~  
10 ~~responding to an inquiry made by the Board and the disclosure to the Board is in~~  
11 ~~accordance with the C.R.S. regarding accountant-client privilege or the client waives the~~  
12 ~~privilege; or if information is disclosed as part of the process of initiating a complaint with~~  
13 ~~or responding to an investigative or disciplinary body established by law or formally~~  
14 ~~recognized by the Board. Members of the Board shall not disclose any confidential client~~  
15 ~~information that comes to their attention from Certificate Holders in disciplinary~~  
16 ~~proceedings or otherwise in carrying out their responsibilities.~~

17 ~~6. If information is disclosed as part of an acquisition or merger or proposed~~  
18 ~~acquisition or merger of an accounting practice.~~

19 ~~**9.8 ISSUING COPIES OF REPORTS – TAX RETURNS OR OTHER DOCUMENTS**~~

20 ~~A. Upon request and reasonable notice, a Certificate Holder shall furnish to a client or~~  
21 ~~former client a copy of any report, tax return or other document issued by the Certificate~~  
22 ~~Holder to or for such client during the previous five years. Unpaid fees do not constitute~~  
23 ~~justification for withholding copies of these items.~~

24 ~~B. If a client, including a former client, requests copies of reports and tax returns previously~~  
25 ~~issued by the Certificate Holder under this Rule 9.8, a fee may be collected for the~~  
26 ~~copying. Such fee should be set to reflect the reasonable cost of providing the copies.~~

27 ~~**9.9 CLIENT RECORDS**~~

28 ~~A. Client records are:~~

29 ~~1. Accounting or other records belonging to, obtained from, or on behalf of, the~~  
30 ~~client, that the Certificate Holder removed from the client's premises or received for the~~  
31 ~~client's account.~~

32 ~~2. Certificate Holder's workpapers or records that contain data which should~~  
33 ~~properly be reflected in the client's books and records, including, but not limited to:~~

34 ~~a. Adjusting, closing, combining, or consolidating journal entries.~~

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1 ~~b. Information normally contained in the books of original entry and general~~  
2 ~~ledgers or subsidiary ledgers, such as accounts receivable, job cost and equipment~~  
3 ~~ledgers or similar types of depreciation records.~~

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4 ~~3. Computer files that include client information normally contained in the books of~~  
5 ~~original entry and general ledgers or subsidiary ledgers.~~

6 ~~B. Obligation to retain, return and provide client records:~~

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7 ~~1. A Certificate Holder must retain copies of documentation of work performed,~~  
8 ~~including issued reports and tax returns, for a period of five years. If original client~~  
9 ~~records or copies of client records are retained by the Certificate Holder, they must also~~  
10 ~~be retained for a period of five years.~~

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11 ~~2. A Certificate Holder must return client records upon request and reasonable~~  
12 ~~notice from the client or former client. If the records cannot be returned to the client~~  
13 ~~promptly, the Certificate Holder shall immediately notify the client of the date the records~~  
14 ~~will be returned.~~

15 ~~3. A Certificate Holder shall not retain a client's records in an attempt to force~~  
16 ~~payment of any kind.~~

17 ~~4. Upon completion of an engagement wherein the client's records have been~~  
18 ~~returned to the client, duplicate records requested by the client shall be furnished to the~~  
19 ~~client upon reasonable notice for a reasonable fee. Such fee should be set to reflect the~~  
20 ~~reasonable cost of providing the copies.~~

21 ~~5. Upon request, a Certificate Holder must provide to the client a copy of any~~  
22 ~~computer files that constitute client records, without password protection and with the~~  
23 ~~name of the software used to manage the accounting information. The Certificate Holder~~  
24 ~~is under no obligation to provide the client or former client with a copy of any computer~~  
25 ~~code, application program or instructions for the software used to assemble the data.~~

26 ~~C. Workpapers belonging to the Certificate Holder.~~

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27 ~~1. A Certificate Holder is not required to furnish to the client or former client any~~  
28 ~~workpapers developed by the Certificate Holder incident to the performance of the~~  
29 ~~engagement, that do not result in changes to the client's records or are not in~~  
30 ~~themselves part of the records ordinarily maintained by a client.~~

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31 ~~2. Certificate Holder's workpapers are considered to be solely the property of the~~  
32 ~~Certificate Holder and are not the property of the client. For example, the Certificate~~  
33 ~~Holder may make extensive analyses of inventory or other accounts as part of the~~  
34 ~~selective audit procedures. These analyses are considered to be a part of the Certificate~~  
35 ~~Holder's workpapers, even if client personnel at the request of the Certificate Holder~~  
36 ~~have prepared the analyses. Only to the extent these analyses result in changes to the~~

1 ~~client's records would the Certificate Holder be required to furnish the details from the~~  
2 ~~workpapers in support of the journal entries recording the changes, unless the journal~~  
3 ~~entries themselves contain all necessary details.~~

4 ~~3. If an engagement is terminated prior to the completion of work, and the~~  
5 ~~Certificate Holder's work product has neither been issued nor paid for by the client, the~~  
6 ~~work product is solely and exclusively the property of the Certificate Holder.~~

7 ~~**9.10 ACTING THROUGH OTHERS**~~

8 ~~Certificate Holders shall not knowingly permit others to carry out on their behalf, either~~  
9 ~~with or without compensation, acts, which, if carried out by the Certificate Holders, would~~  
10 ~~place them in violation of the Rules of Professional Conduct. Similarly, in supervising~~  
11 ~~subordinates, a Certificate Holder shall not accept or condone conduct in violation of the~~  
12 ~~Rules of Professional Conduct.~~

13 ~~**9.11 SOLICITATION**~~

14 ~~A Certificate Holder shall not solicit an engagement to perform professional services by~~  
15 ~~any direct personal communication if:~~

16 ~~A. The communication contains false, misleading, or deceptive statements that (1) create~~  
17 ~~false or unjustified expectations; (2) imply an ability to influence any court, tribunal,~~  
18 ~~regulatory agency, or similar body or official; (3) contain a representation of unrealistic~~  
19 ~~future fees; or (4) contain a representation likely to be misunderstood by a reasonable~~  
20 ~~person.~~

21 ~~B. The communication creates or uses coercion, duress, compulsion, intimidation, threats,~~  
22 ~~overreaching, vexatious or harassing conduct, or untruthful statements about the~~  
23 ~~professional work product or competence of other Certificate Holders.~~

24 ~~**9.12 PRACTICE NAMES**~~

25 ~~A. A Firm registered by the Board in compliance with Section 12-2-117, C.R.S. may use the~~  
26 ~~name(s) of current, retired or deceased owners, either alone or with other descriptive~~  
27 ~~terms, in its name.~~

28 ~~B. A Certificate Holder or Firm registered by the Board in compliance with Section 12-2-~~  
29 ~~117, C.R.S. may use an assumed or trade name if it is in compliance with Colorado Law,~~  
30 ~~is not misleading, and clearly indicates that the individual or entity is engaged in the~~  
31 ~~Practice of Public Accounting as defined in Chapter 1.~~

32 ~~C. The designation "and company" or "and associates" will not be considered misleading~~  
33 ~~when used in a practice name only when a Certificate Holder or Firm, registered by the~~  
34 ~~Board in compliance with Section 12-2-117, C.R.S., has employees, professional~~  
35 ~~associates, or contractual relationships with other professionals.~~

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1 ~~9.13 OFFERING SERVICES VIA THE INTERNET~~

2 ~~Any Certificate Holder or Firm licensed or registered by the Colorado Board and offering~~  
3 ~~to or performing Professional Services via the internet shall include the following~~  
4 ~~information on the internet:~~

5 ~~1. Name of the Certificate Holder or Firm licensed by the Colorado State Board of~~  
6 ~~Accountancy;~~

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7 ~~2. Principal place of business~~

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8 ~~3. Business telephone number; and~~

9 ~~4. Colorado certificate number and/or Colorado Firm registration number.~~

10 ~~9.14 DISCLOSURE BY CERTIFICATE HOLDERS AND FIRMS~~

11 ~~A. A Certificate Holder or Firm, as defined in Chapter 1, shall notify the Board within forty-~~  
12 ~~five days of any of the following events relating to the Licensee Certificate Holder or the~~  
13 ~~Firm:~~

14 ~~1. Imposition of Discipline by:~~

15 ~~1. Imposition of discipline, including, but not limited to, censure, reprimand,~~  
16 ~~sanction, probation, civil penalty, fine, consent decree or order, suspension,~~  
17 ~~revocation, or modification of a license, certificate, permit or practice rights by:~~

18 ~~a. The U.S. Securities and Exchange Commission (SEC), the Public~~  
19 ~~Company Accounting Oversight Board (PCAOB), or the Internal Revenue~~  
20 ~~Service (IRS,) by the Director of the Office of Professional Responsibility.~~

21 ~~b. Another state board of accountancy for any cause other than failure to~~  
22 ~~pay a professional license fee by the due date, or failure to meet the CPE~~  
23 ~~requirements of another state board of accountancy.~~

24 ~~c. Any other federal or state agency regarding the Licensee's Certificate~~  
25 ~~Holder's conduct while rendering Professional Services professional~~  
26 ~~services.~~

27 ~~d. Any federal or state taxing, insurance or securities regulatory authority.~~

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28 ~~e. Any non-U.S. foreign authority or credentialing body that regulates the~~  
29 ~~practice of accountancy.~~

30 ~~2. Notice of disciplinary charges filed by the SEC, PCAOB, IRS, or another state~~  
31 ~~board of accountancy, or a federal or state agency concerning the practice of~~  
32 ~~public accounting accountancy, or a non-U.S. foreign authority or credentialing~~  
33 ~~body that regulates the practice of public accounting accountancy.~~

- ~~3. Initiation of a civil proceeding or an alternative dispute resolution proceeding by a governmental entity relating to an audit report for a public or non-public company.~~
- ~~4. Judgment, settlement or resolution of a civil proceeding or an alternative dispute resolution proceeding by a governmental entity relating to an audit report for a public or non-public company.~~
- ~~5. Initiation of an administrative proceeding or disciplinary proceeding by any federal, state, or non-U.S. agency, board, or administrative or licensing authority or any professional association or entity regarding an audit report for a public or non-public company.~~
- ~~6. Any decision, judgment, settlement or resolution of an administrative proceeding or disciplinary proceeding by any federal, a state or non-U.S. agency, board, or administrative or licensing authority or any professional association or entity regarding an audit report for a public or non-public company.~~
- ~~7. Any judgment, award or settlement of a civil action or arbitration proceeding of \$150,000 or more in which the Licensee Certificate Holder or Firm was a party if the action or proceeding included any allegation of gross negligence, violation of specific standards of practice, fraud, or misappropriation of funds in the Practice of Public Accounting or during employment.~~
- ~~8. A criminal charge against or a conviction of the Licensee Certificate Holder, deferred prosecution, or a plea of guilty or *nolo contendere* to a crime by the Licensee Certificate Holder if the crime is:
 
  - ~~a. the crime is a felony under the laws of any state, or of the United States or of any territory, insular possession state of the United States, or the District of Columbia or any non-U.S. foreign jurisdiction; or~~
  - ~~b. a misdemeanor when an essential element of the crime misdemeanor is dishonesty or fraud.~~~~
- ~~BB. The Certificate Holder designated by a partnership, professional corporation, or limited liability company as responsible for notifying the Board, pursuant to section 12-2-117(2)(a)(iii), C.R.S., shall be the Certificate Holder responsible for notifying the Board of the reportable event regarding the Firm.~~
- ~~1. A Firm shall notify the Board only when such reportable event directly involves the Firm's Practice of Public Accounting in the State of Colorado.~~
- ~~C. The notice to the Board shall include the following information regarding the reportable event:
 
  - ~~1. If the reportable event is a disciplinary proceeding, alternative dispute resolution proceeding, administrative proceeding or civil action by any governmental entity~~~~

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1 ~~or professional association or entity, the name of the agency, its jurisdiction, the~~  
2 ~~case name, the docket or proceeding or case number by which it is designated, a~~  
3 ~~description of the matter or a copy of the document initiating the action or~~  
4 ~~proceeding and, — 1. — If the reportable event is a disciplinary proceeding,~~  
5 ~~alternative dispute resolution proceeding, administrative proceeding or civil action~~  
6 ~~by any entity referenced in Rule 6.4.A, the name of the entity, its jurisdiction, the~~  
7 ~~case name, the docket or proceeding or case number by which it is designated, a~~  
8 ~~description of the matter or a copy of the document initiating the action or~~  
9 ~~proceeding and, and, if the matter has been adjudicated or settled, a copy of the~~  
10 ~~consent decree, order or decision.~~

11 ~~— 2. — If the reportable event is a criminal conviction, charge or plea, the court, its~~  
12 ~~jurisdiction, the case name, the case number, and a description of the matter or a~~  
13 ~~copy of the indictment or charges, and, if the matter Certificate Holder has been~~  
14 ~~adjudicated convicted, acquitted, or entered a plea of guilty or *nolo contendere*, a~~  
15 ~~copy of the judgment of conviction.~~

16 ~~— 3. — If the reportable event concerns a civil action or arbitration proceeding, the court~~  
17 ~~or arbiter, the jurisdiction, the case name, the case number, a description of the~~  
18 ~~matter or a copy of the complaint, and a copy of the verdict, the court or~~  
19 ~~arbitration decision, or, if settled, the court's order of dismissal.~~

20 ~~GD. — During the pendency of a reportable event, the reporting Licensee Certificate Holder or~~  
21 ~~Firm may submit a written explanatory statement to be included in the Board's records.~~

22 **6.7 — APPLICATION FOR BOARD ACTION**

23 ~~A Certificate Holder or a Person wishing the Board to take any action regarding the status of a~~  
24 ~~Certificate shall apply in a manner prescribed by the Board.~~

25 **6.8 — ACTIVE CERTIFICATE**

26 ~~An Active Certificate expires and must be renewed according to the schedule established by the~~  
27 ~~Division of Registrations pursuant to Section 24-34-102, C.R.S. in order to maintain the~~  
28 ~~Certificate in Active status.~~

29 ~~A. — Upon initial certification, the Certificate Holder must complete 2 hours of CR&R within 6~~  
30 ~~months after the date the Board grants the initial Certificate.~~

31 ~~1. — CR&R courses completed within 6 months prior to the date the Board grants the~~  
32 ~~initial Certificate may satisfy this requirement.~~

33 ~~2. — CR&R courses completed under this requirement may satisfy a portion of the~~  
34 ~~requirement under paragraph C.2 of this Rule 6.8.~~

~~B. CPE hours completed prior to certification, but within the Reporting Period, may be eligible for CPE credit upon initial Renewal if they were not used to meet the education requirements for initial certification or taken in preparation for the Examination.~~

~~C. A Certificate Holder, including an initial Certificate, must complete 10 hours of CPE for each full quarter in which the Certificate Holder was actively licensed during a Reporting Period.~~

~~1. No more than 20 percent of CPE can be in Personal Development, as defined by the Fields of Study.~~

~~2. Four hours of CPE must be in Ethics, of which 2 hours may be in CR&R.~~

~~3. No more than 50 percent of CPE can be in any combination of teaching or publishing an article or book.~~

~~D. As a condition of Renewal, Certificate Holders shall attest that they have complied with the requirements of this Rule 6.8.~~

~~E. If a Renewal period ends before a Reporting Period ends (e.g., November, 2013), as a condition of Renewal, Certificate Holders must attest that they have satisfied or will satisfy the CPE requirements for that Reporting Period by the end of that Reporting Period, and that they will notify the Board within 30 days after the end of the Reporting Period if they fail to complete the required CPE.~~

#### ~~6.9 INACTIVE STATUS CERTIFICATE~~

~~An Inactive Certificate expires and must be renewed according to the schedule established by the Division of Registrations pursuant to Section 24-34-102, C.R.S., to maintain the Certificate in Inactive status.~~

#### ~~A. Transfer of a Certificate to Inactive Status~~

~~To transfer a Certificate from Active E. Documents provided to Inactive status, a Certificate Holder must submit notice in a manner prescribed by the Board, or provide written notice by first class mail shall be closed to the Board.~~

#### ~~B. Conditions of an Inactive Certificate~~

~~1. Inactive Certificate Holders are not required to comply with CPE requirements for the period during which the Certificate is Inactive.~~

~~2. Inactive status must be indicated by the word "Inactive" (e.g., Inactive CPA, Inactive Certified Public Accountant) if the Certificate Holder uses the CPA designation in any manner.~~

~~3. A Certificate Holder with a Certificate in Inactive status cannot Hold Out public inspection if federal statute or regulation or perform any service for which an Active Certificate is required under Section 12-2-120(6)(a), C.R.S.~~

#### **6.10 RETIRED STATUS CERTIFICATE**

~~A Retired Certificate expires and must be renewed according to the schedule established by the Division of Registrations pursuant to Section 24-34-102, C.R.S., to maintain the Certificate in Retired status.~~

~~A. A Certificate Holder may transfer of a Certificate from Active, Inactive or Expired status to Retired status. To transfer a Certificate to Retired status, the Certificate Holder must:~~

~~1. Submit an application, in a manner prescribed by the Board;~~

~~2. Be at least 55 years old;~~

~~3. Have held an Active certificate in good standing issued by any state for a total of at least 15 years and must have had an Active Colorado Certificate for at least 2 of those years; and~~

~~4. Attest to having completed 10 hours of CPE for each full quarter that the Certificate was Active during the Reporting Period in which the Applicant retires. No more than 20 percent of the CPE can be in Personal Development, as defined by the Fields of Study. At least 2 hours of CPE must be in Ethics.~~

#### **B. Conditions of a Retired Certificate**

~~1. A Retired Certificate Holder is not required to comply with CPE requirements for the period during which the Certificate is in Retired status.~~

~~2. Retired status must be indicated by the word "Retired" (e.g., Retired CPA, Retired Certified Public Accountant) if the Certificate Holder uses the CPA designation in any manner.~~

~~3. A Retired Certificate Holder cannot Hold Out or perform any service for which an Active Certificate is required pursuant to Section 12-2-120(6)(a) or (b), C.R.S.~~

#### **6.11 REACTIVATION OF A RETIRED OR INACTIVE STATUS CERTIFICATE**

~~statute so A. Conditions of Reactivation: Retired or Inactive Less Than Two Years:~~

~~1. When a Certificate has been in Retired status for less than 2 years, it may be reactivated provided the Certificate Holder completes 80 hours of CPE within the 2 years immediately preceding the application receipt date.~~

~~2. When a Certificate has been in Inactive status for less than 2 years, it may be reactivated provided the Certificate Holder:~~

- 1 ~~a. completes 80 hours of CPE within the 2 years immediately preceding the~~  
2 ~~application receipt date; and~~
- 3 ~~b. provides evidence of completing 10 hours of CPE for each full quarter~~  
4 ~~that the Certificate was Active during the Reporting Period in which the~~  
5 ~~Certificate Holder transferred to Inactive status; and.~~
- 6 ~~c. the maximum total hours of CPE required to reactivate an Inactive~~  
7 ~~Certificate shall not exceed 160 hours within any 2 consecutive Reporting~~  
8 ~~Periods.~~
- 9 ~~3. Of the total hours required in this Rule 6.9.A, no more than 20 percent can in~~  
10 ~~Personal Development, as defined by the Fields of Study, and no more than 20~~  
11 ~~percent can be for any combination of teaching or publishing an article or book.~~  
12 ~~At least 5 percent of the total hours must be in Ethics, of which 2 hours must be~~  
13 ~~in CR&R.F. This rule~~

14 ~~B. Conditions of Reactivation: Inactive or Retired Two Years or More.~~

- 15 ~~1. When a Certificate has been in Retired status for 2 years or more, it may be~~  
16 ~~reactivated provided the Certificate Holder:~~
- 17 ~~a. completes 80 hours of CPE within the 2 years immediately preceding the~~  
18 ~~application receipt date; and~~
- 19 ~~b. the 80 hours of CPE must include passing the AICPA Ethics Examination~~  
20 ~~and 2 hours of CR&R.~~
- 21 ~~2. When a Certificate has been in Inactive status for 2 years or more, it may be~~  
22 ~~reactivated provided the Certificate Holder:~~
- 23 ~~a. completes 80 hours of CPE within the 2 years immediately preceding the~~  
24 ~~application receipt date; and~~
- 25 ~~b. the 80 hours of CPE must include passing AICPA Ethics Examination and~~  
26 ~~2 hours of CR&R; and~~
- 27 ~~c. provides evidence of completing 10 hours of CPE for each full quarter~~  
28 ~~that the Certificate Holder was Active during the Reporting Period in~~  
29 ~~which the Certificate Holder transferred to Inactive status; and~~
- 30 ~~d. the maximum total hours of CPE required to reactivate an Inactive~~  
31 ~~Certificate shall not exceed 160 hours.~~
- 32 ~~3. CPE in Personal Development, as defined by the Fields of Study, teaching, or~~  
33 ~~publishing an article or book, will not be counted toward the 80 hours required~~  
34 ~~under paragraphs B.1.a and b of this Rule 6.10. No CPE for teaching or~~

publishing an article or book can be counted toward the 80 hours required under paragraphs B.1.a and b of this Rule 6.9.

C. If an Applicant submits insufficient documentation to prove completion of 80 hours of CPE within the 2 years immediately preceding the application receipt date, the Applicant may obtain additional CPE apply to any reportable event that occurs on or after the application receipt date and until the application expires to meet the CPE requirements, provided that the Applicant must complete 80 hours of CPE within the 2 years immediately preceding the date on which the Applicant completes the final CPE course necessary to meet the CPE requirement.

D. Notwithstanding this Rule 6.11, a Retired status Certificate that was in Expired or Inactive status at the time the Certificate Holder obtained Retired status, must meet the requirements in Rule 6.11 to reinstate an Expired Certificate to Active status based on the period the Certificate was Expired plus the period it was in Retired status.

#### **6.12 REINSTATEMENT OF AN EXPIRED CERTIFICATE**

##### A. Conditions of Reinstatement: Expired Less Than 2 Years.

1. When a Certificate has been Expired for less than 2 years, it may be reinstated provided the Certificate Holder:

a. completes 80 hours of CPE within the 2 years immediately preceding the application receipt date; and

b. provides evidence of completing 10 hours of CPE for each full quarter that the CPA was Active during the Reporting Period after which the CPA failed to renew; and

c. the maximum total hours of CPE required to reactivate a Certificate under this Rule 6.12 shall not exceed 160 hours in any 2 consecutive Reporting Periods.

2. Of the total CPE hours required, no more than 20 percent can in Personal Development, as defined by the Fields of Study, and no more than 20 percent can be for any combination of teaching or publishing an article or book. At least 5 percent of the total hours must be in Ethics, of which 2 hours must be in CR&R.

##### B. Conditions of Reinstatement: Expired to Inactive.

When a Certificate has been Expired for less than 2 years, it may be reinstated to Inactive status provided the Certificate Holder completes 2 hours of CR&R within the 2 years immediately preceding the application receipt date.

##### C. Conditions of Reinstatement: Expired 2 Years or More and Less than 6 years.

- 1 ~~1. When a Certificate has been Expired 2 years or more but less than 6 years it~~  
2 ~~may be reinstated to Inactive or Active status provided the Certificate Holder:~~
- 3 ~~a. completes 80 hours of CPE within the 2 years immediately preceding the~~  
4 ~~application receipt date; and~~
- 5 ~~b. the 80 hours of CPE must include passing the AICPA Ethics Examination~~  
6 ~~and 2 hours of CR&R; and~~
- 7 ~~c. provides evidence of completing 10 hours of CPE for each full quarter~~  
8 ~~that the CPA was Active during the Reporting Period after which the CPA~~  
9 ~~failed to renew; and~~
- 10 ~~d. CPE in Personal Development, as defined by the Fields of Study,~~  
11 ~~teaching or publishing an article or book, will not be counted toward the~~  
12 ~~80 hours required under paragraphs C.1.a and b of this Rule 6.11.~~

13 ~~D. Conditions of Reinstatement: Expired Six Years or More~~

14 ~~To reinstate a Certificate to Inactive or Active status that has been in Expired for 6 years~~  
15 ~~or more the Certificate Holder must satisfy the conditions set forth in either Paragraph 1,~~  
16 ~~2 or 3 of this Rule 6.11.D.~~

17 ~~1. Within two years immediately preceding the application receipt date, the~~  
18 ~~Certificate Holder must:~~

19 ~~a. Complete a total of 80 hours of CPE. CPE in Personal Development, as~~  
20 ~~defined by the Fields of Study, teaching or publishing an article or book~~  
21 ~~will not be counted toward the 80 hours. The CPE must include passing~~  
22 ~~the AICPA Ethics Examination and 2 hours of CR&R, and~~

23 ~~b. Obtain experience or education according to one of the following~~  
24 ~~conditions:~~

25 ~~i. one year of experience as provided in Chapter 4, except that the~~  
26 ~~experience must be gained within 2 years immediately preceding~~  
27 ~~the application receipt date; or~~

28 ~~ii. a post baccalaureate degree with a concentration in accounting~~  
29 ~~obtained from an Accredited College, as defined in Rule 2.2,~~  
30 ~~earned or conferred within 2 years immediately preceding the~~  
31 ~~application receipt date.~~

32 ~~2. The Certificate Holder may reinstate a Certificate Expired 6 years or more by~~  
33 ~~satisfying the same conditions as an Applicant for initial certification, including~~  
34 ~~passing the Examination, meeting the education and experience requirements as~~

1 established by statute and these Rules and completing passing the AICPA Ethics  
2 Examination.

3 ~~3. The Certificate Holder may reinstate a Certificate Expired 6 years or more if the~~  
4 ~~Certificate Holder holds a certificate, license, or permit in Active status issued by~~  
5 ~~another U.S. licensing jurisdiction provided the other U.S. licensing jurisdiction~~  
6 ~~meets the Substantial Equivalency requirements defined in Chapter 1.~~

7 ~~a. The Certificate Holder must submit with the application for Reinstatement~~  
8 ~~an official verification of licensure from the other U.S. licensing~~  
9 ~~jurisdiction; and~~

10 ~~b. Attest to having completed the 80 hours of CPE as described in this Rule~~  
11 ~~6.12.D.1.a.~~

12 ~~E. If an Applicant submits insufficient documentation to prove completion of 80 hours of~~  
13 ~~CPE within the 2 years immediately preceding the application receipt date, the Applicant~~  
14 ~~may obtain additional CPE after the application receipt date and until the application~~  
15 ~~expires to meet the CPE requirements provided that, the Applicant must complete 80~~  
16 ~~hours of CPE within the 2 years immediately preceding the date on which the Applicant~~  
17 ~~completes the final CPE course necessary to meet the CPE requirement.~~

18 **6.13 — CPE REQUIRED AFTER REACTIVATION OR REINSTATEMENT TO ACTIVE**  
19 **STATUS**

20 ~~A. When a Certificate is reactivated or reinstated to Active status, the CPE required for the~~  
21 ~~current Reporting Period is 10 hours for each full quarter remaining in the Reporting~~  
22 ~~Period in which the Certificate was reinstated or reactivated. No more than 20 percent~~  
23 ~~of the CPE can be in Personal Development, as defined by the Fields of Study and no~~  
24 ~~more than 20 percent can be in any combination of teaching or publishing an article or~~  
25 ~~book. Two hours of CPE must be in Ethics, which cannot be in CR&R.~~

26 ~~B. Any course used for Reactivation or Reinstatement to Active status cannot be used to~~  
27 ~~satisfy the requirements of this Rule 6.13.~~

28 **6.14 — EXCEPTIONS**

29 ~~The Board in its discretion may grant exceptions to the requirements in this Chapter 6 for~~  
30 ~~reasons of individual hardship or other good cause.~~

1 **CHAPTER 7 - CONTINUING PROFESSIONAL EDUCATION (CPE)**

2 **7.1 INTRODUCTION**

3 **7.1 GENERAL INFORMATION**

4 A. Active Certificate Holders must participate in learning activities that maintain and/or  
5 improve their professional competence as a ~~Certified Public Accountant~~CPA and assure  
6 reasonable currency of knowledge. A Certificate Holder's field of employment does not  
7 limit the need for CPE.

8 B. Certificate Holders performing Professional Services need to have a broad range of  
9 knowledge, skills and abilities. Accordingly, acceptable CPE encompasses programs  
10 that contribute to the development and maintenance of both technical and non-technical  
11 professional skills.

12 C. Learning activities that do not maintain and/or improve professional competence as a  
13 ~~Certified Public Accountant~~CPA will not be accepted.

14 D. It is the responsibility of Certificate Holders to be aware of and comply with all CPE  
15 requirements ~~described in Chapters 6 and 7~~under these Rules.

16 **7.2 CPE STANDARDS**

17 A. Certificate Holders, program sponsors and program developers must comply with the  
18 Joint Standards as defined in Chapter 1 and incorporated herein by reference. To the  
19 extent that these Rules conflict with or are ~~more stringent than the Joint~~consistent with  
20 the Joint Standards, these Rules govern. It is ultimately the responsibility of Certificate  
21 Holders to ensure that any CPE ~~they completed to~~fulfills their CPE requirements  
22 complies with the Joint Standards and these Rules.

23 B. For internet based CPE programs, a minimum of 75 percent of the polling questions, if  
24 used as a monitoring mechanism, must be answered by the CPA in order to receive  
25 credit for the CPE activity.

26 C. When program sponsors purchase CPE courses from other vendors or course  
27 developers, the CPE program sponsor must review a minimum 20 percent sample of  
28 results of the course developer's pilot test results to ensure that the results meet the  
29 objectives of the course as designed.

31 **7.3 SUBJECT MATTER**

32 The following are acceptable subjects for CPE courses as defined in the Fields of Study:-

- 33 ○ Accounting
- 34 ○ Accounting (Governmental)

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- 1           o Administrative Practice
- 2           o Auditing
- 3           o Auditing (Governmental)
- 4           o Behavioral Ethics\*
- 5           o Business Law
- 6           o Business Management and Organization
- 7           o Communications
- 8           o Computer Science
- 9           o Economics
- 10          o Finance
- 11          o Management Advisory Services
- 12          o Marketing
- 13          o Mathematics
- 14          o Personal Development
- 15          o Personnel/HR
- 16          o Production
- 17          o Regulatory Ethics
- 18          o Social Environment of Business
- 19          o Specialized Knowledge and Applications
- 20          o Statistics
- 21          o Taxes

22 This Rule does not include later amendments to or editions of the Fields of Study.

23 \*For the purpose of CPE, Behavioral Ethics are not considered to be Personal Development.

#### 24 **7.45 CPE RECORDS DOCUMENTATION AND RETENTION**

25 The Certificate Holder is responsible for accurate reporting and documentation of all  
26 CPE hours completed. Certificate Holders must retain documentation for a minimum of  
27 5 years from the end of the year in which the CPE was completed. The following  
28 documentation must be submitted to the Board upon request:

29 1. Provider Generated Certificate of Completion, Attendance, or Firm Transcript that  
30 must include:

31 a. name and contact information of CPE program sponsor,

32 b. participant's name,

33 c. title of -program,

34 d. Field of Study, as described in Rule 7.3,

35 e. date(s) the program was offered or completed,

36 f. location of program, if applicable,

37 g. type of instruction/delivery method,

38 h. number of CPE credits completed, and

1 i. verification by the CPE program sponsor (verification may be in the form  
2 of a signature, seal or other similar indicia).

3 2. Teaching Credit:

4 a. For purposes of this chapter, teaching for CPE credit is defined as  
5 conducting, instruction, or providing instruction. To qualify for CPE, the  
6 instruction must enhance the teaching Certificate Holder's professional  
7 competence, as provided in Rule 7.1.

8 b. The instruction must be provided either for the first time or be  
9 substantially revised from the previous time(s) it was taught by the  
10 Certificate Holder. "Substantially revised" means involves- a significant  
11 modification to a majority of the presentation and/or course content. Such  
12 significant modifications may be required due to legislative changes,  
13 changes in principle, rules, practices, or standards, for example. Simple  
14 updates to a textbook or edition change do not constitute a significant  
15 modification.

16 c. Documentation for teaching credit must include:

17 i. the name and contact information of the CPE program sponsor or  
18 Accredited College.

19 ii. verification from the CPE program sponsor or Accredited College  
20 of teaching the course or activity, the number of in-classroom  
21 hours taught, and the Field of Study as described in Rule 7.3.

22 iii. ~~an attestation from a qualified third party, including but not limited~~  
23 ~~to any 1, of, the program sponsor, developer, or author, that the~~  
24 ~~course or activity was new or substantially revised, or if the credit~~  
25 ~~is for a college or university course, an attestation from a qualified~~  
26 ~~third party, including but not limited to, the program sponsor,~~  
27 ~~developer, or author that the course or activity was new or~~  
28 ~~substantially revised, an attestation from the accounting~~  
29 ~~department chair that the course was new or substantially revised.~~

31 iv. a statement from the Certificate Holder attesting to how the  
32 activity maintained and/or improved the Certificate Holder's  
33 professional competence as a CPA and how the activity met the  
34 standards and fulfilled the CPE requirements or educational  
35 requirements of the attendees.

36 v. Activity/course syllabus or outline, and

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vi. Certificate Holder's resume that ~~documents demonstrates~~  
qualifications to teach the subject matter.

3. For panel presentations, CPE credit will be granted for the ~~total~~ number of hours  
of panel presentation ~~plus the number of hours~~ for the entire panel divided by the  
number of panelists (e.g. a 2 hour panel presentation with ~~4four~~ panelists ~~will~~  
provides each panelist ~~with 2.5~~ CPE hours). ~~and total P~~ panel presentation hours  
will be included as teaching hours for purposes of the limit on teaching hours  
specified above.

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4. Documentation for Published Article or Book that must include:

a. proof of ~~publication and independent review~~ ~~publication of the article or~~  
book,

b. the name and contact information of the independent reviewer or  
publisher. ~~Independent reviewer means an Individual who is not affiliated  
and who has published an article, book, or otherwise demonstrates  
expertise regarding the same or closely-related subject matter.~~

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c. a summary of hours and CPE Field of Study as described in Rule 7.3  
being claimed with detail of time spent, with dates, and research  
performed, and

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d. a statement from the Certificate Holder attesting to how the activity  
maintained and/or improved the Certificate Holder's professional  
competence as a CPA.

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5. Documentation for ~~c~~College or ~~u~~University coursework that must include:

a. for a credit course, an original official transcript or grade card from a  
college or university; and

b. for a non-credit course, a certificate of attendance issued by the ~~a~~ college  
or university.

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6. Documentation for specialized industry programs ~~that~~ must include:

a. name and contact information of program sponsor,

b. participant's name,

c. title of program,

d. date(s) the program was offered or completed,

e. location of program, if applicable.

- 1 f. type of instruction/delivery method.
- 2 g. number of hours completed, how those hours are computed, and
- 3 h. a statement from the Certificate Holder describing how the course
- 4 maintained and/or improved the Certificate Holder's professional
- 5 competence as a CPA.
- 6 an attestation from the Certificate Holder describing how the course maintained and/or improved
- 7 the Certificate Holder's professional competence as a CPA.

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10 **7.56 HARDSHIP EXCEPTIONS**

11 A Certificate Holder seeking an exception to the CPE requirements must submit

12 a written request justifying the exception and evidence of good cause to the Board. The Board

13 will decide on a case-by-case basis whether good cause has been demonstrated to waive the

14 CPE to make an exception to the CPE requirements.

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1 **7.67 CPE COMMITTEE**

2 A. The Board may appoint a committee that may audit the CPE records of Certificate  
3 Holders to verify compliance with the requirements described in Chapters 6 and 7.

4 B. Upon notice from the Board, a ~~AC~~ Certificate Holder must provide all documentation and  
5 information requested regarding CPE compliance in a manner prescribed by the Board  
6 within 30 days of a ~~the Board's request~~ notice.

7 **7.78 FAILURE TO COMPLY WITH CPE REQUIREMENTS**

8 A. If upon review, the Board, or its designee, finds, ~~after reviewing CPE audit materials~~  
9 ~~submitted by the Certificate Holder,~~ that ~~at~~ the Certificate Holder has failed to comply with  
10 the CPE requirements, the Certificate Holder has 10 days from the date of transmission  
11 of the notice of such finding to:

12 1. provide further evidence that the hours completed meet the CPE requirements  
13 established by these Rules; or

14 2. provide documentation described in Rule 7.5, of having completed additional  
15 CPE hours during the CPE Reporting Period that meet the requirements  
16 established by these Rules.

17 B. If the Board finds that a Certificate Holder failed to comply with the CPE requirements,  
18 the Board may discipline the Certificate Holder and/or include the Certificate Holder in  
19 the CPE audit of a subsequent CPE Reporting Period.

20 **7.89 BOARD APPROVAL OF COLORADO RULES AND REGULATIONS (CR&R)**  
21 **COURSES**

22 A. The Board will not accept or consider courses in CR&R that do not comply with the  
23 content outline set forth in this Rule 7.89.

24 B. For the purposes of CR&R, the following documents may be considered by program  
25 sponsors as instructional materials and not as reference or supplements to the  
26 instructional materials. The use of C.R.S., Board Rules, Board Policies, and legislative  
27 documents by program sponsors will be considered compliant with the Joint Standards  
28 for CR&R.

29 C. CR&R Content Outline:

30 **Course Description:**

31 This course discusses the Colorado Statutes and Rules that pertain to ~~Certified Public~~  
32 ~~Accountants~~ CPAs licensed to practice in the state of Colorado. Students will become  
33 familiar with the Colorado Revised Statutes, the Rules of the State Board of

1 Accountancy, and the Policies adopted by the ~~Colorado State Board of Accountancy~~  
2 currently in effect and how the statutes, rules, and policies pertain to them.

3 **I. Overview of Regulatory Guidance**

- 4 a. General review of Colorado Revised Statutes (as they pertain to  
5 accountancy), ~~State~~ Board of Accountancy Rules, and Policies.  
6 b. Legislative changes affecting the accounting profession, as applicable.

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7 **II. State Board of Accountancy**

- 8 a. Organization and duties of the Board  
9 b. State Board of Accountancy Website (overview)

10 **III. Certified Public Accountant Designation**

- 11 a. Proper use - Holding Out  
12 b. Types of Certificates  
13 c. Status and maintenance of Certificates  
14 i. Licensure – Examination and certification  
15 ii. Continuing profession education  
16 d. Mobility and Practice Privilege and reciprocity

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- 17 e. Peer Review

18 **IV. Professional Conduct**

- 19 a. Unlawful Acts  
20 b. Accountant/Client Privilege  
21 c. Grounds for disciplinary Action

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22 **V. Firms**

- 23 a. Firm Registration  
24 b. Firm Names  
25 c. Peer Review

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27 **\*CR&R courses must include the date of the current version offered/taught.**

1 **CHAPTER 8 - PEER REVIEW REQUIREMENT**

2 **8.1 INTRODUCTION**

3 In the interest of public protection, the Board requires all Certificate Holders and Firms issuing  
4 attest and/or compilation reports to be enrolled in and undergo Peer Review at least once every  
5 three years. Upon Renewal of an Active Certificate or Firm registration, all Certificate Holders  
6 and Firms, except those exempt from Peer Review described in Rule 8.2., must attest to having  
7 Undergone a Peer Review as defined in Rule 8.14. ~~during the previous Renewal period.~~

8 **8.2 EXEMPTION FROM PEER REVIEW**

9 ~~A Certificate Holder or Firm who does not issue attest or compilation reports is exempt~~  
10 ~~from the Peer Review requirements of this Chapter.~~

11 **8.3 APPROVED PEER REVIEW SPONSORING ORGANIZATIONS, PROGRAMS AND**  
12 **PEER REVIEW STANDARDS**

13 A. The Board shall approve Peer Review Sponsoring Organizations, program(s) and  
14 standards and may establish a Peer Review Oversight Committee (PROC) to make  
15 recommendations to the Board for its approval of such organizations, programs, and  
16 Peer Review Standards. The Board adopts the ~~American Institute of Certified Public~~  
17 ~~Accountants (AICPA)~~ as an approved Sponsoring Organization and its Peer Review  
18 Program and other Peer Review Programs administered by entities fully involved in the  
19 administration of the AICPA Peer Review Program. The Board may approve other Peer  
20 Review Sponsoring Organizations and programs.

21 ~~BC.~~ Any Board approved Peer Review Program and any Peer Reviewer performing a Peer  
22 Review under this Chapter 8 must utilize standards for performing and reporting on Peer  
23 Reviews promulgated by a recognized national accountancy organization whose  
24 standards are generally accepted by other regulatory authorities in the United States and  
25 are acceptable to the Board, including, but not limited to, the AICPA Standards for  
26 Performing and Reporting on Peer Reviews~~Rule's~~ effective for Peer Reviews  
27 commencing on or after January 1, 2009. Copyright © 2011, American Institute of  
28 Certified Public Accountants, Inc. incorporated herein by reference. ~~This rule does not~~  
29 ~~include later amendments to or additions of -This Rule does not include later~~  
30 ~~amendments to or editions.~~The AICPA Standards for Performing and Reporting on Peer  
31 Reviews. The AICPA Standards for Performing and Reporting on Peer Reviews is  
32 available for public inspection during regular business hours at the Board's -office at the  
33 ~~Division of Professions and Occupations, Department of Regulatory Agencies, 11560~~  
34 ~~Broadway, Suite 1350, Denver, Colorado, 80202 and at any state publications~~  
35 ~~depository library. For further information regarding how this material can be obtained or~~  
36 ~~examined, contact the Program Director for the Board's Office at 1560 Broadway, Suite~~  
37 ~~1350, Denver, Colorado, 80202 or via email at [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us)~~date.

1 CD. The Board may terminate its approval of a Sponsoring Organization for cause following  
2 notice and opportunity for hearing. For purposes of this paragraph, "cause" includes, but  
3 is not limited to, failure to maintain an ongoing compliance with the requirements of this  
4 Chapter 8. ~~The Board may approve the Peer Review Program and standards of For a~~  
5 ~~Peer Review Program organization, not specifically identified in these regulations as~~  
6 ~~Board-approved, to receive Board approval for its Peer Review Program and standards,~~  
7 ~~the Peer Review Program organization must if the organization -submits evidence to the~~  
8 ~~satisfactory on too~~ the Board that the overall program and standards are at least  
9 equivalent to those of the AICPA Peer Review Program. At a minimum, the evidence  
10 must include the standards, procedures, guidelines, oversight process, training  
11 materials, and related documents used by those administering reviews, performing  
12 reviews, having reviews, and those considering reviews for acceptance. The Board may  
13 request any other documents/information from a Peer Review Program organization that  
14 it determines is appropriate in deciding whether to grant approval.

15 DE. No Certificate Holder or Firm is required to become a member of any Peer Review  
16 Sponsoring Organization.

#### 17 8.4 PEER REVIEWER QUALIFICATIONS AND DUTIES

18 A. A Peer Reviewer must hold an Active or Valid Certificate, license, or Rregistration to  
19 practice public accounting, in good standing, issued by any ~~S~~this state or another U.S.  
20 ~~jurisdiction.~~

21 B. A Peer Reviewer must meet the peer reviewer requirements established in the Board-  
22 approved Peer Review Standards.

23 C. No CPA may act as a Peer Reviewer, or participate in providing Peer Review services, if  
24 the CPA has had Discipline imposed for any reason, other than failure to timely pay a  
25 CPA licensure renewal fee, by any ~~S~~state or ~~F~~federal agency, agency outside the United  
26 States or the PCAOB within 5 years immediately preceding the date on which the CPA is  
27 engaged or otherwise participates in providing to provide a Peer Review. Exceptions to  
28 this Rule 8.4 may be granted at the sole discretion of the Board ~~for good cause.~~

29 D. A Peer Reviewer is subject to all provisions of the Act and the Rules when providing  
30 Peer Review Services.

31 E. A Peer Reviewer must comply with all applicable provisions of the Peer Review  
32 Standards when performing a Peer Review.

33

#### 34 8.5 RETENTION OF DOCUMENTS RELATING TO PEER REVIEWS

1 A. Certificate Holders and Firms subject to Peer Review must maintain all documentation  
2 necessary to establish that all Peer Reviews conformed to Peer Review Standards. The  
3 documentation maintained by the Certificate Holder or Firm must include the following:

- 4 1. Documentation of the Peer Reviewer/Reviewing Firm qualifications;
- 5 2. Copies of all the Peer Review documents described in Rule 8.6;
- 6 3. All correspondence that indicates the Certificate Holder's or Firm's concurrence  
7 or non-concurrence with the results of the Peer Review; and
- 8 4. All proposed remedial actions and all information relevant to those remedial  
9 actions, including the implementation of the remedial actions.

10 B. The documents described in this Rule Paragraph 8.54.A, above must be retained in the  
11 office of by the Certificate Holder or Firm until the completion of the 2 most recent  
12 subsequent Peer Reviews or for a period of five years, whichever is longer later and  
13 must be provided to the Board upon request. If the Certificate Holder or Firm ceases to  
14 practice or merges with another Certificate Holder or firm, the Certificate Holder or  
15 Responsible Party for the Firm must retain all Peer Review documents described in this  
16 Rule 8.5.A. For a period of 5 years, and must be provided to the Board upon request.

## 17 **8.6 SUBMISSION OF PEER REVIEW DOCUMENTS**

18 A. Certificate Holders and Firms required to participate in a Peer Review must submit the  
19 following documents to the Board upon request:

- 20 1. Peer Review Report (accepted by the Sponsoring Organization);
- 21 2. the Certificate Holder's or Firm's letter of response (accepted by the Sponsoring  
22 Organization);
- 23 3. the acceptance letter from the Sponsoring Organization;
- 24 4. letter(s) signed by the Certificate Holder or Firm accepting the documents with  
25 the understanding that the Certificate Holder or Firm agrees to take any actions  
26 required by the Sponsoring Organization; and
- 27 5. letter signed by the Sponsoring Organization notifying the Certificate Holder or  
28 Firm that required actions have been appropriately completed.

29 B. For Peer Reviews scheduled by the Sponsoring Organization on or after July January 1,  
30 2013~~2~~ the Peer Review documents described in this Rule 8.65.A, once accepted, must  
31 be made available by the Sponsoring Organization to the Board via a secure website by  
32 January 1, 2014 or within 30-days of its completion.

33 C. For Peer Reviews scheduled by the Sponsoring Organization on or after July 1,  
34 2012~~2~~ January 1, 2013, if a Sponsoring Organization cannot provide access to the Peer

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1 Review documents described in ~~this Rule 8.65.A~~ via a secure website, the Certificate  
2 Holder or Firm must securely maintain the Peer Review documents ~~for 5 years from the~~  
3 ~~date of the final Peer Review document. The Certificate Holder or Firm must, submit the~~  
4 ~~Peer Review documents as provided described in in Rule 8.55.BA and submit them~~  
5 ~~within 30--days of a Board request.~~

6 D. For Peer Reviews scheduled prior to ~~July 1, 2012~~ January 1, 2013, the Certificate Holder  
7 or Firm must securely maintain the Peer Review documents described in ~~this Rule~~  
8 ~~8.65.A as provided in Rule 8.5.B and submit them within 30-days of a Board request.~~

9 ~~for 5 years from the date of the final Peer Review document. The Certificate Holder or Firm~~  
10 ~~must submit the Peer Review documents described in 8.5.A within 30 days of a~~  
11 ~~Board request.~~

## 13 8.7 EXTENSIONS FOR COMPLETING PEER REVIEWS

14 The Board will accept an extension for completing Peer Reviews granted by Sponsoring  
15 Organizations that ~~does~~ not affect a Renewal Period if the Board is notified by the  
16 Certificate Holder or Firm within 14 days ~~following from~~ the date of the letter from the  
17 Sponsoring Organization granting the extension. Extensions may be granted for the  
18 following reasons:

19 1. ~~health;~~

20 2. ~~military service; or~~

21 3. ~~other good cause clearly outside the control of the reviewed Certificate Holder or~~  
22 ~~Firm.~~

## 23 8.8 BOARD ACTIONS

24 A. The Board may require Sponsoring Organizations to provide a list of CPAs or Firms that  
25 are ~~out of compliance~~ enrolled with the Sponsoring Organizations' ~~Peer Review~~  
26 ~~requirements.~~

27 B. Based upon the Peer Review outcome and after consideration of the documents  
28 described in Rule 8.5, the Board may require remedial actions, including specified CPE  
29 courses that the Certificate Holder or Board-designated Individuals of a Firm must  
30 complete as a condition of Renewal.

31 C. ~~The findings of Peer Review Reports are deemed reasonable grounds for the Board to~~  
32 ~~initiate a complaint and/or investigation under Section 12-2-126, C.R.S.~~

33 ~~The Board may initiate a complaint based on the findings of a Peer Review Report.~~

## 34 8.9 CHANGE OF FIRM REGISTRATION STATUS – PEER REVIEW STATUS

1 In the event a Certificate Holder's or Firm's practice is sold, dissolved or merged with the  
2 practice of another Certificate Holder or Firm, determination of the successor or  
3 predecessor Firm(s) Peer Review year-end(s) and other Peer Review due date(s), if  
4 any, will be made in accordance with the Sponsoring Organization's guidance.

5 **8.10 CONFIDENTIALITY OF PEER REVIEW INFORMATION**

6 Peer Reviewers shall not disclose or use for their own benefit any confidential  
7 information that comes to their attention from Certificate Holders or Firms in carrying out  
8 their responsibilities, except that they may furnish such information in response to a  
9 legally enforceable subpoena.

10 **8.11 PEER REVIEW PROGRAM OVERSIGHT COMMITTEE (PROC)**

11 A. The Board may establish a committee to oversee Sponsoring Organizations'  
12 administration of their Peer Review Programs. The committee may consist of ~~up to not~~  
13 ~~more than 5~~five CPA-members appointed by the Board.

14 B. Members are appointed for terms of 3 years, except that the terms of those first  
15 appointed shall be arranged so that to the extent possible, an equal number of members  
16 will rotate off annually. There is no limit to the number of consecutive terms a member  
17 may serve.

18 C. The committee may fill vacancies occurring during a term for the unexpired term with  
19 members approved by the Board.

20 D. Each member must hold an Active Colorado CPA Certificate or an Active CPA certificate  
21 from ~~another~~ substantially equivalent jurisdiction.

22 E. Each member must have ~~undergone and~~ received a Peer Review Report with a rating of  
23 pass on the most recent Peer Review for himself or his Firm.

24 F. No committee member may be a member of any ~~S~~state board of accountancy or one of  
25 its committees or perform any enforcement-related work for a ~~S~~state board.

26 G. Committee responsibilities may include but are not limited to:

27 1. Recommending to the Board the approval of Sponsoring Organizations, Peer  
28 Review Programs and Peer Review Standards.

29 2. Monitoring and assessing the effectiveness of the Sponsoring Organizations,  
30 Peer Review Programs, and Peer Review Standards.

31 3. Reporting to the Board whether Sponsoring Organizations are administering and  
32 facilitating Peer Review Programs in conformity with Board-approved Peer  
33 Review Standards in all material respects.

1 H. No member of the committee may ~~disclosedivulge~~ information to the Board that would  
2 identify any specific Certificate Holder, Firm, or Peer Reviewer/Reviewing Firm except  
3 ~~information from reviewing documents~~as required to be submitted to the Board in this  
4 Chapter.

## 5 **8.12 PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)**

6 For Certificate Holders or Firms ~~required to be~~ registered with and inspected by the  
7 Public Company Accounting Oversight Board (PCAOB), the Board approves the  
8 PCAOB's inspection process for reviewing practices subject to its authority ~~to the extent~~  
9 ~~that such practices (which~~ are not included in the scope of Peer Review Programs).  
10 Certificate Holders or Firms receiving inspections under the PCAOB must also undergo  
11 a Peer Review under a Board-approved Peer Review Program that covers the portion of  
12 the Certificate Holder's or Firm's practice not subject to the PCAOB inspection process,  
13 should it have such a practice.

## 14 **8.13 — EFFECTIVE DATE**

15 ~~These Peer Review requirements are effective for Certificate Holders upon Renewal of~~  
16 ~~CPA Certificates in 2015 and Firm registrations in 2014. At that time, and for all future~~  
17 ~~Renewals, Certificate Holders and Firms must attest that they have complied with the~~  
18 ~~requirements of this Chapter, if applicable, and either (1) undergone a minimum of one~~  
19 ~~Peer Review within 3 years prior to the Renewal or (2) that they have not issued an attest~~  
20 ~~or compilation report subject to Peer Review.~~

## 21 **8.134 PEER REVIEW REQUIREMENT**

22 A. Any Certificate Holder or Firm subject to Peer Review that is licensed, registered, or  
23 begins performing attest and compilation services after May 31, 2011 must:

- 24 1. enroll in an approved Peer Review Program within 30 days of licensure,  
25 registration, or beginning attest or compilation services;
- 26 2. if the date of licensure, registration, or beginning such services is less than 18  
27 months prior to the Renewal of the Certificate Holder or Firm, the Certificate  
28 Holder or Firm must submit evidence of enrollment in an approved Peer Review  
29 Program with the Renewal application; and
- 30 3. the Certificate Holder or Firm must complete the Peer Review. "Complete" the  
31 peer review means ~~(have the Peer Review documents have been~~ accepted by  
32 the Sponsoring Organization's Report Acceptance Body as defined in the Board-  
33 approved Peer Review Standards) within 18 months ~~following of the report date of~~  
34 the initial engagement performed. Failure to timely complete a Peer Review as  
35 required in this paragraph is grounds for discipline including revocation.

1 B. A Certificate Holder or Firm that has fulfilled the requirements of Rule 8.134.A.4 is  
2 deemed to have Undergone a Peer Review for the purposes of Renewal.

3 **8.14 RENEWAL ATTESTATION**

4 As a condition of renewal, Certificate Holders and Firms must attest that they either (1)  
5 have undergone a Peer Review as defined in 8.13 or (2) that they have not issued an  
6 attest or compilation report subject to Peer Review.

7 **8.15 EFFECTIVE DATE**

8 These Peer Review requirements are effective for Certificate Holders upon Renewal of  
9 CPA Certificates in 2015 and Firm Registrations in 2014.

10

1 CHAPTER 9 - RULES OF PROFESSIONAL CONDUCT

2 9.1 DUTY TO ABIDE BY CODE OF PROFESSIONAL CONDUCT

3 A. The Rules of Professional Conduct are promulgated under the authority granted under  
4 Section ~~by 12-2-104(1)(c), C.R.S. to establish and maintain high standards of~~  
5 Competence and Integrity in the public accounting profession. The Rules of Professional  
6 Conduct apply with equal force to all Licensees, except where the wording of a specific  
7 rule indicates otherwise. As specifically provided in Rule 9.4, these Rules incorporate by  
8 reference additional standards and rules from other entities. All Licensees must comply  
9 with the Board's Rules of Professional Conduct in addition to ~~all these incorporated~~  
10 standards and rules ~~incorporated by reference, which shall be construed as~~  
11 supplemental to these Rules. –In the event that the Rules of the State Board of  
12 Accountancy are more stringent or are inconsistent with an incorporated standard or  
13 rule, the Rules of the State Board of Accountancy govern.

14 B. Board Rules are intended to promote the following professional obligations:

15 1. Serve the public interest – A Licensee must accept the obligation to act in a way  
16 that will serve the public interest, honor the public trust, and demonstrate a  
17 commitment to professionalism.

18 2. Exercise ~~Due Care and Reasoned Professional Judgment – In carrying out their~~  
19 responsibilities, a Licensee must ~~exercisedischarge~~ professional ~~responsibilities~~  
20 with ~~due care and diligence and exercise professional judgment in all their~~  
21 activities.

22 3. Demonstrate Integrity – To maintain ~~and~~ broaden public confidence, a Licensee  
23 must perform all professional responsibilities with the highest sense of honesty.

24 4. Maintain Personal Objectivity – A Licensee must maintain objectivity at all times  
25 when rendering Professional Services. Specifically, a Licensee must:

26 a. Avoid rendering Professional Services where actual or perceived conflicts  
27 of interest exist, unless such conflicts are specifically permitted by Board  
28 Rule or professional standards.

29 b. Be independent in fact and appearance when providing attestation  
30 services.

31 5. Confidentiality – A Certificate Holder has an obligation to maintain and respect  
32 the confidentiality of information obtained in the performance of all professional  
33 duties.

34  
35  
36 C. In sum, a Licensee must exercise due professional care to:

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- 1 1. Comply with federal and ~~S~~state laws and the profession's technical and ethical  
2 standards;
- 3 2. Maintain competence and strive to improve the quality of services; and
- 4 3. Personally discharge professional responsibilities with the highest sense of  
5 integrity, objectivity and ethical commitment.

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7 **9.2 COLORADO SPECIFIC RULES OF PROFESSIONAL CONDUCT**

8 **A. INTEGRITY AND OBJECTIVITY**

- 9 1. A Licensee shall not engage in fraud, deceit or any form of dishonesty in relation  
10 to the Board including but not limited to any response, representation,  
11 application, form or other communication with or to the Board whether oral or  
12 written.
- 13 2. A Licensee shall perform all Professional Services with integrity and objectivity.  
14 A Licensee shall not engage in fraud, deceit, or any form of dishonesty,  
15 knowingly misrepresent facts, or subordinate their judgment to others.
- 16 3. A Licensee shall not market, solicit, or otherwise offer services through any  
17 representation that contains false, misleading or deceptive statements.

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18 **B. CONTINGENT FEE AND COMMISSIONS,**

19 A fee established for the performance of any service pursuant to an arrangement in  
20 which no fee will be charged unless a specific finding or result is attained, or in which the  
21 amount of the fee is otherwise dependent upon the finding or result of such service.  
22 Solely for purposes of these Rules, fees are not regarded as being contingent if fixed by  
23 courts or governmental entities acting in a judicial or regulatory capacity, or in tax  
24 matters if determined based upon the results of judicial proceedings or the findings of  
25 governmental agencies acting in a judicial or regulatory capacity or there is a reasonable  
26 expectation of substantive review by a taxing authority. Any contingent fee must be  
27 disclosed to the Client in writing on or before performing professional services for that  
28 Client.

29 Any commission or other monetary benefit that is, or may be, received from any Person  
30 other than the Client because of the services performed for the Client must be disclosed  
31 in writing on or before performing professional services for that Client or upon receipt if  
32 not known at the time of beginning services.

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34 **CB. ISSUING COPIES OF REPORTS - TAX RETURNS OR OTHER DOCUMENTS**

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1. Upon request and reasonable notice, a Licensee must furnish to a Client or former Client a copy of any report, tax return, or other document issued by the Licensee to or for such Client during the previous 5 years. The Licensee must furnish these copies in a timely manner. Unpaid fees for Professional Services do not constitute justification for withholding copies of these items.

2. The Licensee may charge a Client or former Client for the reasonable cost of providing the copies.

3. ~~“Client” for the purposes of this Rule 9.2. CB, means a person, persons, or entity that agrees with a Licensee to receive any Professional Service and, unless otherwise restricted by contract or law, includes Individuals who are current Owners or that were Owners during for the time period for which addressed the by the reports, tax return, or other document were issued, unless otherwise restricted by contract or law.~~

#### DC. CLIENT RECORDS

1. Client records are:

a. Accounting or other records belonging to the Client that are obtained from or on behalf of the Client, or that are otherwise within a Licensee's possession or control.

b. Licensee's work papers or records that contain data that should properly be reflected in the Client's books and records, including, but not limited to:

i. adjusting, closing, combining, or consolidating journal entries; and

ii. information normally contained in the books of original entry and general ledgers or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers or similar types of depreciation records.

c. Computer files that include Client information normally contained in the books of original entry and general ledgers or subsidiary ledgers.

2. Obligation to retain, return and provide Client records.

a. A Licensee must retain copies of documentation of work performed, including any report, tax return or other document issued by the Licensee, for a period of 5 years. If original Client records or copies of Client records are retained by the Licensee, they must also be retained for a period of ~~5~~five years.

b. A Licensee must return or make available to a Client or designee Client records upon request and reasonable notice from the Client or former

1 Client. If the records cannot be returned or made available to the Client or  
2 designee promptly, the Licensee must immediately notify the Client or  
3 designee of the date the records will be returned or made available. The  
4 Licensee must return these records in a timely manner.

5 c. A Licensee must not retain Client records in an attempt to force payment  
6 of any kind.

7 d. Upon completion of an engagement wherein the Client's records have  
8 been returned to the Client, duplicate records requested by the Client or  
9 former Client must be furnished to the Client upon reasonable notice for a  
10 reasonable charge. Such charge must be set to reflect the reasonable  
11 cost of providing the copies.

12 e. Upon request, a Licensee must provide to the Client or former Client a  
13 copy of any computer files that constitute Client records, without  
14 password protection and with the name of the software used to manage  
15 the accounting information. The Licensee is under no obligation to  
16 provide the Client or former Client with a copy of any computer code,  
17 application program or instructions for the software used to assemble the  
18 data.

19 3. Workpapers belonging to the Licensee.

20 a. A Licensee is not required to furnish to the Client or former Client any  
21 workpapers developed by the Licensee that do not result in changes to  
22 the Client's records or are not in themselves part of the records ordinarily  
23 maintained by a Client.

24 b. Licensee's workpapers are considered to be solely the property of the  
25 Licensee and are not the property of the Client even if developed with the  
26 assistance of the Client. For example, the Licensee may make extensive  
27 analyses of inventory or other accounts as part of the selective audit  
28 procedures. These analyses are considered to be a part of the Licensee's  
29 workpapers, even if Client personnel at the request of the Licensee have  
30 prepared the analyses. Only to the extent these analyses result in  
31 changes to the Client's records would the Licensee be required to furnish  
32 the details from the workpapers in support of the journal entries recording  
33 the changes. The Licensee is not required to furnish such details if ,  
34 unless the journal entries themselves contain all necessary details.

35 4. If an engagement is terminated prior to the completion of work, and the  
36 Licensee's work product has neither been issued nor paid for by the Client, the  
37 work product is solely and exclusively the property of the Licensee.

5. Unless otherwise provided, "timely manner" is presumed to be within ~~forty five~~ (45) business days.

### 9.3 INCORPORATION OF AICPA CODE OF PROFESSIONAL CONDUCT

A. In addition to these Rules of Professional Conduct, the Board adopts and incorporates by reference the AICPA Code of Professional Conduct as described in the *AICPA Professional Standards* effective June 1, 2011~~2~~ as provided in Chapter 1. ~~These Rules does not include amendments to or later additions of the AICPA Code of Professional Conduct as described in the *AICPA Professional Standards* effective June 1, 2011. –All~~ Licensees must comply with the Board's Rules of Professional Conduct and the AICPA Code of Professional Conduct in the performance of Professional Services. When the AICPA Code of Professional Conduct refers to "Member" it is understood that the references apply to Licensees, regardless of whether the Licensee is a member of the AICPA.

B. In the event the Rules of the State Board of Accountancy are more stringent or are inconsistent with the AICPA Code of Professional Conduct, the Rules of the State Board of Accountancy govern.

### 9.4 INCORPORATION OF STANDARDS

A. Licensees must also comply with the requirements of the U.S. GAAS, U.S. GAAP, SEC, PCAOB, IRS, U.S. Government Accountability Office (GAO), Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), the Cost Accounting Standards Board (CASB), the Federal Accounting Standards Advisory Board (FASAB), Federal Office of Management and Budget (OMB) as described in the *AICPA Professional Standards* effective June 1, 2011, ~~or other international, federal or state agencies if such standards are applicable to the Professional Services being performed and such standards are not addressed by or are more stringent than the Board's Rules of Professional Conduct.~~

B. Licensees must ~~also comply with the *AICPA Professional Standards* requirements of and the following other professional standards of the AICPA if such standards are applicable to the Professional Services being performed.~~ ~~These standards include, for example:~~

~~Statements on Auditing Standards and related Auditing Interpretations issued by the AICPA;~~

~~Statements on Standards for Accounting and Review Services and related Accounting and Review Services Interpretations issued by the AICPA;~~

1. ~~of~~ *Statements of Governmental Accounting and Financial Reporting Standards* issued by GASB;

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~~Statements on Standards for Attestation Engagements and related Attestation Engagements Interpretations issued by the AICPA;~~

2. Statements of Financial Accounting Standards and Interpretations, and Staff Positions issued by FASB, together with those Accounting Research Bulletins and Accounting Principles Board Opinions which are not superseded by action of the FASB;

~~Statement on Standards for Consulting Services issued by the AICPA;~~

~~Statements on Quality Control Standards issued by the AICPA;~~

~~Statement on Standards for Tax Services and Interpretations of Statements on Standards for Tax Services issued by the AICPA;~~

~~Statements on Responsibilities in Personal Financial Planning Practice issued by the AICPA;~~

~~Statements on Standards for Litigation Services issued by the AICPA;~~

~~Professional Code of Conduct issued by the AICPA including interpretations and ethics rulings;~~

3. Governmental Auditing Standards issued by the U.S. Governmental Accountability Office;

~~AICPA Industry Audit and Accounting Guides;~~

4. SEC Rules, Concept Releases, Interpretative Releases, and Policy Statements; and

~~Standards issued by the PCAOB; and~~

5. IRS Circular 230.

~~This Rule does not include later amendments to or editions of the Standards listed herein.~~

~~any additional national or international standards recognized by the AICPA, PCAOB, SEC and/or GAO.~~

~~The standards referenced in this Rule 9.4 are included in the AICPA Professional Standards June 1, 2011 edition as incorporated herein by reference in Chapter 1.~~

C. If the professional services are governed by standards not included in Rule 9.4.B Licensees who offer or render professional services in this state or for Clients located in this state must:

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- 1 | 1. Maintain documentation of the justification for the departure from the standards
- 2 | listed in Rule 9.4.B;
- 3 | 2. Determine and document what standards are applicable; and
- 4 | 3. Demonstrate compliance with the applicable standards.
- 5 |



- 1 | A. The name and address of the petitioner, and whether the petitioner is registered or holds  
2 | a ~~Certificate~~certificate issued pursuant to Section 12-2-101, C.R.S. et seq.
- 3 | B. The statute, rule, or order to which the petition relates.
- 4 | C. A concise statement of all of the facts necessary to show the nature of the controversy  
5 | or uncertainty and the manner in which the statute, rule, or order in question applies or  
6 | potentially applies to the petitioner.

7 | **10.5 BOARD RULING PROCEDURES**

8 | If the Board determines that it will rule on the petition, the following procedures shall apply:

- 9 | A. The Board may rule upon the petition based solely upon the facts presented in the  
10 | petition. In such a case:
- 11 | 1. Any ruling of the Board will apply only to the extent of the facts presented in the  
12 | petition and any Board permitted amendment to the petition.
- 13 | 2. The Board may order the petitioner to file a written brief, memorandum, or  
14 | statement of position.
- 15 | 3. The Board may set the petition, upon due notice to the petitioner, for a non-  
16 | evidentiary hearing.
- 17 | 4. The Board may dispose of the petition on the sole basis of the matters set forth in  
18 | the petition.
- 19 | 5. The Board may request the petitioner to submit additional facts, in writing. In  
20 | such event, such additional facts will be considered as a Board permitted~~a~~  
21 | amendment to the petition.
- 22 | 6. The Board may take administrative notice of facts pursuant to the Administrative  
23 | Procedure Act Section 24-4-105(8), C.R.S. and may utilize its experience,  
24 | technical competence, and specialized knowledge in the disposition of the  
25 | petition.
- 26 | 7. If the Board rules upon the petition without a hearing, it shall promptly notify the  
27 | petitioner of its decision.
- 28 | B. The Board may, in its discretion, set the petition for hearing, upon due notice to  
29 | petitioner, for the purpose of obtaining additional facts or information or to determine the  
30 | truth of any facts set forth in the petition, or to hear oral arguments on the petition. The  
31 | notice to the petitioner setting such hearing shall set forth, to the extent known, the  
32 | factual or other matters into which the Board intends to inquire. For the purpose of such  
33 | a hearing, to the extent necessary, the petitioner has~~shall have~~ the burden of proving all  
34 | of the facts stated in the petition, all of the facts necessary to show the nature of the

1 | controversy or uncertainty, and the manner in which the statute, rule, or order in  
2 | question applies or potentially applies to the petitioner, and any other facts the petitioner  
3 | desires the Board to consider.

4 | **10.6 DEFINED PARTIES**

5 | The parties to any proceeding pursuant to this Chapter 10 shall be the Board and the petitioner.  
6 | Any other person may seek leave of the Board to intervene in such a proceeding, and leave to  
7 | intervene will be granted at the sole discretion of the Board. A petition to intervene shall set  
8 | forth the same matters as required by Rule 10.4. Any reference to a "petitioner" in this Chapter  
9 | also refers to any person who has been granted leave to intervene by the Board.

10 | **10.7 DISPOSITION-AGENCY ACTION**

11 | Any declaratory order or other order disposing of a petition pursuant to this Chapter 10 shall  
12 | constitute agency action subject to judicial review pursuant to Section 24-4-108, C.R.S.

13



1 Professional Services he provides are either provided within, or from a  
2 location within, this state.

3 ~~2. Pursuant to Section 12-2-106(5), C.R.S. and notwithstanding any other provision~~  
4 ~~of law, an individual who offers or renders Professional Services, whether in~~  
5 ~~person, or by mail, telephone or electronic means shall be granted Practice~~  
6 ~~Privilege in this jurisdiction. No notice or other submission shall be required of~~  
7 ~~any such individual.~~

8 3. For purposes of this Chapter 11, "valid CPA certificate" means a current  
9 certificate or license allowing an ~~Individual~~ individual to engage in the Practice of  
10 Public Accounting practice of public accounting in that jurisdiction and ~~to hold~~  
11 ~~himself~~ out as a CPA in the ~~jurisdiction~~ State that issued the ~~C~~certificate or  
12 license.

13  
14 B. Firm Practice Privilege requirements registration not required

15 ~~Notwithstanding Pursuant to~~ Section 12-2-117, 121(2)(a), C.R.S., ~~any~~ foreign  
16 partnership, corporation, limited partnership, limited liability limited partnership, or limited  
17 liability company that has a Valid certificate, license, permit or registration to practice  
18 public accountancy issued by another State that satisfies the requirements of Section  
19 12-2-121(2)(a), C.R.S. may engage engaging in the practice of accounting in this state  
20 without registering jurisdiction through a holder of a Practice Privilege shall not be  
21 ~~required to register~~ with the Board, ~~notwithstanding Section 12-2-117, C.R.S.~~

22 C. Contact information required.

23 ~~Every Licensee engaged in~~ Any person authorized to use the practice of accounting in  
24 this state title "certified public accountant" or the abbreviation "CPA" shall provide contact  
25 information to Clients clients ~~as required under pursuant to~~ Section 12-2-115(2), C.R.S.

### 26 11.3 DISCIPLINE FOR HOLDERS OF THE PRACTICE PRIVILEGE

27 A. Practice Privilege Holders.

28 Licensees who hold a Practice Privilege are subject to the jurisdiction of and the  
29 disciplinary action of the Board pursuant to Section 12-2-121(2)(C)(I); therefore, the  
30 ~~Board~~ The Board may revoke, suspend, fine, issue a Letter of Admonition, place on  
31 probation, impose other conditions or limitations, or deny the Practice Privilege to any  
32 Practice Privilege holder for the following grounds:

- 33 1. Fraud, ~~or~~ deceit or dishonesty in qualifying for the Practice Privilege,
- 34 2. Fraud or negligence in the ~~Practice~~ practice of Public Accounting public  
35 accounting in Colorado or any other jurisdiction,

- 1 | 3. Fraud ~~or negligence~~ in the filing of or failure to file ~~a Licensee's~~ own income  
2 | tax returns,
- 3 | 4. Violation of any provision of ~~Article 2 of Title 12, C.R.S. the Act~~ applicable to the  
4 | Practice Privilege, ~~or~~ any final rule ~~or regulation~~ promulgated by the Board  
5 | applicable to the Practice Privilege or of any valid agency order,
- 6 | 5. Violation of ~~the AICPA Code of Professional Conduct or~~ a Rule of Professional  
7 | Conduct promulgated by the Board under the authority granted by ~~Article 2 of~~  
8 | ~~Title 12, C.R.S. the Act,~~
- 9 | 6. Conviction of a felony under the laws of any ~~jurisdiction State~~ or of the United  
10 | States. A plea of guilty or a plea of *nolo contendere* accepted by the court shall  
11 | be considered as a conviction,
- 12 | 7. Conviction of any crime, an element of which is dishonesty or fraud, under the  
13 | laws of any jurisdiction or of the United States. A plea of guilty or a plea of *nolo*  
14 | *contendere* accepted by the court shall be considered as a conviction,
- 15 | 8. ~~Discipline taken against Cancellation, revocation, suspension, limitation of the~~  
16 | ~~Licensee's right to practice, any other form of discipline or refusal to renew~~  
17 | authority to practice as a ~~certified accountant(s) CPA or a public accountant(s)~~  
18 | ~~CPA~~ in any ~~State jurisdiction,~~
- 19 | 9. ~~Discipline taken against the Licensee's Suspension, revocation or any limitation of~~  
20 | ~~the~~ right to practice before any jurisdiction or federal agency ~~or agency outside~~  
21 | ~~the United States or the public company accounting oversight board (PCAOB),~~  
22 | ~~created by the federal "Sarbanes-Oxley Act of 2002", 15 U.S.C. sec 7201 et seq.,~~  
23 | for improper conduct or willful violation of the rules or regulations of such  
24 | ~~jurisdiction State, agency, or federal agency or the PCAOB,~~
- 25 | 10. Providing public accounting services to the public without qualifying for the  
26 | Practice Privilege under Section 12-2-121(2), C.R.S.,
- 27 | 11. Assuming or using the title or designation "certified public  
28 | ~~accountants~~ ~~accountant~~" or the abbreviation "~~CPAs~~ ~~CPA~~," or any other title,  
29 | designation, words, letters, abbreviation, sign, card or device tending to indicate  
30 | that such ~~Person~~ ~~person~~ is a CPA ~~unless such Person~~ holds an  
31 | Active/~~Valid~~ ~~C~~ertificate ~~or registration~~ as a Colorado CPA(s) ~~or Firm~~ or qualifies  
32 | for the Practice Privilege,
- 33 | 12. An act or omission which fails to meet U.S. GAAP or U.S. GAAS.
- 34 | 13. Habitual intemperance with respect to or excessive use of any habit-forming  
35 | drug, any controlled substance as defined in Section 12-22-303 (7), C.R.S. or

1 any alcoholic beverage, any of which renders him unfit to practice public  
2 accounting.

3 14. Failure to retain records of the work performed for each Client in Colorado for a  
4 period of 5 years or as required by law.

5 15. Use of false, misleading, or deceptive advertising or name.

6 B. If a Licensee's Ceertificate, license, permit or registration is limited or subject to any form  
7 of discipline or denial by another jurisdiction, a federal agency or foreign jurisdiction  
8 while the Licensee is exercising the Practice Privilege in Colorado, the Licensee must  
9 notify the Board, in a manner prescribed by the Board, of the limitation or discipline  
10 within 7 business days of the action taken.

11 C. Licensees holding Practice Privilege are subject to the disclosure requirements as  
12 described in Rule 6.64 and 12.7.

#### 13 11.4 FOREIGN INDIVIDUALS

14 A. An Individual who holds a degree, certificate or license in a foreign country to practice  
15 public accounting may practice public accounting in this state without a Certificate issued  
16 under the Act or license issued by another U.S. jurisdiction, provided that:

17  
18 1. The degree, certificate or license is a recognized qualification for the practice of  
19 public accounting in that country and the certificate or license is active and in  
20 good standing;

21 2. The Individual's principal place of business, as defined in Rule 11.2, is not in this  
22 state; and

23 3. The practice is incident to the Individual's regular practice outside this state.  
24 "Incident to" means the Professional Services provided are temporary, minor and  
25 a subordinate component of Professional Services otherwise performed outside  
26 of this state.

27 B. Individuals who practice public accounting under this Rule 11.4 are subject to the  
28 jurisdiction of and disciplinary action by the Board. The Board may deny, revoke,  
29 suspend, or impose other conditions and limitations on the privilege to practice under  
30 this Rule 11.4 (the "Foreign Practice Privilege"), or may fine, issue a Letter of  
31 Admonition, place on probation, or impose other conditions or limitations on an  
32 Individual practicing under the Foreign Practice Privilege for the following causes:

33 1. Fraud, deceit or dishonesty in qualifying for the Foreign Practice Privilege,

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- 1 2. Fraud or negligence in the Practice of Public Accounting in Colorado or any other  
2 jurisdiction,
- 3 3. Fraud or negligence in the filing of or failure to file the Individual's own income  
4 tax returns,
- 5 4. Violation of any provision of the Act or these Rules applicable to the Foreign  
6 Practice Privilege or of any valid agency order,
- 7 5. Violation of the AICPA Code of Professional Conduct or a Rule of Professional  
8 Conduct promulgated by the Board,
- 9 6. Conviction of a felony under the laws of any jurisdiction or of the United States. A  
10 plea of guilty or a plea of *nolo contendere* accepted by the court shall be  
11 considered as a conviction,
- 12 7. Conviction of any crime, an element of which is dishonesty or fraud, under the  
13 laws of any jurisdiction or of the United States. A plea of guilty or a plea of *nolo*  
14 *contendere* accepted by the court shall be considered as a conviction,
- 15 8. Discipline taken against the Individual's authority to practice public accounting in  
16 any jurisdiction,
- 17 9. Discipline taken against the Individual's right to practice before any jurisdiction or  
18 federal agency or any agency outside the United States or the ~~public company~~  
19 ~~accounting oversight board (PCAOB)~~ for improper conduct or willful violation of  
20 the rules or regulations of such jurisdiction, agency, or the PCAOB,
- 21 10. Providing public accounting services to the public without qualifying for the  
22 Foreign Practice Privilege,
- 23 11. Assuming or using the title or designation "certified public accountant" or the  
24 abbreviation "CPA," or any other title, designation, words, letters, abbreviation,  
25 sign, card or device tending to indicate that the Individual is a CPA unless he  
26 holds an Active Certificate, or license, ~~or permit~~ issued by any State.  
27 However, the Individual may use the equivalent title authorized where the  
28 Individual is certified or licensed to practice if he ~~or~~ qualifies for the Foreign  
29 Practice Privilege,
- 30 12. An act or omission that fails to meet U.S. GAAP or U.S. GAAS,
- 31 13. Habitual intemperance with respect to or excessive use of any habit-forming  
32 drug, any controlled substance as defined in Section 12-22-303 (7), C.R.S. or  
33 any alcoholic beverage, any of which renders him unfit to practice public  
34 accounting,

1 14. Failure to retain records of the work performed for each Client in Colorado  
2 for a period of five years or as required by law. —

3 15. Use of false, misleading, or deceptive advertising or name.

4 C. AnB. — If an individual who meets the requirements of Rule 11.4.A is not  
5 required to submit practice as a  
6 CPA is limited or subjected to any notice form of discipline or fee to the Board as a  
7 condition of practicing. But the individual must respond to all Board communications  
8 within 30 days and must submit all information as requested in connection with an  
9 investigation or action initiated under Rule 11.4.B.

10

11

12

1 **CHAPTER 12 – FIRM REQUIREMENTS AND MAINTENANCE**

2 **12.1 FIRM REGISTRATION**

3  
4 A. Any Firm that meets the requirements of Section 12-2-117, C.R.S shall apply for a  
5 registration ~~denial~~ by submitting an application and fee in the manner prescribed by the  
6 Board.

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7  
8 B. Any Firm registered under Section 12-2-117, C.R.S. must comply with all provisions of  
9 the Act and Rules of the ~~State Board of Accountancy~~.

10  
11 C. Except as provided in Section 12-2-121(2), C.R.S., a Firm, including a Firm with a single  
12 Owner, shall not Hold Out ~~a federal agency or foreign jurisdiction while he~~ or engage in  
13 activities for which a Valid registration ~~she~~ is required under Section 12-2-120(6), C.R.S.  
14 in this state until its application for registration has been approved by the Board.

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15  
16 D. Each Registrant must designate a Responsible Party who will be responsible for fulfilling  
17 all notice and reporting requirements under the Act and these Rules regarding the  
18 Registrant.

19 **12.23 CPA FIRM NAMES**

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20  
21 A. The name under which a Firm Holds Out ~~exercising the Practice Privilege in Colorado~~, or  
22 engages in the Practice of Public Accounting must not be misleading.

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23  
24 B. A Registrant may use an assumed ~~if the Firm's certificate, license, permit or trade name~~  
25 when Holding Out as a registered Firm or when offering to perform Professional  
26 Services ~~engage or engaging in any activity for which a Valid registration is required~~  
27 ~~under Section 12-2-120(6), C.R.S.~~ if:

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28  
29 1. The Registrant has filed the assumed or trade name with the Colorado Secretary  
30 of State pursuant to Section 7-71-101, C.R.S;

31  
32 2. The Registrant has provided the assumed or trade name to the Board in a  
33 manner prescribed by the Board;

34  
35 3. The assumed or trade name clearly indicates that the Firm is engaged in  
36 providing accounting services; and

37  
38 4. The assumed or trade name otherwise complies with these Rules.

39  
40 C. A Registrant that is a Network Firm may include the brand name or initials of the  
41 Network if the Firm is a member of a Network.

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42 D. A Firm name is considered misleading if the name:

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43  
44 1. Implies the existence of a corporation by the use of words or abbreviations such  
45 as "Corporation," "Incorporated," "P.C.," "Corp.," or "Inc.," if the Firm is not  
incorporated or is not a professional corporation.

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- 1 2. Of a corporation or professional corporation is not ended by words or  
2 abbreviations such as "Corporation," "Incorporated," "P.C.," "Corp.," or "Inc."
- 3 3. Implies the existence of a partnership by the use of a designation such as "Smith  
4 & Jones," "C.P.A.'s," "Partnership," "Ltd.," "LP," "LLP," or "LLLP" if the Firm is not  
5 such an entity.
- 6 4. Of a partnership is not ended by words or abbreviations permitted pursuant to the  
7 law under which the partnership was organized such as "LP," "LLP," or "LLLP."
- 8 5. Implies the existence of a limited liability company by the use of the abbreviations  
9 such as "Ltd.," "L.L.C.," "LLC" or "LC" if the Firm is not a limited liability company.
- 10 6. Of a limited liability company is not ended by the words "Limited Liability  
11 Company" or the abbreviation "LLC", provided that the word "limited" may be  
12 abbreviated as "Ltd.," and the word "company" may be abbreviated as "Co."
- 13 7. Includes the name of an Owner who has withdrawn from the Firm or otherwise  
14 terminated his association with the Firm other than by retirement or by death.  
15 The name of the former Owner must be removed from the Firm name and the  
16 name change reported to the Board, within 30 days after the withdrawal or  
17 termination.
- 18 8. Implies that the Firm is comprised of more than Individual by the use of terms  
19 such as "& Company," "& Associates," or "Group," if, in addition to the Owner,  
20 the Firm is not comprised of at least one other Owner or Individual employed,  
21 professionally associated, or contractually related on a regular and continuous  
22 basis with the Firm.
- 23 9. Implies that more than one Individual in the Firm is a CPA by the use of terms  
24 such as "CPAs" or "Certified Public Accountants" if no more than one CPA is an  
25 Owner or is employed by, or professionally associated, or contractually related to  
26 the Firm on a regular and continuous basis.
- 27 10. Includes the name of a Pperson who is not a CPA in or subjected to any State or  
28 is not a CPA or its legal equivalent in a foreign country if the title "CPAs" is  
29 included in the Ffirm name.
- 30 11. Indicates or implies an association with Ppersons who are not members of the  
31 Firm, unless the Firm is a Network Firm as dpermitted pursuant efined in Rule  
32 1.2 and the associated Persons are members of the Networkto Chapter 4.
- 33 12. Contains any representation that would likely cause a reasonable person to be  
34 mised or confused about the Firm's legal entity type, e.g., corporation,  
35 partnership or limited liability company, or about the ownership or membership of  
36 the Firm.
- 37
- 38
- 39
- 40

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13. Contains any representation that would likely cause a reasonable person to have a false or unjustified expectation of favorable results or capabilities, through the use of a false or unjustified ~~statement-representation~~ as to any material matter.

14. Claims or implies the ability to influence a regulatory body or official.

15. Includes the name of any Licensee whose license or registration has been revoked or disciplined, ~~whereby-such that~~ the Licensee is prohibited from practicing public accounting or prohibited from using the title CPA or similar designation or Holding Out if the Firm name includes the designation "CPAs" or any other language or device tending to indicate the disciplined CPA or Firm possesses an Active certificate, ~~permit~~, license or registration.

E. A Firm name must not be formulated in such a manner that the initials or parts of the name form a term, phrase, or imply an association that is misleading.

F. All assumed and trade names must be reported to the Board in a manner prescribed by the Board.

G. A Registrant engaged in ~~discipline or denial by another jurisdiction~~, the Practice of Public Accounting may not Hold Out, perform or offer to perform Professional Services using a name that is not stated in its Firm registration.

~~H. A Firm that is part of a Network must comply with the independence provisions of the AICPA Code of Professional Conduct applicable to Network firms~~

~~H1. The following types of Network Firm names are not in and of themselves misleading and are permissible so long as they do not violate the provisions of this Rule 12.2.A and B.~~

1. A Firm name that uses a common brand name, or shares common initials, as part of the Firm name, provided the Firm is a Network Firm as defined in Chapter 1; or

2. A Firm name that uses the Network name if it shares one or more of the characteristics described in Rule 1.2.AB1.

### 12.3 FIRM NOTIFICATIONS

A. A Registrant must ~~Privilege holder shall~~ notify the Board, in a manner prescribed by the Board, ~~within 30 days of any of the following changes to the in the Registrant regarding:~~ ~~of the limitation or discipline by the other jurisdiction within seven business days of the action taken by the other jurisdiction.~~

1. Location or addition/deletion of offices;

2. Dissolution or other termination of the Firm;

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1 3. Legal entity type of the Firm, e.g. partnership, professional corporation, or limited  
2 liability company;

3 4. Name of the Firm registered with the Office of the Secretary of State of Colorado  
4 or equivalent authority if registered in another state;

5 5. Assumed or trade name of the Firm;

6 6. Responsible Party for the Firm; and

7 7. Change in ownership including addition or withdrawal of any partner, principal,  
8 shareholder, member, or equivalent.

9 **12.4. RENEWAL**

10 A. A Registrant must complete the Renewal process according to the schedule established  
11 by the Division of ~~Registrations~~ Professions and Occupations pursuant to Section 24-34-  
12 102, C.R.S.

13 B. Renewal Notices.

14 1. The Board sends notices for Renewal of Firm registrations according to a  
15 schedule established and in a manner prescribed by the ~~Division of Professions~~  
16 and Occupations ~~Division of Registrations~~ pursuant to Section 24-34-102(8),  
17 C.R.S. to the last address furnished to the Board.

18 2. There is a 60 day grace period from the expiration date of the Firm registration  
19 within which to pay the Renewal fee, plus a late fee. A Registrant will not be  
20 disciplined for Holding Out or practicing ~~as public -accounting with s-on-an~~  
21 Expired registration during the grace period.

22 3. Failure to receive a Renewal notice does not relieve the Registrant of the  
23 obligation to ~~pay the Renewal fee and submit a Renew its registration. al~~  
24 ~~application with appropriate supporting documentation.~~

25 4. A Registrant's failure to properly notify the Board of any change of contact  
26 information does not excuse that Registrant of the obligation to respond to Board  
27 communications or to timely renew its registration.

28 C. The Board cannot renew the registration of a Registrant that issues attest or compilation  
29 reports unless it has ~~attested to having~~ Undergone a Peer Review as provided in  
30 Chapter 8.

31 **12.5 GENERAL INFORMATION CONCERNING FIRM REGISTRATIONS**

32 Every certificate of registration, while it remains in the possession of the Registrant, must be  
33 preserved by the Registrant, but the certificate remains the property of the Board. In the event

1 that a Firm's registration is suspended or revoked, its certificate of registration must be promptly  
2 delivered to the Board.

### 5 **12.6 OFFERING SERVICES VIA THE INTERNET**

6 Any ~~Registrant, or~~ Firm located in this state, offering or performing Professional Services via the  
7 internet must include the following information on its website:

8 1. Name of the ~~Registrant or~~ Firm;

9 2. Mailing and physical address of the principal location where the ~~Registrant or~~  
10 Firm offers or provides Professional Services;

11 3. Business telephone number; and,

12 4. Colorado Certificate number of the Responsible Party and Colorado Firm  
13 registration number.

### 14 **12.7 FIRM DISCLOSURES**

15 A. A Registrant must notify the Board in a manner prescribed by the Board within 45 days  
16 of any of the following events relating to the Registrant:

17 1. Imposition of discipline by:

18 a. The ~~U.S. Securities and Exchange Commission (SEC), the Public~~  
19 ~~Company Accounting Oversight Board (PCAOB), or the Internal Revenue~~  
20 ~~Service (IRS).~~

21 b. Another board of accountancy for any cause other than failure to pay a  
22 registration fee by the due date.

23 c. Any other federal or ~~S~~tate agency regarding the Registrant's conduct in  
24 providing Professional Services.

25 d. Any federal or ~~S~~tate taxing, insurance or securities regulatory authority.

26 e. Any non-U.S. authority or credentialing body that regulates the practice of  
27 accountancy for any cause other than failure to pay a registration fee by  
28 the due date.

29 2. Notice of disciplinary charges concerning the practice of accountancy filed by the  
30 SEC, PCAOB, IRS, or another board of accountancy, or a federal or ~~S~~tate

1 agency, or a non-U.S. authority or credentialing body that regulates the practice  
2 of accountancy.

3 3. Initiation of a civil proceeding or an alternative dispute resolution proceeding by a  
4 governmental entity relating to an audit report for a public or non-public company.

5 4. Judgment, settlement or resolution of a civil proceeding or an alternative dispute  
6 resolution proceeding by a governmental entity relating to an audit report for a  
7 public or non-public company.

8 5. Initiation of an administrative proceeding or disciplinary proceeding by any  
9 federal, Sstate, or non-U.S. agency, board, or administrative or registration  
10 authority or any professional association or entity regarding an audit report for a  
11 public or non-public company.

12 6. Decision, judgment, settlement or resolution of an administrative proceeding or  
13 disciplinary proceeding by any federal, Sstate or non-U.S. agency, board, or  
14 administrative or registration authority or any professional association or entity  
15 regarding an audit report for a public or non-public company.

16 7. Any judgment, award or settlement of a civil action or arbitration proceeding of  
17 \$150,000 or more in which the Registrant was a party if the action or proceeding  
18 included any allegation of gross negligence, violation of a specific standard of  
19 practice, fraud, or misappropriation of funds in the Practice of Public Accounting  
20 or during an engagement.

21 8. Occurrence of any matter that must be reported by the Firm to the PCAOB  
22 pursuant to the Sarbanes-Oxley Act of 2002, 15 U.S.C. sec. 7201 et seq., and  
23 PCAOB Rules and forms adopted pursuant thereto.

24 B. The notice to the Board must include the following information regarding the reportable  
25 event:

26 1. If the reportable event is a disciplinary proceeding, alternative dispute resolution  
27 proceeding, administrative proceeding or civil action by any governmental entity  
28 or professional association or entity, the name of the agency, its jurisdiction, the  
29 case name, the docket or proceeding or case number by which it is designated, a  
30 description of the matter or a copy of the document initiating the action or  
31 proceeding and, if the matter has been adjudicated or settled, a copy of the  
32 consent decree, order or decision.

33 2. If the reportable event is a criminal conviction, charge, or plea, the court, its  
34 jurisdiction, the case name, the case number, and a description of the matter or a  
35 copy of the indictment or charges, and, if the responsible Licensee has been  
36 convicted, acquitted, or entered a plea of guilty or *nolo contendere*, a copy of the  
37 judgment of conviction.

- 1 3. If the reportable event concerns a civil action or arbitration proceeding, the court
- 2 or arbiter, the jurisdiction, the case name, the case number, a description of the
- 3 matter or a copy of the complaint, and a copy of the verdict, the court or
- 4 arbitration decision, or, if settled, the court's order of dismissal.
  
- 5 C. The Registrant may submit a written explanatory statement to be included in the Board's
- 6 records.
  
- 7 D. Documents provided to the Board shall be closed to public inspection if federal statute or
- 8 regulation or ~~Se~~tate statute or rule or regulation so provides.
  
- 9 E. This rule shall apply to any reportable event that occurs on or after the Rule's effective
- 10 date.
  
- 11
- 12 \_\_\_\_\_

1 **DEPARTMENT OF REGULATORY AGENCIES**  
2 **Certified Public Accountants**

3 **3 CCR 705-1**

4 **RULES OF THE STATE BOARD OF ACCOUNTANCY**  
5 **EFFECTIVE JANUARY 1, 2013**

6  
7  
8 **CHAPTER 1 - BOARD ORGANIZATION AND ADMINISTRATION**

9 **1.1 ACRONYMS**

10	A.	AICE	Association of International Credential Evaluations.
11	B.	AICPA	American Institute of Certified Public Accountants.
12	C.	CPA	Certified Public Accountant.
13	D.	CPE	Continuing Professional Education.
14	E.	CR&R	Colorado Rules and Regulations. Also see Rule 1.2.
15	F.	CRS	Colorado Revised Statutes.
16	G.	FASB	Financial Accounting Standards Board.
17	H.	GASB	Government Accounting Standards Board.
18	I.	GAAP	Generally accepted accounting principles. Also see 1.2.
19	J.	GAAS	Generally accepted auditing standards. Also see 1.2.
20	K.	IRS	Internal Revenue Service.
21	L.	IQAB	International Qualifications Appraisal Board.
22	M.	MRA	Mutual Recognition Agreement.
23	N.	NACES	National Association of Credential Evaluation Services.
24	O.	NASBA	The National Association of State Boards of Accountancy.
25	P.	NIES	NASBA's International Evaluation Services.
26	Q.	PCAOB	Public Company Accounting Oversight Board.
27	R.	SEC	Securities and Exchange Commission.

1   **1.2    ABBREVIATIONS AND DEFINITIONS**

2   Words and phrases capitalized in these Rules are defined in this Chapter 1. In addition to the  
3   definitions found in Section 12-2-102, the following apply:

4  
5   A.   Act

6           Title 12, Article 2 of the Colorado Revised Statutes (Sections 12-2-101 through 12-2-  
7           132, C.R.S.)

8   B.   Active/Valid

9           The status of a Licensee’s Certificate, license, or Registration, or other authority  
10          allowing the Licensee to assume or use the CPA designation and to perform any service  
11          for which an active certificate of CPA or active or valid registration is required pursuant  
12          to Section 12-2-120(6), C.R.S.

13   C.   AICPA Ethics Examination

14          Pursuant to Sections 12-2-109(1)(a) and 12-2-109(2)(b), C.R.S., the professional ethics  
15          course and examination means *Professional Ethics: AICPA’s Comprehensive Course*, a  
16          course of study concerning the subject of professional ethics and the related  
17          examination prepared and administered by the AICPA.

18   D.   AICPA Code of Professional Conduct

19          The Code of Professional Conduct issued by the AICPA in the “*AICPA Professional*  
20          *Standards*” as of June 1, 2011, and incorporated herein by reference.

21   E.   AICPA Professional Standards

22          The *AICPA Professional Standards* as of June 1, 2011, issued by the AICPA and  
23          incorporated herein by reference.

24   F.   Applicant

25          An applicant is an Individual who submits an application for an initial, Renewal,  
26          Reinstated, Reactivated, Retired, or Inactive Certificate.

27   G.   Baccalaureate Degree

28          A degree conferred by a college or university that demonstrates the recipient has  
29          obtained not less than 120 credit hours of higher education.

30   H.   Candidate

31          An Individual who submits an application to sit for the Examination.

- 1 I. Certificate  
2 A certificate of Certified Public Accountant.
- 3 J. Certificate Holder  
4 An Individual granted a Colorado Certificate pursuant to the requirements in Article 2 of  
5 Title 12, C.R.S.
- 6 K. Client  
7 An Individual or entity that agrees with a Licensee to receive any Professional Service.
- 8 L. CPE  
9 Continuing professional education as required and described in Section 12-2-119,  
10 C.R.S. and Chapter 7 of these Rules.
- 11 M. CPE Reporting Period  
12 A two-year period from January 1 of an even-numbered year through December 31 of an  
13 odd-numbered year during which the Certificate Holder must complete CPE.
- 14 N. CR&R  
15 CPE concerning Sections 12-2-101 through 132 and 13-90-107(1)(f), C.R.S. and the  
16 Rules of the Board as provided in Rule 7.9.C.
- 17 O. Discipline  
18 Any form of punishment against a Firm, an Individual, a certificate, permit, registration,  
19 or other form of practice right or authority, including but not limited to, censure,  
20 reprimand, sanction, probation, civil penalty, fine, consent decree or order, suspension,  
21 revocation, or any modification of, or restriction, condition, or limitation imposed on, a  
22 permit, registration, practice right, or authority.
- 23 P. Ethics CPE  
24 CPE concerning professional ethical behavior in Regulatory Ethics or Behavioral Ethics  
25 as defined by the Fields of Study.
- 26 Q. Examination  
27 The Uniform CPA Examination.
- 28 R. Expired  
29 The status of a Certificate Holder's certificate or Firm's registration following a failure to  
30 renew the certificate or registration by the expiration date.

1 S. Fields of Study

2 **The *NASBA CPE Fields of Study*, published as an addendum to the Joint**  
3 **Standards published January 2012 and incorporated herein by reference.**

4 T. Financial Statements

5 Statements and related disclosures that purport to show an actual or anticipated  
6 financial position that relates to a point in time, or results of operations, cash flow, or  
7 changes in financial position that relate to a period of time, on the basis of U.S. GAAP or  
8 another comprehensive basis of accounting. The term includes specific elements,  
9 accounts, or items of such statements but does not include incidental financial data  
10 included in management advisory services reports to support recommendations to a  
11 Client, nor does it include tax returns and supporting schedules.

12 U. Firm

13 A business entity composed of one or more CPAs engaged in the Practice of Public  
14 Accounting as a domestic or foreign partnership, professional corporation, or limited  
15 liability company; “partnership” means any form of partnership, including a registered  
16 limited partnership, limited liability partnership, and limited liability limited partnership.

17 V. He, His, Him

18 Masculine pronouns when used also include the feminine.

19 W. Holding Out

20 Any activity by an Individual or entity that informs or implies or tends to indicate to others  
21 an Active/Valid status as a CPA or Firm. This includes, but is not limited to, any oral or  
22 written representation, such as business cards or letterhead, resumes, biographies, the  
23 display of a certificate evidencing a CPA designation, or the listing as a CPA or Firm in  
24 directories or on the Internet. “Activity” includes any continuing representation caused by  
25 or used by an Individual or entity, including but not limited to, any oral or written  
26 representation, such as signage, directories, or the Internet.

27 X. Inactive

28 The status of a Certificate upon transfer of that Certificate to the inactive list.

29 Y. Individual

30 A natural person.

31 Z. Joint Standards

32 The *Joint AICPA/NASBA Statement on Standards for Continuing Professional Education*  
33 *(CPE) Programs* jointly issued by the AICPA and NASBA published January 2012.

1 AA. Licensee

2 An Individual or Firm authorized to Hold Out, offer and provide services as a CPA(s),  
3 either as a Certificate Holder or through Mobility, under the Act.

4 AB. Network

5 An association of two or more entities that includes at least one CPA firm that:

6  
7 1. Cooperates pursuant to an agreement for the purpose of enhancing the association  
8 members' capabilities to provide Professional Services, and;  
9

10 2. Shares one or more of the following characteristics:

- 11 a. Shares the use of a common brand name or shares common initials as  
12 part of the firm name;
- 13 b. Shares common control among the members through ownership,  
14 management, or other means;
- 15 c. Shares profits or costs, excluding costs of operating the association,  
16 costs of developing audit methodologies, manuals, training courses, and  
17 other costs immaterial to the members;
- 18 d. Shares a common business strategy that involves ongoing collaboration  
19 among the members whereby the members are responsible for  
20 implementing the association's strategy and are held accountable for  
21 performance pursuant to that strategy;
- 22 e. Shares a significant part of professional resources, including but not  
23 limited to: common systems that enable members to exchange  
24 information, such as Client data, billing, and time records; partners and  
25 staff; technical departments to consult on technical or industry specific  
26 issues, transactions, or events for assurance engagements; audit  
27 methodology or audit manuals; or training courses and facilities;
- 28 f. Members are required to follow common quality control policies and  
29 procedures, and compliance is monitored by the association.

30  
31 AC. Network Firm

32  
33 A Firm that is a member of a Network.  
34

35 AD. Owner

36 A shareholder of a corporation, a member of a limited liability company, a partner of a  
37 partnership, or any other Person having an interest in any entity that is functionally  
38 equivalent to an owner's interest.

39 AE. Peer Review Oversight Committee

40 A committee established by the Board to oversee the Peer Review requirement.  
41

- 1 AF. Peer Review
- 2 The study, appraisal, or review of the professional accounting work of a Certificate  
3 Holder or Registrant that issues attest or compilation reports by an unaffiliated Licensee.
- 4 AG. Peer Review Program
- 5 A Sponsoring Organization's entire Peer Review process, including, but not limited to,  
6 the standards for administering, performing, and reporting on Peer Reviews, oversight  
7 procedures, training, and related guidance materials.
- 8 AH. Peer Review Reports
- 9 Reports issued by the Peer Reviewer/Reviewing Firm in accordance with the Board-  
10 approved Peer Review Standards.
- 11 AI. Peer Review Standards
- 12 Board-approved professional standards for administering, performing, and reporting on  
13 Peer Reviews.
- 14 AJ. Peer Reviewer/Reviewing Firm
- 15 A Licensee responsible for conducting a Peer Review.
- 16 AK. Person
- 17 Includes Individuals, any form of partnership, professional corporations, and limited  
18 liability companies.
- 19 AL. Practice of Public Accounting
- 20 Performing for a Client or offering to perform for a Client or potential Client, one or more  
21 kinds, or any combination of services involving the use of accounting or attestation skills,  
22 including but not limited to: issuance of reports on financial statements, or of one or  
23 more types of management advisory or consulting services, or the preparation of tax  
24 returns, or the furnishing of tax advice.
- 25 AM. Practice Privilege/Mobility
- 26 The privilege for a CPA or Firm to practice public accounting in this state pursuant to  
27 Section 12-2-121(2), C.R.S. and Chapter 11.
- 28 AN. Professional Services
- 29 Any service performed or offered to be performed by a Licensee while Holding Out.
- 30

- 1 AO. Reactivation
- 2 The process by which an Inactive or Retired status Certificate is returned to Active  
3 status.
- 4 AP. Registrant
- 5 A Firm that has been granted registration pursuant to the Act.
- 6 AQ. Reinstatement
- 7 The process by which a Certificate that has Expired is returned to Active, Inactive, or  
8 Retired status or by which a Firm registration that has Expired is returned to Active  
9 status.
- 10 AR. Renewal
- 11 The process to retain a Certificate in Active, Inactive, or Retired status, and to retain a  
12 Firm registration in Active/Valid status in accordance with a schedule established by the  
13 Division of Professions and Occupations.
- 14 AS. Report Acceptance Body
- 15 A Sponsoring Organization's committee responsible for the acceptance of Peer Review  
16 documents.
- 17 AT. Responsible Party
- 18 Firm partner, shareholder, or member designated to notify the Board of changes to the  
19 Firm pursuant to Section 12-2-117(2)(a)(III), C.R.S.
- 20 AU. Retired
- 21 The status of a Certificate following the Board's approval of a Certificate Holder's  
22 application to transfer the Certificate status to Retired.
- 23 AV. Sponsoring Organization
- 24 A Board-approved professional society or other organization responsible for the  
25 facilitation and administration of Peer Reviews through use of its Peer Review Program  
26 and Peer Review Standards.
- 27 AW. Substantial Equivalency
- 28 A determination by the Board or its designee that the education, examination, and  
29 experience requirements contained in the statutes and administrative rules of another  
30 jurisdiction are comparable to, or exceed the education, examination, and experience  
31 requirements contained in the *AICPA/NASBA Uniform Accountancy Act (UAA)* or that an

1 Individual CPA's education, examination, and experience qualifications are comparable  
2 to or exceed the requirements contained in the UAA.

3 **AX. Upper-Division**

4 Coursework acceptable for transfer at the junior or above level by a baccalaureate,  
5 masters, or doctorate-granting institution. On and after July 1, 2015, Upper-Division  
6 means coursework delivered by a baccalaureate, masters or doctorate-granting  
7 institution that is acceptable for transfer at the junior or above level by another  
8 baccalaureate, masters or doctorate-granting institution.

9  
10 **AY. U.S. GAAP**

11 Generally accepted accounting principles issued by the FASB and the GASB described  
12 in the "*AICPA Professional Standards*" as of June 1, 2011, and incorporated herein by  
13 reference. This Rule does not include later amendments to or editions of the AICPA  
14 Professional Standards. Copies of the AICPA Professional Standards as of June 1,  
15 2011 edition are available for public inspection during regular business hours at the  
16 Board's office at 1560 Broadway, Suite 1350, Denver, Colorado, 80202 and at any state  
17 publications depository library. For further information regarding how this material can  
18 be obtained or examined, contact the Board's Office at 1560 Broadway, Suite 1350,  
19 Denver, Colorado, 80202 or via email at [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us).

20 **AZ. U.S. GAAS**

21 Generally accepted auditing standards issued by the AICPA and Government Auditing  
22 Standards issued by the United States General Accounting Office as described in the  
23 "*AICPA Professional Standards*" as of June 1, 2011, and incorporated herein by  
24 reference. This Rule does not include later amendments to or editions of the AICPA  
25 Professional Standards. Copies of the AICPA Professional Standards as of June 1,  
26 2011 edition are available for public inspection during regular business hours at the  
27 office at the Division of Professions and Occupations, Department of Regulatory  
28 Agencies, 1560 Broadway, Suite 1350, Denver, Colorado, 80202 and at any state  
29 publications depository library. For further information regarding how this material can  
30 be obtained or examined, contact the Program Director for the Board at 1560 Broadway,  
31 Suite 1350, Denver, Colorado, 80202 or via email at [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us).

32 **1.3 INCORPORATION BY REFERENCE**

33 These Rules do not include later amendments to or editions of the materials  
34 incorporated by reference in this Rule 1.3. Copies of these materials are available for  
35 public inspection during regular business hours at the Board's Office at 1560 Broadway,  
36 Suite 1350, Denver, Colorado, 80202 and at the Colorado State Publications Library or  
37 at the specific websites provided below. For information on obtaining or examining

1 these materials, contact the Board's Office at 1560 Broadway, Suite 1350, Denver,  
2 Colorado, 80202 or via email [accountancy@dora.state.co.us](mailto:accountancy@dora.state.co.us).

3 A. *AICPA Code of Professional Conduct*

4 The Code of Professional Conduct issued by the AICPA in the "*AICPA Professional*  
5 *Standards*" as of June 1, 2011, and incorporated herein by reference. These materials  
6 may also be obtained at [AICPA.org](http://AICPA.org).

7 B. *AICPA Professional Standards*

8 The *AICPA Professional Standards* as of June 1, 2011, issued by the AICPA and  
9 incorporated herein by reference. These materials may also be obtained at [AICPA.org](http://AICPA.org).

10 C. *Fields of Study*

11 The *NASBA CPE Fields of Study*, published as an addendum to the Joint Standards  
12 published January 2012 and incorporated herein by reference. Copies of the NASBA  
13 CPE Fields of Study may be inspected in the Board's Office during regular business  
14 hours or on the Board's website at [www.dora.state.co.us/Accountants](http://www.dora.state.co.us/Accountants) or at  
15 [www.learningmarket.org/files/subject\\_areas\\_fieldsofstudy\\_redesigned\\_2012.pdf](http://www.learningmarket.org/files/subject_areas_fieldsofstudy_redesigned_2012.pdf).

16 D. *Joint Standards*

17 The *Joint AICPA/NASBA Statement on Standards for Continuing Professional Education*  
18 *(CPE) Programs* jointly issued by the AICPA and NASBA published January 2012, and  
19 incorporated herein by reference. Copies of the Joint Standards may be inspected in the  
20 Board's Office during regular business hours or on the Board's website at  
21 [www.dora.state.co.us/Accountants](http://www.dora.state.co.us/Accountants) or at [www.learningmarket.org](http://www.learningmarket.org).

22 E. *Statements of Governmental Accounting Standards*

23 The statements of Governmental accounting standards issued June, 2012 and available  
24 at [www.gasb.org/store](http://www.gasb.org/store).

25 F. *FASB Accounting Standards Codification*

26 The FASB Accounting Standards Codification issued as of October 31, 2011 and  
27 available at [www.fasb.org/store](http://www.fasb.org/store).

28 G. *Governmental Auditing Standards, December 2011 Revision*

29 The Governmental Auditing Standards, December 2011 Revision are available at  
30 [www.gao.gov/yellowbook](http://www.gao.gov/yellowbook) issued by the U.S. Governmental Accountability Office

31 H. *Securities and Exchange Commission*

1. *SEC Final Rules*, Release 33-9353, August 30, 2012, and earlier Releases, available at [www.sec.gov/rules/final.shtml](http://www.sec.gov/rules/final.shtml)
2. *SEC Concept Releases*, Release IC-29779, August 31, 2011, and earlier Releases, available [www.sec.gov/rules/concept.shtml](http://www.sec.gov/rules/concept.shtml)
3. *SEC Interpretative Releases*, Release 34-67448, July 17, 2012, and earlier Releases, available [www.sec.gov/rules/interp.shtml](http://www.sec.gov/rules/interp.shtml)
4. SEC Policy Statements, Release 34-67177, June 11, 2012, and earlier Releases, available [www.sec.gov/rules/policy.shtml](http://www.sec.gov/rules/policy.shtml)

I. Circular 230 Tax Professionals – (Rev.8-2011)

Circular 230, Catalog Number 16586R, published June 30, 2011, is available at [www.irs.gov/Tax-Professionals/Circular-230-Tax-Professionals](http://www.irs.gov/Tax-Professionals/Circular-230-Tax-Professionals).

J. Part 9904 - Cost Accounting Standards

The standards of the Cost Accounting Standards Board (CASB) codified in Title 48, Chapter 99: Federal Acquisition Regulations System at Part 9904 – Cost Accounting Standards, as amended July 25, 2012, available at [www.whitehouse.gov/omb/procurement\\_casb/](http://www.whitehouse.gov/omb/procurement_casb/).

K. The FASAB Handbook of Accounting Standards and Other Pronouncements, As Amended

The FASAB handbook, as of June 30, 2011, is available at [www.fasab.gov/pdf/2011\\_fasab\\_handbook.pdf](http://www.fasab.gov/pdf/2011_fasab_handbook.pdf).

**1.4 MEETINGS**

- A. Meetings of the Board shall be held at intervals necessary to transact business or upon the call of the chair or request by a majority of the members.
- B. The chair shall preside at all meetings and shall perform such other duties as the Board may direct. In the absence or inability of the chair to act, the vice-chair will preside over the meeting. In the absence or inability of the vice-chair to act, a majority of the members attending a duly called meeting shall appoint a member to preside.
- C. The Board shall follow *Robert's Rules of Order Newly Revised*, to the extent that the rules do not conflict with state or federal statutes or rules, in the conduct of its business.
- D. Except as otherwise provided by law, all regular meetings of the Board are open to the public, who may, at the discretion of the Board, participate in any one of the following ways: (1) by requesting in writing to the Board that they be included on the agenda; (2) by written invitation of the Board; (3) by verbal invitation of the Board to members of the audience at a Board meeting. The Board may limit participation by the public, and the

1           presiding officer may remove from the meeting any person who is disruptive, abusive, or  
2           disorderly.

3   **1.5    CONFERRING WITH BOARD MEMBERS**

4           In the event any person contacts a Board member regarding any matter applicable to the  
5           Act, or these Rules, any expression of opinion by that Board member is exclusively his  
6           opinion and in no way commits the Board. All requests for the Board to consider an  
7           issue must be directed to the Board's Program Director.

8   **1.6    COMMITTEES**

9   **The Board may appoint such committees as it deems necessary to effectively administer,**  
10 **implement and carry out the provisions of the Colorado Accountancy Act and these**  
11 **Rules. Committees may include members of the public. Board committees will be**  
12 **guided and assisted administratively by Division of Professions and Occupations staff.**  
13 **The action of a committee will be deemed the action of the Board only when that action is**  
14 **adopted and ratified by the Board.**

15

1       **CHAPTER 2 - EDUCATION REQUIREMENTS FOR EXAMINATION AND CERTIFICATION**

2       **2.1       GENERAL INFORMATION**

- 3       A.       Conversion of quarter hours to semester hours. For purposes of these Rules, 3 quarter  
4       hours shall be equivalent to 2 semester hours unless otherwise specified.
- 5       B.       Transcripts. The Applicant's claim to college or university credits for eligibility for  
6       Examination and certification must be confirmed by an official transcript of credit  
7       forwarded by the institution to the Board's office or its designee. However, the Board  
8       may accept an official transcript from the Applicant if the transcript is provided in an  
9       official envelope sealed by the granting institution.
- 10      C.       On and after July 1, 2015, the Board cannot issue a Certificate to an Applicant who has  
11      not satisfied the requirements of Rule 2.5. Any application for certification pending on  
12      and after July 1, 2015 that does not satisfy the requirements of Rule.2.5 will be  
13      considered incomplete.
- 14      D.       Any application that is not complete within one year of the receipt date will expire and be  
15      destroyed. The Applicant must submit a new application along with all required  
16      information and fees.
- 17      E.       The Board or its designee will not consider or review an incomplete application.

18      **2.2       COLLEGE OR UNIVERSITY ACCREDITATION**

- 19      A.       A college or university is deemed an "accredited college or university" under Sections  
20      12-2-109(1)(b) and 12-2-109(2)(a), C.R.S., if the college or university is accredited by  
21      one of the six accrediting agencies or its successor agency as follows: Middle States  
22      Association of Colleges and Schools, North Central Association of Colleges and  
23      Schools, New England Association of Schools and Colleges, Northwest Association of  
24      Schools and Colleges, Southern Association of Colleges and Schools, and Western  
25      Association of Schools and Colleges. "Accredited College" means a college or university  
26      deemed accredited under this Rule 2.2.A.
- 27      B.       The Board may deem a Baccalaureate Degree obtained from a non-accredited college  
28      or university as conferred by an Accredited College if the Applicant demonstrates that  
29      the degree would be unconditionally accepted into a graduate program at an Accredited  
30      College.
- 31      C.       Except as otherwise provided in paragraph D of this Rule 2.2, the Board may deem  
32      coursework obtained from a non-accredited college or university as obtained from an  
33      Accredited College if the Applicant demonstrates that the coursework would be accepted  
34      for credit at an Accredited College.
- 35      D.       On and after July 1, 2015, the Board may deem Upper-Division coursework obtained  
36      from a non-accredited college or university as obtained from an Accredited College only

1 if: (1) the non-accredited college or university offers a Baccalaureate Degree or higher  
2 degree, or the coursework is obtained from a community college with an accounting  
3 certificate program approved by the Board; and (2) the Applicant demonstrates that the  
4 coursework would be accepted for credit at an Accredited College.

5 E. The Board may require that an Applicant submit his transcript to a generally recognized  
6 academic credential evaluation service for assistance in evaluating whether:

7 1. A degree would be unconditionally accepted into a graduate program at an  
8 Accredited College;

9 2. Coursework obtained from a non-accredited college or university would be  
10 accepted for credit at an Accredited College;

11 3. An accounting program satisfies the requirements for program approval under  
12 Section 12-2-112, C.R.S.;

13 4. Coursework is, or is equivalent to, a concentration in accounting; and

14 5. A degree conferred by a non-accredited college or university meets the definition  
15 of Baccalaureate Degree.

16 F. The Board will not accept an evaluation described in paragraph E of this Rule 2.2 unless  
17 it is prepared by NIES or an evaluation service that is a member of NACES, or AICE, or  
18 another organization approved by the Board.

19 G. On and after July 1, 2015, the Board may deem coursework obtained from a community  
20 college with an accounting certificate program approved by the board as obtained from  
21 an accredited college if the applicant had a Baccalaureate Degree from an accredited  
22 college prior to obtaining that coursework.

### 23 **2.3 APPROVED ACCOUNTING PROGRAM**

24 A. An accounting program at an Accredited College is deemed approved by the Board.

25 B. The Board may deem an accounting program at a non-accredited college or university  
26 as approved for the purposes of a specific application if:

27 1. The Applicant demonstrates that an Accredited College would accept coursework  
28 or a degree obtained from the non-accredited college or university for credit or into  
29 a graduate program; and

30 2. On or after July 1, 2015, only if the non-accredited college or university offers a  
31 Baccalaureate Degree or higher degree, and the Applicant demonstrates that an  
32 Accredited College would accept coursework or a degree obtained from the non-  
33 accredited college or university for credit or into a graduate program.

1 C. An accounting certificate program at a community college is deemed approved if it has  
2 been awarded the designation of Qualifying Educational Credit for CPA Examination by  
3 the Board.

4 **2.4 EDUCATION REQUIREMENTS FOR EXAMINATION ON AND AFTER JULY 1, 2015**

5 A person who has a Baccalaureate Degree or higher degree deemed conferred by an  
6 Accredited College and who has fulfilled the requirements described in this Rule 2.4 has met the  
7 education requirements necessary to sit for the Examination on and after July 1, 2015.

8 A. An Applicant must have completed at least 27 semester hours of accounting coursework  
9 with course grades of C or greater. The transcripts must indicate an accounting program  
10 code or the Applicant must otherwise demonstrate that the coursework was in  
11 accounting. The 27 semester hours must include the following:

12 1. 21 semester hours of Upper-Division coursework in accounting addressing  
13 subject areas such as:

- 14 ○ Accounting Ethics
- 15 ○ Accounting Information Systems
- 16 ○ Accounting Research and Analysis
- 17 ○ Accounting Theory
- 18 ○ Financial Accounting and Reporting of Business Organizations
- 19 ○ Financial Accounting and Reporting for Government and Not-for-Profit
- 20 ○ Entities
- 21 ○ Financial Statement Analysis
- 22 ○ Fraud Examination
- 23 ○ Internal Controls and Risk Assessment
- 24 ○ Managerial or Cost Accounting
- 25 ○ Taxation
- 26 ○ Tax Research and Analysis
- 27 ○ Other areas as approved by the Board

28  
29 2. The 21 semester hours must include a 3 semester hour (4 quarter hours), or  
30 more, Upper-Division course concentrating on U.S. GAAS.

31  
32 B. An Applicant must successfully complete at least 21 semester hours of coursework in  
33 business administration that addresses subject areas such as:

- 34 ○ Behavior of Organizations, Groups, and Persons
- 35 ○ Business Communications
- 36 ○ Business Ethics
- 37 ○ Business Law
- 38 ○ Computer Information Systems
- 39 ○ Economics
- 40 ○ Finance
- 41 ○ Legal and Social Environment of Business
- 42 ○ Management

- 1           ○ Marketing
- 2           ○ Quantitative Applications in Business
- 3           ○ Statistics
- 4           ○ Other areas as approved by the Board

5           1.       Of the 21 semester hours, no more than 6 semester hours (8 quarter hours) can  
6           be in any single subject area. But semester hours in excess of the 6-hour  
7           maximum may count toward the total 120 semester hour requirement.

8           2.       Of the 21 semester hours, at least 15 semester hours must be in Upper-Division  
9           coursework.

10       C.       The Upper-Division courses must be taken at a college or university that offers a  
11       Baccalaureate Degree or higher degree or a community college with an accounting  
12       certificate program approved by the Board, and all coursework required by this Rule 2.4  
13       must be taken at or be acceptable for transfer by an Accredited College.

14       D.       The coursework required under this Rule 2.4 may be obtained at a community college  
15       that has been awarded the designation of Qualifying Educational Credit for CPA  
16       Examination by the Board.

17       **2.5       EDUCATION REQUIREMENTS FOR CERTIFICATION ON AND AFTER JULY 1, 2015**

18       An Individual who has a Baccalaureate Degree or higher degree deemed conferred by an  
19       Accredited College and who has fulfilled the requirements described in this Rule 2.5 has met the  
20       education requirements necessary for certification on and after July 1, 2015.

21       A.       An Applicant must have successfully completed a total of 150 semester hours of non-  
22       duplicative coursework.

23       B.       The Applicant must have completed at least 33 semester hours of accounting  
24       coursework with course grades of C or higher. All courses must be designated by an  
25       accounting program code or the Applicant must otherwise demonstrate that the  
26       coursework was in accounting. The 33 semester hours must include the following:

27           1.       27 semester hours of Upper-Division coursework in accounting as described in  
28           Rule 2.4.A.1;

29           2.       A total of 6 semester hours of auditing, which must include a 3 semester hour (4  
30           quarter hours), or more, Upper-Division course concentrating on U.S.GAAS. The  
31           remaining semester hours may be in advanced auditing or a subset of basic  
32           auditing such as fraud or information technology auditing; and

33           3.       A 3 semester hour (4 quarter hours), or more, course concentrating on  
34           accounting ethics.

- 1 C. The Applicant must have successfully completed at least 27 semester hours of  
 2 coursework in business administration, which must include:
- 3 1. At least 21 semester hours of Upper-Division coursework as described in 2.4.B.;  
 4 and
- 5 a. At least 3 (4 quarter hours) of the 21 semester hours must be in Upper-  
 6 Division business, technical, or accounting communications.
- 7 2. Of the 27 semester hours, no more than 9 semester hours can be in any single  
 8 subject area. But semester hours in excess of the 9-hour maximum may count  
 9 toward the total 150 semester hour requirement.
- 10 D. The Upper Division courses must be taken at a college or university that offers a  
 11 Baccalaureate Degree or higher degree or a community college with an accounting  
 12 certificate program approved by the Board, and all coursework required by this Rule 2.5  
 13 must be taken at or be acceptable for transfer by an Accredited College.

14  
 15 **Summary of Rules 2.4 and 2.5**

16 **Minimum Education Requirements for Examination and Certification**

17 **On and After July 1, 2015\***

	Degree	Upper Division Hours		Total Hours	
		Accounting	Business	Accounting	Business
<b>For Examination</b>	Baccalaureate Degree	21 Semester Hours	15 Semester Hours	27 Semester Hours	21 Semester Hours
<b>For Licensure</b>	Baccalaureate Degree + 30 Semester Hours	27 Semester Hours	21 Semester Hours	33 Semester Hours	27 Semester Hours

18

19 **\*ATTENTION:** On and after July 1, 2015, the Board cannot issue a Certificate to an Applicant  
 20 who has not satisfied the requirements of Rule 2.5 regardless of the date on which the  
 21 application was received by the Board or its designee.

1 E. The coursework required under this Rule 2.5 may be obtained at a community college  
2 that has been awarded the designation of Qualifying Educational Credit for Examination.

3 **2.6 EDUCATION REQUIREMENTS FOR EXAMINATION AND CERTIFICATION ON OR**  
4 **BEFORE JUNE 30, 2015**

5 **(This Rule 2.6 is deemed repealed as of July 1, 2015)**

6 An Individual who has a Baccalaureate Degree or higher degree deemed conferred by an  
7 Accredited College and who has fulfilled the requirements described in this Rule 2.6 has met the  
8 education requirements necessary to sit for the Examination and certification as a CPA through  
9 June 30, 2015.

10 A. An Applicant must have completed at least 27 semester hours of accounting  
11 coursework. The transcripts must indicate an accounting program code or the Applicant  
12 must otherwise demonstrate that the coursework was in accounting. The 27 semester  
13 hours must include the following:

14 1. 21 semester hours of coursework in specialized accounting courses addressing  
15 subject areas such as:

- 16
- 17 ○ Accounting Ethics
- 18 ○ Accounting Information Systems
- 19 ○ Accounting Research and Analysis
- 20 ○ Accounting Theory
- 21 ○ Financial Accounting and Reporting of Business Organizations
- 22 ○ Financial Accounting and Reporting for Government and Not-for-Profit
- 23 Entities
- 24 ○ Financial Statement Analysis
- 25 ○ Fraud Examination
- 26 ○ Internal Controls and Risk Assessment
- 27 ○ Managerial or Cost Accounting
- 28 ○ Taxation
- 29 ○ Tax Research and Analysis
- 30 ○ Other areas as approved by the Board

31

32 2. The 21 semester hours must include a 3 semester hour (4 quarter hours), or  
33 more, course concentrating on U.S. GAAS.

34 B. An Applicant must successfully complete at least 21 semester hours of coursework in  
35 business administration that addresses subject areas such as:

- 36 ○ Behavior of Organizations, Groups, and Persons
- 37 ○ Business Communications
- 38 ○ Business Ethics
- 39 ○ Business Law
- 40 ○ Computer Information Systems
- 41 ○ Economics

- 1           ○ Finance
- 2           ○ Legal and Social Environment of Business
- 3           ○ Management
- 4           ○ Marketing
- 5           ○ Quantitative Applications in Business
- 6           ○ Statistics
- 7           ○ Other areas as approved by the Board

8

9           1.       Of the 21 semester hours, no more than 6 semester hours (8 quarter hours) can

10                   be in any single subject area. But semester hours in excess of the 6-hour

11                   maximum may count toward the total 120 semester hour requirement.

12

13       C.       The courses required in this Rule 2.6 must be taken at or acceptable for transfer by an

14                   Accredited College.

15       **2.7       EDUCATION IN LIEU OF EXPERIENCE UNDER SECTION 12-2-109(1)(b)(II), C.R.S.**

16                   **(Expires on June 30, 2015)**

17       **(This Rule 2.7 is deemed repealed as of July 1, 2015.)**

18       A person who has a Baccalaureate Degree or higher degree deemed conferred by an

19       Accredited College and who has fulfilled the requirements described in this Rule 2.7 has met the

20       education requirements necessary to sit for the Examination and to be issued a Certificate

21       through education in lieu of experience until July 1, 2015.\*

22       On and after July 1, 2015, an Applicant who has filed an application under this Rule 2.7 who has

23       not been issued a Certificate must fulfill the requirements under Rules 2.4 and 2.5 before a

24       Certificate can be issued regardless of the date the application was received by the Board or its

25       designee.

26       \*ATTENTION: On and after July 1, 2015, no certificate can be issued to any person unless the

27       person has satisfied the requirements of Rules 2.5., regardless of the date his application was

28       received. Any application for certification pending on and after July 1, 2015 that does not satisfy

29       the requirements of Rule 2.5 will be considered incomplete.

30       A.       An Applicant must have:

- 31           1.       A Baccalaureate Degree deemed conferred by an Accredited College and have
- 32                   successfully completed at least 30 additional semester hours of non-duplicative
- 33                   coursework; or
- 34           2.       A master's degree or higher degree deemed conferred by an Accredited College;
- 35                   and
- 36           3.       Completed at least 45 semester hours of accounting coursework. The transcripts
- 37                   must indicate an accounting program code or the Applicant must otherwise
- 38                   demonstrate that the coursework was in accounting. The 45 semester hours

1 must include 39 hours in specialized accounting courses that address subject  
2 areas such as:

- 3 ○ Accounting Ethics
- 4 ○ Accounting Information Systems
- 5 ○ Accounting Research and Analysis
- 6 ○ Accounting Theory
- 7 ○ Financial Accounting and Reporting of Business Organizations
- 8 ○ Financial Accounting and Reporting for Government and Not-for-Profit
- 9 Entities
- 10 ○ Financial Statement Analysis
- 11 ○ Fraud Examination
- 12 ○ Internal Controls and Risk Assessment
- 13 ○ Managerial or Cost Accounting
- 14 ○ Taxation
- 15 ○ Tax Research and Analysis
- 16 ○ Other areas as approved by the Board

- 17
- 18 a. The 45 semester hours must include at least 6 semester hours (8 quarter  
19 hours) in auditing, including a 3 semester hour (4 quarter hours), or more,  
20 course concentrating on U.S. GAAS.

- 21 4. An Applicant must successfully complete at least 36 semester hours of  
22 coursework in business administration that addresses subject areas such as:

- 23 ○ Behavior of Organizations, Groups, and Persons
- 24 ○ Business Communications
- 25 ○ Business Ethics
- 26 ○ Business Law
- 27 ○ Computer Information Systems
- 28 ○ Economics
- 29 ○ Finance
- 30 ○ Legal and Social Environment of Business
- 31 ○ Management
- 32 ○ Marketing
- 33 ○ Quantitative Applications in Business
- 34 ○ Statistics
- 35 ○ Other areas as approved by the Board

- 36
- 37 a. Of the 36 semester hours, no more than 9 semester hours can be in any  
38 single subject area. But semester hours in excess of the 9-hour maximum  
39 may count toward the total 150 semester hour requirement.

- 40 B. The courses required by this Rule 2.7 must be taken at or acceptable for transfer by one  
41 or more Accredited Colleges.

42

1    **2.8    COMMUNITY COLLEGE CERTIFICATE PROGRAMS**

2    The Board may approve a program allowing a person who has a Baccalaureate Degree or  
3    higher degree outside of accounting and deemed conferred by an Accredited College to  
4    complete the requisite accounting and business courses as outlined in Rule 2.5 at a community  
5    college which has been reviewed and accepted by the Board.

6

7

8

1     **CHAPTER 3 - EXAMINATION GENERAL REQUIREMENTS AND PROHIBITED CONDUCT**

2     **3.1     APPLICATIONS**

3     Application to sit for the Examination shall be made in a manner prescribed by the Board or its  
4     designee. An application is deemed complete at the time all required information and fees are  
5     received. Any application that is not complete within 1 year of the receipt date will expire and be  
6     destroyed. The Applicant must submit a new application along with all required information and  
7     fees. The Board or its designee will not consider or review an incomplete application.

8     **3.2     EXAMINATION ELIGIBILITY**

9     A Candidate may be eligible to sit for the Examination after satisfying the education  
10    requirements as provided in Chapter 2.

11    **3.3     OFFICIAL TRANSCRIPTS**

12    A Candidate must supply an official transcript to the Board or its designee when applying to sit  
13    for the Examination. An additional official transcript may be required at the time the Candidate  
14    applies for certification. These official transcripts must be sent from the granting institution  
15    directly to the Board or its designee. However, the Board may accept an official transcript from  
16    the Candidate if the transcript is provided in an official envelope sealed by the granting  
17    institution.

18    **3.4     WITHDRAWALS**

19    A.     A Candidate may withdraw from the Examination by filing a written request to the  
20    Board's designee not less than 30 days prior to the Examination date. Examination fees  
21    will be forfeited unless the failure to timely submit the request was due to:

- 22           1.     The health condition of the Candidate or a member of his immediate family  
23                 substantiated by a physician's statement;
- 24           2.     The death of a member of the Candidate's immediate family substantiated by a  
25                 death certificate;
- 26           3.     The Candidate entered military service and is unable to sit for the Examination; or
- 27           4.     For other good cause deemed adequate by the Board.

28    B.     For the purposes of this Rule 3.4, "immediate family" means directly related family  
29    members, including grandparents, parents, spouse, sibling, child, or grandchild,  
30    including "step" relationships.

31

1 **3.5 CANDIDATE CONDUCT DURING EXAMINATION**

2 A. The Candidate shall conduct himself in a manner that does not violate the standards of  
3 test administration. Violations of the test administration standards include, but are not  
4 limited to:

5 1. Making a false, fraudulent or materially misleading statement or a material  
6 omission on, or in connection with, any application for evaluation and  
7 examination to become a CPA of this state. The withdrawal of any application  
8 does not deprive the Board of its authority to take action against the Applicant.

9 2. Failing to comply with written guidelines of conduct to be adhered to by  
10 Candidates during the Examination or oral guidance by a testing center  
11 administrator at any Examination location.

12 3. Cheating, subverting, attempting to subvert, aiding, abetting or conspiring to  
13 cheat on the Examination. The voluntary departure or removal from an  
14 Examination does not deprive the Board of its authority to take action against the  
15 Candidate.

16 4. Cheating, subverting, attempting to subvert, aiding, abetting or conspiring to  
17 cheat on the Examination includes, but is not limited to, engaging in, soliciting, or  
18 procuring any of the following:

19 a. any form of communication between the Candidate and anyone, other than  
20 a proctor or Examination administrator, while the Examination is in  
21 progress;

22 b. any form of communication between the Candidate and anyone at any  
23 time concerning the content of the Examination including, but not limited  
24 to, any Examination question or answer, unless the Examination has been  
25 publicly released by the preparer of the Examination;

26 c. taking by another of all or any part of the Examination for the Candidate;

27 d. possession or use at any time during the Examination or while the  
28 Candidate is in the Examination testing center of any device, material,  
29 document, or other thing that is not expressly authorized for use by  
30 Examinees during the Examination including, but not limited to, notes, crib  
31 sheets, books, and electronic devices; or

32 e. using or referring at any time after the commencement of the Examination  
33 and prior to the conclusion of the Examination, including all breaks during  
34 the Examination, to any person, device, material, document or other thing  
35 that is not expressly authorized for use by Candidates.

- 1 B. A violation of this Rule 3.5 is cause for sanctions including disqualification. Sanctions  
2 may range from entering a failing grade on all parts of the Examination in which cheating  
3 occurred, suspension, or total prohibition from sitting for future Examinations, other  
4 conditions or limitations, or any combination of these sanctions.
- 5 C. Any Candidate observed cheating or who is otherwise disrupting the Examination may  
6 be immediately removed from the testing center.
- 7 D. Any Candidate suspected of cheating or who may have been observed cheating may be  
8 requested to remain for a reasonable period of time following an Examination session  
9 and may be questioned by test center officials. Test center officials must report any  
10 alleged cheating incident to the Board.
- 11 E. If more than one Candidate is knowingly involved in a connected offense of cheating, all  
12 persons involved are subject to sanctions, although not necessarily of the same severity.
- 13 F. Other jurisdictions to which a Candidate may apply for the Examination will be notified of  
14 the sanction imposed by the Board.
- 15 G. If upon a full investigation the Board has objective and reasonable grounds to believe  
16 and finds that the Candidate has violated the provisions of this Rule 3.5, it may impose  
17 the sanctions described in paragraph B of this Rule 3.5. The Board shall incorporate the  
18 findings in its order. For purposes of this paragraph G, "full investigation" means a  
19 reasonable ascertainment of the underlying facts on which the Board's action is based.
- 20 H. The Candidate, within 60 days after the date of service of the order, may request a  
21 hearing before the Board as provided in Section 24-4-105, C.R.S. on the issue of  
22 whether the Candidate committed a violation of this Rule 3.5. The action of the Board  
23 after any hearing shall be subject to judicial review as provided in Section 24-4-106,  
24 C.R.S.
- 25 I. This Rule 3.5 does not limit the Board's authority to impose penalties or take any other  
26 action authorized under Section 12-2-123, C.R.S.

### 27 **3.6 CONDITIONING REQUIREMENTS**

- 28 A. Granting of Credit.
- 29 1. Candidates are allowed to sit for each section of the Examination individually and  
30 in any order.
- 31 2. Candidates retain credit for any section(s) passed for 18 months, without having  
32 to attain a minimum score on failed sections and without regard to whether they  
33 have taken other sections. Candidates are not allowed to retake a failed  
34 section(s) within the same Examination window.



1                                   **CHAPTER 4 - EXPERIENCE REQUIREMENTS FOR CERTIFICATION**

2   The following requirements apply to Applicants who seek to qualify for certification pursuant to  
3   Sections 12-2-108 and 12-2-109, C.R.S.

4   **4.1   GENERAL EXPERIENCE AND VERIFICATION REQUIREMENTS**

5   A.   An Applicant has satisfied the experience requirement necessary to be issued a CPA  
6   Certificate upon completion of 1,800 qualifying work hours verified by one or more  
7   verifiers as defined in Rule 4.1 E. An Applicant applying under education in lieu of  
8   experience need not complete these hours, as provided in Section 12-2-109(1)(b)(II),  
9   C.R.S. and Rule 2.7.

- 10           1.   The work hours must be completed within the 5 years immediately preceding the  
11           date the application is received by the Board or its designee.
- 12           2.   The work hours may include any combination of full-time or part-time work.  
13           Academic internship hours may be included if not claimed under Chapter 2 for  
14           education credit.
- 15           3.   Except as provided in Rule 4.1.D, the work hours must be obtained while  
16           employed for one or more employers.
- 17           4.   The work hours must be obtained over a period of not less than 1 year and not  
18           more than 3 years.

19   B.   The work experience must involve the application of appropriate technical and  
20   behavioral standards, such as the standards contained in the *AICPA Professional*  
21   *Standards*, U.S. GAAP, U.S. GAAS, *Statements on Standards for Attestation*  
22   *Engagements (SSAE)*, *Statements on Standards for Accounting and Review Services*  
23   *(SSARS)*, *Statements on Standards for Tax Services (SSTS)*, *Statements on Standards*  
24   *for Management Consulting Services*, or other such standards as determined by the  
25   Board.

26   C.   “Verified qualifying work hour(s)” means hours spent primarily applying the standards  
27   described in Rule 4.1.B. Holidays, vacations, and family/employee sick leave shall not  
28   be included as verified qualifying work hours. Clerical experience does not count toward  
29   qualifying work hours. Clerical experience includes, but is not limited to, mere data entry,  
30   mathematical calculations, account analysis of information already recorded, and merely  
31   recording information in the general ledger.

32   D.   Comparable work experience not specifically addressed by these Rules may be  
33   considered by the Board on a case-by-case basis, but must include application of the  
34   standards described in Rule 4.1.B.

35   E.   “Verifier” means an Individual who is for the entire period verified an Active status CPA  
36   licensed in any State or an Individual holding an Active certificate or designation from an

1 organization or country that has entered into an active MRA with IQAB for the entire  
2 period verified. The Verifier cannot be subordinate to the Applicant. The Verifier must  
3 attest to having direct and continuous knowledge of the work by the Applicant and to  
4 having performed contemporaneous periodic review and evaluation of the Applicant's  
5 work.

6 F. The Applicant must submit a certificate of experience from all relevant employers  
7 including details of the work experience and verification in a manner prescribed by the  
8 Board or its designee. Certificates of experience for part-time work must contain a record  
9 of the actual part-time hours the Applicant has worked for each week of part-time  
10 employment. The certificate of experience and all additional details must be signed by  
11 the Verifier.

12 G. The Board may request and review information regarding the work experience  
13 submitted, including evidence of experience with the standards described in Rule 4.1.B,  
14 work papers, reports, syllabus, course materials and/or time records. The Board may  
15 also interview Applicants and Verifiers.

#### 16 **4.2 PUBLIC ACCOUNTING**

17 Qualifying public accounting experience, for purposes of this Rule, consists of  
18 performing services for a Client or potential Client, including, but not limited to, any  
19 combination of services involving the use of accounting or attestation skills, the issuance  
20 of reports on Financial Statements, management advisory or consulting services,  
21 preparing tax returns, or furnishing advice on tax matters. Such work consists of  
22 employment by a CPA or Firm performing services primarily involving the application of  
23 the standards described in Rule 4.1.B.

#### 24 **4.3 INDUSTRY**

25 Qualifying industry experience consists of performing services, including for an  
26 employer, primarily involving the application of the standards described in Rule 4.1.B.  
27 Such services may include, but are not limited to, internal audit, installation of internal  
28 control systems, preparing Financial Statements, management advisory or consulting  
29 services, preparing tax returns, or furnishing advice on tax matters.

#### 30 **4.4 GOVERNMENT**

31 Qualifying government experience consists of employment by a federal, state, or local  
32 government entity. Such work consists of employment performing services primarily  
33 involving the application of the standards described in Rule 4.1.B. Such services may  
34 include, but are not limited to, internal or external audit, installation of internal control  
35 systems, preparing Financial Statements, management advisory or consulting services,  
36 or regulatory reporting on financial matters.

37

1   **4.5   ACADEMIA**

2   A.   Qualifying academic experience consists of teaching in the accounting discipline for  
3       academic credit at a regionally accredited college or university. The teaching must  
4       include at least two different Upper-Division accounting courses involving the standards  
5       described in Rule 4.1.B. One year of experience consists of teaching no less than 12  
6       semester hours or the equivalent in quarter hours. Courses outside the field of  
7       accounting do not count toward the experience requirement. Such non-qualifying  
8       courses include, but are not limited to, business law, finance, computer applications,  
9       personnel management, marketing, economics, and statistics.

10   B.   In addition to a certificate of experience, the Applicant must submit with the application a  
11       letter from each institution where the qualifying hours were taught, signed by the dean or  
12       department head at that institution. The letter must include: (a) the number of credit  
13       hours that the Applicant taught for the relevant years; and (b) the name and academic  
14       level, course description, and syllabus for each course taught. The Verifier must be the  
15       department chair or a faculty member who shall also be a CPA as described in Rule  
16       4.1.E.

17

18



1 **5.3 EXAMINATION MORE THAN 10 YEARS PRIOR TO THE CERTIFICATION**  
2 **APPLICATION DATE**

3 A. If an Applicant applies for licensure with Examination scores obtained more than 10  
4 years prior to the application receipt date, the Applicant must:

- 5 1. Obtain and supply proof of completing 80 hours of CPE taken within 2 years prior  
6 to the application receipt date. No education in Personal Development, as  
7 defined by the Fields of Study, may be counted toward the 80 hours. In addition  
8 to the 80 hours of CPE, the Applicant must complete and pass the AICPA Ethics  
9 Examination and obtain 2 hours of CR&R within 2 years of the application receipt  
10 date; or,
- 11 2. Provide the Board proof of 3 years of experience as described in Chapter 4  
12 obtained within 5 years prior to the application receipt date.

13 **5.4 VERIFICATION OF EXAM SCORES FOR CERTIFICATION**

14 If Examination scores cannot be verified through the Board's records or the records of  
15 the Board's designee, the Board may require the Applicant to qualify for and sit for the  
16 Examination again prior to applying for licensure.

17 **5.5 RECIPROCITY REQUIREMENTS**

18 A. The Board may issue a Certificate to a holder of a Certificate or license in Active status  
19 issued by another State provided the Applicant:

- 20 1. possessed the requirements necessary for issuance of a Certificate in Colorado  
21 on the date that the Applicant's certificate or license was issued by the other State; or
- 22 1. meets the Substantial Equivalency requirements defined in Chapter 1; and
- 23 2. provides verification that he holds an Active certificate or license issued by  
24 another State; and
- 25 3. attests to having completed all CPE required to maintain an Active license in the  
26 other State during its most recent renewal period up to and including the  
27 application receipt date.

28 B. The Applicant must complete 2 hours of CR&R within 6 months following the date the  
29 Board grants the initial Certificate. CR&R completed prior to the date the Board grants  
30 the initial Certification will satisfy this requirement if taken within the previous 6 months  
31 or within the CPE Reporting Period in which the Certificate is granted.

32 C. An Applicant who holds a certificate or license issued by another State based upon  
33 passage of the Examination but who does not hold a certificate or license to practice is  
34 not eligible for reciprocity through that certificate or license.

1 D. The Board may rely on NASBA, the AICPA, and other professional bodies deemed  
2 acceptable to the Board in determining whether an Applicant meets the requirements of this  
3 Rule 5.5.A.

4 **5.6 INTERNATIONAL APPLICANTS - MUTUAL RECOGNITION AGREEMENT (MRA)**

5 A. The Board recognizes the IQAB, a joint body of NASBA and the AICPA, which is  
6 charged with:

- 7 1. evaluating the professional credentialing process of CPAs, or their equivalents,  
8 from other countries; and
- 9 2. negotiating principles of reciprocity agreements with the appropriate professional  
10 and governmental organizations of other countries seeking recognition as having  
11 requirements Substantially Equivalent to the requirements for the U.S. CPA  
12 certificate.

13 B. The Board may issue a Certificate to an Individual holding an Active Certificate or  
14 designation from an organization that has entered into a MRA with the IQAB, provided  
15 that the Applicant has:

- 16 1. passed the International Qualifications Examination (IQEX) or the Examination;  
17 and
- 18 2. has 1 year of work experience in accordance with the requirements of Chapter 4.

19 C. The Applicant must complete 2 hours of CR&R within 6 months following the date the  
20 Board grants the initial Certificate. CR&R completed prior to the date the Board grants  
21 the initial Certification will satisfy this requirement if taken within the previous 6 months  
22 or within the CPE Reporting Period in which the Certificate is granted.

23 **5.7 INTERNATIONAL APPLICANTS – NO MUTUAL RECOGNITION AGREEMENT (MRA)**

24 A. If the Applicant holds a Certificate or designation from an organization that has not  
25 entered into a MRA with the IQAB, the application submitted to the Board will be  
26 considered by the Board as an application for initial certification and the Board may  
27 issue a Certificate, provided that the Applicant:

- 28 1. meets the education requirements of Chapter 2 based upon evaluation by NIES  
29 or an evaluation service that is a member of NACES, AICE, or other  
30 organizations approved by the Board; or
- 31 2. obtained education from an Accredited college that otherwise meets the  
32 education requirements set forth in Chapter 2; and
- 33 3. otherwise meets the requirements in Rule 5.2.

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**CHAPTER 6 - CERTIFICATE MAINTENANCE AND STATUS CHANGES**

This Chapter sets forth the general requirements regarding a Certificate, including CPE requirements, and how a Certificate Holder may renew, reactivate or reinstate a Certificate, and obtain a Retired or Inactive status Certificate. For specific CPE requirements, see Chapter 7. It is the responsibility of the Certificate Holder to complete the Renewal process when and as required if a Certificate Holder wants to maintain a Certificate in an Active, Retired, or Inactive status.

**6.1 GENERAL INFORMATION**

- A. A Certificate Holder must preserve his Certificate while it is in his possession, but the Certificate is always the property of the Board.
- B. A Certificate that is suspended or revoked must be immediately delivered to the Board.
- C. No Individual can Hold Out as defined in Chapter 1 unless that Individual holds an Active Certificate as a CPA issued pursuant to the Act, except that:
  - 1. an Individual who holds an Active license or Certificate as a CPA issued pursuant to the laws of another State may use or assume the title or designation “certified public accountant” or “CPA” or similar designation immediately followed or preceded by the name or abbreviation of the State issuing such license or Certificate, such as “CPA NM” or “New Mexico CPA”;
  - 2. an Individual whose license or Certificate is in an Inactive status in this or another State may use or assume the title or designation “certified public accountant” or “CPA” or similar designation immediately followed or preceded by the term “inactive”; or
  - 3. an Individual whose license or certificate is in a retired status in this or another State may use or assume the title or designation “certified public accountant” or “CPA” or similar designation immediately followed or preceded by the term “retired.”
  - 4. while practicing in this state under Section 12-2-121(2), C.R.S. and Chapter 11, an Individual who holds an Active license or Certificate as a CPA issued pursuant to the laws of another State may use or assume the title or designation “certified public accountant” or “CPA” or similar designation, and an Individual holding equivalent authority in a non-U.S. jurisdiction may use or assume the equivalent designation authorized in his non-U.S. jurisdiction.

**6.2 NOTICES**

- A. Certificate Holder Address and Name Changes.

- 1           1.     Certificate Holders shall inform the Board of any name, business trade name,  
2                     address, telephone, or email change within 30 days of the change. The Board  
3                     will not change a Certificate Holder's information without explicit notification  
4                     provided in a manner prescribed by the Board.
  
- 5           2.     The Board requires one of the following forms of documentation to change a  
6                     Certificate Holder's name or social security number:
  - 7                     a.     marriage license;
  - 8                     b.     divorce decree;
  - 9                     c.     court order; or
  - 10                    d.     a driver's license or social security card with a second form of  
11                        identification may be acceptable at the discretion of the Division of  
12                        Professions and Occupations.
  
- 13          3.     Board communications are sent to the last address furnished to the Board.  
14                     Failure to respond to a Board communication within 30 days, as provided in  
15                     Section 12-2-123.5, C.R.S., is grounds for discipline up to and including  
16                     revocation. Failure to notify the Board of change of address does not relieve a  
17                     Certificate Holder of the obligation to respond to a Board communication.
  
- 18    B.     Renewal Notices to Certificate Holders.
  - 19                    1.     The Board may send notices for Renewal of Certificates according to a schedule  
20                        established and in a manner approved by the Division of Professions and  
21                        Occupations pursuant to Section 24-34-102(8), C.R.S. to the last address  
22                        furnished to the Board.
  - 23                    2.     There is a 60-day grace period from the expiration date of the Certificate within  
24                        which to pay the Renewal fee, plus a late fee. A Certificate Holder will not be  
25                        disciplined for Holding Out or practicing public accounting with an Expired  
26                        Certificate during the grace period.
  - 27                    3.     Failure to receive a Renewal notice does not relieve the Certificate Holder of the  
28                        obligation to renew a Certificate.

29    **6.3    NAMES**

- 30    A.     A CPA engaged in the practice of public accounting must not Hold Out, perform or offer  
31                     to perform Professional Services using a name that has not been provided to the Board.
  
- 32    B.     A CPA may use an assumed or trade name if:
  - 33                    1.     The assumed or trade name is filed with the Colorado Secretary of State  
34                        pursuant to Section 7-71-101, C.R.S.;

- 1           2.     The assumed or trade name has been provided to the Board in a manner  
2                 prescribed by the Board
- 3           3.     The assumed or trade name otherwise complies with these Rules.
- 4    C.     The name under which a CPA Holds Out or engages in the Practice of Public  
5             Accounting must not be misleading.
- 6    D.     A name is considered misleading if the name:
- 7           1.     Implies the existence of a corporation by the use of words or abbreviations such  
8                 as "Corporation," "Incorporated," "P.C.," "Corp.," or "Inc.," if the CPA is not  
9                 incorporated or is not a professional corporation.
- 10          2.     Implies the existence of a partnership by the use of a designation such as "Smith  
11                 & Jones," "C.P.A.s," "Partnership," "Ltd.," "LP", "LLP", or "LLLLP" if the CPA is not  
12                 or has not established such an entity.
- 13          3.     Implies the existence of a limited liability company by the use of abbreviations  
14                 such as "Ltd.," "L.L.C.," "LLC," or "LC" if the CPA has not established such an  
15                 entity.
- 16          4.     Implies that the CPA is associated with or employs another Person by the use of  
17                 terms such as "& Company," "& Associates," or "Group" if, in addition to the CPA,  
18                 there is not at least 1 other Owner or Person employed, professionally  
19                 associated, or contractually related on a regular and continuous basis with the  
20                 CPA.
- 21          5.     Implies the existence of more than 1 CPA by the use of terms such as "CPAs," or  
22                 "Certified Public Accountants" if no more than 1 CPA is an Owner or is employed  
23                 by, or professionally associated, or contractually related on a regular and  
24                 continuous basis to the CPA
- 25          6.     Includes the name of a Person who is neither a CPA in any State nor a CPA or  
26                 legal equivalent in a foreign country if "CPA" is included in the name.
- 27          7.     Indicates or implies an association with Persons who are not associated with the  
28                 CPA, except that a CPA who is a member of a Network may include the brand  
29                 name or initials of the Network provided that the name does not otherwise violate  
30                 this Rule 6.3.
- 31          8.     Contains any representation that would likely cause a reasonable person to be  
32                 misled or confused about the CPA's legal entity type, e.g., corporation,  
33                 partnership, limited liability company, or sole proprietorship, or about ownership.
- 34          9.     Contains any representation that would likely cause a reasonable person to have  
35                 a false or unjustified expectation of favorable results or capabilities.

- 1           10.    Claims or implies the ability to influence a regulatory body or official.
- 2           11.    Includes the name of any CPA or Firm whose Certificate, license, or registration  
3                    has been revoked or disciplined such that the Licensee or registrant is prohibited  
4                    from practicing public accounting or prohibited from using the title CPA or  
5                    Holding Out if the name includes the designation “CPAs” or any other language  
6                    or device tending to indicate the disciplined CPA or Firm possesses an Active  
7                    Certificate, license, or registration.
- 8    E.     A name must not be formulated in such a manner that the initials or parts of the name  
9           form a term, phrase, or imply an association that is misleading.
- 10   F.     All assumed and trade names must be reported to the Board in a manner prescribed by  
11           the Board.

12   **6.4    OFFERING SERVICES VIA THE INTERNET**

13           Any CPA licensed by the Board offering or performing Professional Services via the  
14           Internet must include the following information on the Internet site:

- 15           1.     Name of the Certificate Holder;
- 16           2.     Mailing and physical address of the principal location where the Certificate  
17                   Holder offers or provides Professional Services;
- 18           3.     Business telephone number; and
- 19           4.     Colorado Certificate number.

20   **6.5    DISCIPLINE**

- 21   A.     Pursuant to Section 12-2-123(1), C.R.S., the Board may impose discipline up to and  
22           including revocation for any of the causes contained in Section 12-2-123(1), C.R.S., the  
23           Act, or these Rules.
- 24   B.     Pursuant to Section 12-2-123(1)(g), C.R.S., the Board may impose discipline up to and  
25           including revocation against any Certificate Holder who receives Discipline, as defined in  
26           Rule 1.1.P, against his permit, certificate, license or other authority to practice as a  
27           certified public accountant or public accountant from any licensing authority in any  
28           jurisdiction.
- 29   C.     Pursuant to Section 12-2-123(1)(h), C.R.S., the Board may impose discipline up to and  
30           including revocation against any Certificate Holder who receives Discipline, as defined in  
31           Rule 1.1.P, from any state or federal agency, non-U.S. agency, or the PCAOB for  
32           improper conduct or willful violation of the rules or regulations of such agency or the  
33           PCAOB.

34

1 **6.6 DISCLOSURE BY LICENSEES**

2 A. A Licensee must notify the Board within 45 days of any of the following events relating to  
3 the Licensee:

4 1. Imposition of Discipline by:

5 a. The SEC, PCAOB, or IRS.

6 b. Another State board of accountancy for any cause other than failure to  
7 pay a professional license fee by the due date.

8 c. Any other federal or State agency regarding the Licensee's conduct while  
9 rendering Professional Services.

10 d. Any federal or State taxing, insurance or securities regulatory authority.

11 e. Any non-U.S. authority or credentialing body that regulates the practice of  
12 accountancy.

13 2. Notice of disciplinary charges filed by the SEC, PCAOB, IRS, or another State  
14 board of accountancy, or a federal or State agency concerning the Practice of  
15 Public Accounting or a non-U.S. authority or credentialing body that regulates the  
16 Practice of Public Accounting.

17 3. Initiation of a civil proceeding or an alternative dispute resolution proceeding by a  
18 governmental entity relating to an audit report for a public or non-public company.

19 4. Judgment, settlement or resolution of a civil proceeding or an alternative dispute  
20 resolution proceeding by a governmental entity relating to an audit report for a  
21 public or non-public company.

22 5. Initiation of an administrative proceeding or disciplinary proceeding by any  
23 federal, State, or non-U.S. agency, board, or administrative or licensing authority  
24 or any professional association or entity regarding an audit report for a public or  
25 non-public company.

26 6. Any decision, judgment, settlement or resolution of an administrative proceeding  
27 or disciplinary proceeding by any federal, State or non-U.S. agency, board, or  
28 administrative or licensing authority or any professional association or entity  
29 regarding an audit report for a public or non-public company.

30 7. Any judgment, award or settlement of a civil action or arbitration proceeding of  
31 \$150,000 or more in which the Licensee was a party if the action or proceeding  
32 included any allegation of negligence, violation of specific standards of practice,  
33 fraud, or misappropriation of funds in the Practice of Public Accounting or during  
34 employment.

1 8. A criminal charge against or a conviction of the Licensee, deferred prosecution,  
2 or a plea of guilty or *nolo contendere* to a crime by the Licensee if:

3 a. the crime is a felony under the laws of any state, or of the United States  
4 or of any territory, insular possession state of the United States, or the  
5 District of Columbia or any non-U.S. jurisdiction; or

6 b. an element of the crime is dishonesty or fraud.

7 9. Occurrence of any matter that must be reported by the Licensee to the PCAOB  
8 pursuant to the Sarbanes-Oxley Act of 2002, 15 U.S.C. sec. 7201 et seq., and  
9 PCAOB Rules and forms adopted pursuant thereto.

10 B. The notice to the Board shall include the following information regarding the reportable  
11 event:

12 1. If the reportable event is a disciplinary proceeding, alternative dispute resolution  
13 proceeding, administrative proceeding or civil action by any entity referenced in  
14 Rule 6.6.A.1, the name of the entity, its jurisdiction, the case name, the docket or  
15 proceeding or case number by which it is designated, a description of the matter  
16 or a copy of the document initiating the action or proceeding and, if the matter  
17 has been adjudicated or settled, a copy of the consent decree, order or decision.

18 2. If the reportable event is a criminal conviction or plea, the court, its jurisdiction,  
19 the case name, the case number, and a description of the matter or a copy of the  
20 indictment or charges, and, if the matter has been adjudicated, a copy of the  
21 judgment of conviction.

22 3. If the reportable event concerns a civil action or arbitration proceeding, the court  
23 or arbiter, the jurisdiction, the case name, the case number, a description of the  
24 matter or a copy of the complaint, and a copy of the verdict, the court or  
25 arbitration decision, or, if settled, the court's order of dismissal.

26 C. The reporting Licensee may submit a written explanatory statement to be included in the  
27 Board's records.

28 D. Documents provided to the Board shall be closed to public inspection if federal statute or  
29 regulation or State statute or rule or regulation so provides.

## 30 **6.7 APPLICATION FOR BOARD ACTION**

31 A Certificate Holder or a Person wishing the Board to take any action regarding the status of a  
32 Certificate shall apply in a manner prescribed by the Board, except as otherwise provided under  
33 Rule 6.9.A (transfer to Inactive status).

34

1 **6.8 ACTIVE CERTIFICATE**

2 An Active Certificate expires and must be renewed according to the schedule established by the  
3 Division of Professions and Occupations pursuant to Section 24-34-102, C.R.S. in order to  
4 maintain the Certificate in Active status.

5 A. Upon initial certification, the Certificate Holder must complete 2 hours of CR&R within 6  
6 months after the date the Board grants the initial Certificate.

7 1. CR&R completed prior to the date the Board grants the initial Certification will  
8 satisfy this requirement if taken within the 6 months prior to Certification or within  
9 the CPE Reporting Period in which the Certificate is granted.

10 2. CR&R courses completed under this requirement may satisfy the CR&R  
11 requirement under paragraph C.2 of this Rule 6.8.

12 B. CPE hours completed prior to certification, but within the CPE Reporting Period, may be  
13 eligible for CPE credit upon Renewal of the initial Certificate if the hours were not used  
14 to meet the education requirements for initial certification or taken in preparation for the  
15 Examination.

16 C. A Certificate Holder, including the holder of an initial Certificate, must complete 10 hours  
17 of CPE for each full quarter in which the Certificate Holder was actively licensed during a  
18 CPE Reporting Period.

19 1. No more than 20 percent of CPE can be in Personal Development, as defined by  
20 the Fields of Study.

21 2. Four hours of CPE must be in Ethics, of which 2 hours may be in CR&R.

22 3. As of January 1, 2014, no more than 50 percent of CPE can be in any  
23 combination of teaching or publishing an article or book as.

24 D. As a condition of Renewal, Certificate Holders shall attest that they have complied with  
25 the requirements of this Rule 6.8.

26 E. The Board cannot renew the certificate of a Certificate Holder who issues attest or  
27 compilation reports unless he attests to having Undergone a Peer Review as provided in  
28 Chapter 8.

29 **6.9 INACTIVE STATUS CERTIFICATE**

30 An Inactive Certificate expires and must be renewed according to the schedule established by  
31 the Division of Professions and Occupations pursuant to Section 24-34-102, C.R.S., to maintain  
32 the Certificate in Inactive status.

33 A. Transfer of a Certificate to Inactive Status.

1 To transfer a Certificate to Inactive status, a Certificate Holder must submit notice in a  
2 manner prescribed by the Board or provide written notice by first class mail to the Board.

3 B. Conditions of an Inactive Certificate.

4 1. Inactive Certificate Holders are not required to comply with CPE requirements for  
5 the period during which the Certificate is Inactive.

6 2. Inactive status must be indicated by the word "Inactive" (e.g., Inactive CPA,  
7 Inactive Certified Public Accountant) if the Certificate Holder uses the CPA  
8 designation in any manner.

9 3. A Certificate Holder with a Certificate in Inactive status cannot Hold Out or  
10 perform any service for which an Active Certificate is required under Section 12-  
11 2-120(6)(a), C.R.S.

12 C. A Certificate Holder may transfer a Certificate to Inactive status whether or not he has  
13 complied with CPE requirements. However, transferring a Certificate to Inactive status  
14 does not relieve the Certificate Holder of the obligation to complete any CPE required  
15 prior to transferring the Certificate to Inactive status. The Certificate Holder may be  
16 subject to discipline for failure to complete required CPE and must meet the  
17 requirements of Rule 6.12 to reactivate the Certificate.

18 D. A Certificate may be reinstated to Active status as provided in Rule 6.12.

19 **6.10 RETIRED STATUS CERTIFICATE**

20 A Retired Certificate expires and must be renewed according to the schedule established by the  
21 Division of Professions and Occupations pursuant to Section 24-34-102, C.R.S., to maintain the  
22 Certificate in Retired status.

23 A. A Certificate Holder may transfer a Certificate from Active, Inactive or Expired status to  
24 Retired status. To transfer a Certificate to Retired status, the Certificate Holder must:

25 1. Submit an application in a manner prescribed by the Board;

26 2. Be at least 55 years old;

27 3. Have held an Active Certificate in good standing issued by any State for a total of  
28 at least 15 years and must have had an Active Colorado Certificate for at least 2  
29 of those years; and

30 4. Attest to having completed 10 hours of CPE for each full quarter that the  
31 Certificate was Active during the CPE Reporting Period in which the Applicant  
32 retires. No more than 20 percent of the CPE can be in Personal Development, as  
33 defined by the Fields of Study. At least 2 hours of CPE must be in Ethics.

34 B. Conditions of a Retired Certificate.

- 1 1. A Retired Certificate Holder is not required to comply with CPE requirements for  
2 the period during which the Certificate is in Retired status.
- 3 2. Retired status must be indicated by the word "Retired" (e.g., Retired CPA,  
4 Retired Certified Public Accountant) if the Certificate Holder uses the CPA  
5 designation in any manner.
- 6 3. A Retired Certificate Holder cannot Hold Out or perform any service for which an  
7 Active Certificate is required under Section 12-2-120(6)(a) or (b), C.R.S.
- 8 C. A Certificate in Retired status may be reactivated to Active status pursuant to rule 6.12.

9 **6.11. EXPIRED STATUS CERTIFICATE**

- 10 A. A Certificate that is not renewed on or before the expiration date will expire;  
11 however, there is a 60-day grace period from the expiration date within which the  
12 Certificate may be renewed, subject to a late fee. A Certificate Holder will not be  
13 disciplined for Holding Out or practicing public accounting with an Expired  
14 Certificate during the grace period.
- 15 B. Conditions of an expired Certificate.
- 16 1. A Certificate Holder whose Certificate has Expired cannot Hold Out or  
17 perform any service for which an Active Certificate is required under  
18 Section 12-2-120(6), C.R.S.
- 19 2. A Certificate Holder is not required to comply with CPE requirements  
20 during the period in which his Certificate is in Expired status, except as  
21 provided in Rule 6.13.
- 22 C. An expired certificate may be transferred to Inactive status as provided in Rule  
23 6.9.A. An expired certificate may be reinstated to Active status as provided in  
24 Rule 6.13.

25 **6.12 REACTIVATION OF A RETIRED OR INACTIVE STATUS CERTIFICATE**

- 26 A. Conditions of Reactivation - Retired Less Than Two Years.
- 27 1. When a Certificate has been in Retired status for less than 2 years, it may be  
28 reactivated, provided the Certificate Holder completes 80 hours of CPE within the  
29 2 years immediately preceding the application receipt date.
- 30 2. Of the 80 hours required, no more than 20 percent can in Personal Development,  
31 as defined by the Fields of Study, and no more than 20 percent can be for any  
32 combination of teaching or publishing an article or book. At least 5 percent of the  
33 hours must be in Ethics CPE. Two hours must be in CR&R, which may count  
34 towards the Ethics CPE requirement.

- 1 B. Conditions of Reactivation - Retired Two Years or More.
- 2 1. When a Certificate has been in Retired status for 2 years or more, it may be  
3 reactivated, provided the Certificate Holder:
- 4 a. completes 80 hours of CPE within the 2 years immediately preceding the  
5 application receipt date; and
- 6 b. the 80 hours of CPE must include completing and passing the AICPA  
7 Ethics Examination and 2 hours of CR&R.
- 8 2. CPE in Personal Development, as defined by the Fields of Study, teaching, or  
9 publishing an article or book, cannot be counted toward the 80 hours.

10 C. Conditions of Reactivation - Inactive Less Than Two Years.

- 11 1. When a Certificate has been in Inactive status for less than 2 years, it may be  
12 reactivated, provided the Certificate Holder completes 80 hours of CPE within the  
13 2 years immediately preceding the application receipt date plus any hours of  
14 CPE required but not completed as of the date that the Certificate was  
15 transferred to Inactive status.
- 16 2. Of the 80 hours required, no more than 20 percent can in Personal Development,  
17 as defined by the Fields of Study, and no more than 20 percent can be for any  
18 combination of teaching or publishing an article or book. At least 5 percent of the  
19 hours must be in Ethics CPE. Two hours must be in CR&R, which may count  
20 towards the Ethics CPE requirement.
- 21 3. The maximum total hours of CPE required to reactivate an Inactive Certificate  
22 shall not exceed 160 hours.

23 D. Conditions of Reactivation - Inactive Two Years or More.

- 24 1. When a Certificate has been in Inactive status 2 years or more, it may be  
25 reactivated, provided the Certificate Holder completes 80 hours of CPE within the  
26 2 years immediately preceding the application receipt date plus any hours of  
27 CPE required but not completed as of the date that the Certificate was  
28 transferred to Inactive status.
- 29 2. The 80 hours of CPE must include passing AICPA Ethics Examination and 2  
30 hours of CR&R.
- 31 3. CPE in Personal Development, as defined by the Fields of Study, teaching, or  
32 publishing an article or book, cannot be counted toward the 80 hours.

- 33 E. If an Applicant submits insufficient documentation to prove completion of the CPE  
34 required, the Applicant may obtain additional CPE after the application receipt date and

1 until the application expires to meet the CPE requirements. However, the Applicant  
2 must complete the 80 hours plus any other hours required within a “rolling 2 year period”  
3 counting backwards from the date the Certificate Holder completes the final CPE course  
4 necessary to meet all CPE requirements. Any application that is not complete within one  
5 year of the receipt date will expire and be destroyed. The Applicant must submit a new  
6 application along with all required information and fees.

- 7 F. Notwithstanding this Rule 6.12, if a Retired status Certificate was in Expired or Inactive  
8 status at the time the Certificate Holder obtained Retired status, the Certificate Holder  
9 must meet the requirements in Rule 6.13 based on the period the Certificate was  
10 Expired and/or Inactive plus the period it was in Retired status.

### 11 **6.13 REINSTATEMENT OF AN EXPIRED CERTIFICATE**

- 12 A. Conditions of Reinstatement: Expired Less Than 2 Years.

- 13 1. When a Certificate has been Expired for less than 2 years, it may be reinstated,  
14 provided the Certificate Holder completes 80 hours of CPE within the 2 years  
15 immediately preceding the application receipt date plus any hours of CPE  
16 required but not completed as of the date that the Certificate Expired.
- 17 2. Of the 80 hours required, no more than 20 percent can in Personal Development,  
18 as defined by the Fields of Study, and no more than 20 percent can be for any  
19 combination of teaching or publishing an article or book. At least 5 percent of the  
20 hours must be in Ethics CPE. Two hours must be in CR&R, which may count  
21 towards the Ethics CPE requirement.

- 22 B. Conditions of Reinstatement: Expired to Inactive.

23 When a Certificate has been Expired for less than 2 years, it may be reinstated to  
24 Inactive status provided the Certificate Holder completes 2 hours of CR&R within the 2  
25 years immediately preceding the application receipt date.

- 26 C. Conditions of Reinstatement: Expired 2 Years or More and Less than 6 years.

- 27 1. When a Certificate has been in Expired status 2 years or more but less than 6  
28 years, it may be reinstated to Inactive or Active, provided the Certificate Holder  
29 completes 80 hours of CPE within the 2 years immediately preceding the  
30 application receipt date plus any hours of CPE required but not completed as of  
31 the date that the Certificate Expired.
- 32 2. The 80 hours of CPE must include passing AICPA Ethics Examination and 2  
33 hours of CR&R.
- 34 3. CPE in Personal Development, as defined by the Fields of Study, teaching, or  
35 publishing an article or book, cannot be counted toward the 80 hours.

1 D. Conditions of Reinstatement: Expired Six Years or More.

2 To reinstate a Certificate to Inactive or Active status that has been Expired for 6 years or  
3 more the Certificate Holder must satisfy the conditions set forth in paragraphs 1, 2 or 3  
4 of this Rule 6.13.D.

5 1. Within two years immediately preceding the application receipt date, the  
6 Certificate Holder must:

7 a. Complete a total of 80 hours of CPE. CPE in Personal Development, as  
8 defined by the Fields of Study, teaching or publishing an article or book  
9 cannot be counted toward the 80 hours. The CPE must include  
10 completing and passing the AICPA Ethics Examination and 2 hours of  
11 CR&R, and

12 b. Obtain experience or education according to one of the following  
13 conditions:

14 i. one year of experience as provided in Chapter 4, except that the  
15 experience must be gained within 2 years immediately preceding  
16 the application receipt date; or

17 ii. a post-baccalaureate degree with a concentration in accounting  
18 obtained from an Accredited College, as defined in Rule 2.2,  
19 earned or conferred within 2 years immediately preceding the  
20 application receipt date.

21 2. The Certificate Holder may reinstate a Certificate Expired 6 years or more by  
22 satisfying the same conditions as an Applicant for initial certification, including  
23 passing the Examination, meeting the education and experience requirements as  
24 established by statute and these Rules and completing and passing the AICPA  
25 Ethics Examination.

26 3. The Certificate Holder may reinstate a Certificate Expired 6 years or more if the  
27 Certificate Holder holds a certificate or license in Active status issued by another  
28 State provided the other State meets the Substantial Equivalency requirements  
29 defined in Chapter 1.

30 a. The Certificate Holder must submit with the application for Reinstatement  
31 an official verification of licensure from the other State; and

32 b. Attest to having completed the 80 hours of CPE as described in this Rule  
33 6.13.D.1.a.

34 E. If an Applicant submits insufficient documentation to prove completion of 80 hours of  
35 CPE within the 2 years immediately preceding the application receipt date, the Applicant  
36 may obtain additional CPE after the application receipt date and until the application

1 expires to meet the CPE requirements. However, the Applicant must complete the 80  
2 hours within a “rolling” 2 year period counting backwards from the date the Certificate  
3 Holder completes the final CPE course necessary to meet all CPE requirements. Any  
4 application that is not complete within one year of the receipt date will expire and be  
5 destroyed. The Applicant must submit a new application along with all required  
6 information and fees.

7 **6.14 CPE REQUIRED AFTER REACTIVATION OR REINSTATEMENT TO ACTIVE**  
8 **STATUS**

- 9 A. When a Certificate is reactivated or reinstated to Active status, the CPE required for the  
10 current CPE Reporting Period is 10 hours for each full quarter remaining in the CPE  
11 Reporting Period in which the Certificate was reinstated or reactivated. No more than 20  
12 percent of the CPE can be in Personal Development, as defined by the Fields of Study  
13 and no more than 20 percent can be in any combination of teaching or publishing an  
14 article or book. Two hours of CPE must be in Ethics, which cannot be in CR&R.
- 15 B. Any course used for Reactivation or Reinstatement to Active status cannot be used to  
16 satisfy the requirements of this Rule 6.14.

17 **6.15 EXCEPTIONS**

18 The Board in its discretion may grant exceptions to the requirements in this Chapter 6 for  
19 reasons of individual hardship or other good cause.

20

1           **CHAPTER 7 - CONTINUING PROFESSIONAL EDUCATION (CPE)**

2   **7.1    GENERAL INFORMATION**

- 3   A.    Active Certificate Holders must participate in learning activities that maintain and/or  
4        improve their professional competence as a CPA and assure reasonable currency of  
5        knowledge. A Certificate Holder's field of employment does not limit the need for CPE.
- 6   B.    Certificate Holders performing Professional Services need to have a broad range of  
7        knowledge, skills and abilities. Accordingly, acceptable CPE encompasses programs  
8        that contribute to the development and maintenance of both technical and non-technical  
9        professional skills.
- 10   C.   Learning activities that do not maintain and/or improve professional competence as a  
11        CPA will not be accepted.
- 12   D.    It is the responsibility of Certificate Holders to be aware of and comply with all CPE  
13        requirements under these Rules.

14   **7.2    CPE STANDARDS**

- 15   A.    Certificate Holders, program sponsors and program developers must comply with the  
16        Joint Standards as defined in Chapter 1 and incorporated herein by reference. To the  
17        extent that these Rules conflict with or are more stringent than the Joint Standards,  
18        these Rules govern. It is ultimately the responsibility of Certificate Holders to ensure that  
19        any CPE completed fulfills the CPE requirements complies with the Joint Standards and  
20        these Rules.
- 21   B.    For internet based CPE programs, a minimum of 75 percent of the polling questions, if  
22        used as a monitoring mechanism, must be answered by the CPA in order to receive  
23        credit for the CPE activity.
- 24   C.    When program sponsors purchase CPE courses from other vendors or course  
25        developers, the CPE program sponsor must review a minimum 20 percent sample of  
26        results of the course developer's pilot test results to ensure that the results meet the  
27        objectives of the course as designed.

28   **7.3    SUBJECT MATTER**

29   The following are acceptable subjects for CPE courses as defined in the Fields of Study:

- 30           ○ Accounting  
31           ○ Accounting (Governmental)  
32           ○ Administrative Practice  
33           ○ Auditing  
34           ○ Auditing (Governmental)  
35           ○ Behavioral Ethics\*  
36           ○ Business Law

- 1           ○ Business Management and Organization
- 2           ○ Communications
- 3           ○ Computer Science
- 4           ○ Economics
- 5           ○ Finance
- 6           ○ Management Advisory Services
- 7           ○ Marketing
- 8           ○ Mathematics
- 9           ○ Personal Development
- 10          ○ Personnel/HR
- 11          ○ Production
- 12          ○ Regulatory Ethics
- 13          ○ Social Environment of Business
- 14          ○ Specialized Knowledge and Applications
- 15          ○ Statistics
- 16          ○ Taxes

17 This Rule does not include later amendments to or editions of the Fields of Study.

18 \*For the purpose of CPE, Behavioral Ethics are not considered to be Personal Development.

#### 19 **7.4 CPE RECORDS DOCUMENTATION AND RETENTION**

20 The Certificate Holder is responsible for accurate reporting and documentation of all  
21 CPE hours completed. Certificate Holders must retain documentation for a minimum of  
22 5 years from the end of the year in which the CPE was completed. The following  
23 documentation must be submitted to the Board upon request:

- 24 1. Provider Generated Certificate of Completion, Attendance, or Firm Transcript that  
25 must include:
  - 26 a. name and contact information of CPE program sponsor,
  - 27 b. participant's name,
  - 28 c. title of program,
  - 29 d. Field of Study, as described in Rule 7.3,
  - 30 e. date(s) the program was offered or completed,
  - 31 f. location of program, if applicable,
  - 32 g. type of instruction/delivery method,
  - 33 h. number of CPE credits completed, and
  - 34 i. verification by the CPE program sponsor (verification may be in the form  
35 of a signature, seal or other similar indicia).

- 36 2. Teaching Credit:

- 1 a. For purposes of this chapter, teaching for CPE credit is defined as  
2 conducting, instruction, or providing instruction. To qualify for CPE, the  
3 instruction must enhance the teaching Certificate Holder's professional  
4 competence, as provided in Rule 7.1.
- 5 b. The instruction must be provided either for the first time or be  
6 substantially revised from the previous time(s) it was taught by the  
7 Certificate Holder. "Substantially revised" means a significant  
8 modification to a majority of the presentation and/or course content. Such  
9 significant modifications may be required due to legislative changes,  
10 changes in principle, rules, practices, or standards, for example. Simple  
11 updates to a textbook or edition change do not constitute a significant  
12 modification.
- 13 c. Documentation for teaching credit must include:
- 14 i. the name and contact information of the CPE program sponsor or  
15 Accredited College,
- 16 ii. verification from the CPE program sponsor or Accredited College  
17 of teaching the course or activity, the number of in-classroom  
18 hours taught, and the Field of Study as described in Rule 7.3,
- 19 iii. an attestation from a qualified third party, including but not limited  
20 to any 1 of, the program sponsor, developer, or author, that the  
21 course or activity was new or substantially revised, or if the credit  
22 is for a college or university course, an attestation from the  
23 accounting department chair that the course was new or  
24 substantially revised,
- 25 iv. a statement from the Certificate Holder attesting to how the  
26 activity maintained and/or improved the Certificate Holder's  
27 professional competence as a CPA and how the activity met the  
28 standards and fulfilled the CPE requirements or educational  
29 requirements of the attendees,
- 30 v. Activity/course syllabus or outline, and
- 31 vi. Certificate Holder's resume that demonstrates qualifications to  
32 teach the subject matter.
- 33 3. For panel presentations, CPE credit will be granted for the total number of hours  
34 of panel presentation plus the number of hours for the entire panel divided by the  
35 number of panelists (e.g. a 2 hour panel presentation with 4 panelists provides  
36 each panelist 2.5 CPE hours). Panel presentation hours will be included as  
37 teaching hours for purposes of the limit on teaching hours specified above.

- 1           4.     Documentation for Published Article or Book that must include:
- 2                 a.     proof of publication and independent review of the article or book,
- 3                 b.     the name and contact information of the independent reviewer or  
4                         publisher. Independent reviewer means an Individual who is not affiliated  
5                         and who has published an article, book, or otherwise demonstrates  
6                         expertise regarding the same or closely-related subject matter,
- 7                 c.     a summary of hours and CPE Field of Study as described in Rule 7.3  
8                         being claimed with detail of time spent, with dates, and research  
9                         performed, and
- 10                d.     a statement from the Certificate Holder attesting to how the activity  
11                        maintained and/or improved the Certificate Holder's professional  
12                        competence as a CPA.
- 13           5.     Documentation for college or university coursework that must include:
- 14                 a.     for a credit course, an original official transcript or grade card from a  
15                         college or university; and
- 16                 b.     for a non-credit course, a certificate of attendance issued by the college  
17                         or university.
- 18           6.     Documentation for specialized industry programs that must include:
- 19                 a.     name and contact information of program sponsor,
- 20                 b.     participant's name,
- 21                 c.     title of program,
- 22                 d.     date(s) the program was offered or completed,
- 23                 e.     location of program, if applicable,
- 24                 f.     type of instruction/delivery method,
- 25                 g.     number of hours completed, how those hours are computed, and
- 26                 h.     a statement from the Certificate Holder describing how the course  
27                         maintained and/or improved the Certificate Holder's professional  
28                         competence as a CPA.

29  
30

1 **7.5 HARDSHIP EXCEPTIONS**

2 A Certificate Holder seeking an exception to the CPE requirements must submit a written  
3 request justifying the exception to the Board. The Board will decide on a case-by-case basis  
4 whether good cause has been demonstrated to waive the CPE.

5 **7.6 CPE COMMITTEE**

6 A. The Board may appoint a committee that may audit the CPE records of Certificate  
7 Holders to verify compliance with the requirements described in Chapters 6 and 7.

8 B. A Certificate Holder must provide all documentation and information requested regarding  
9 CPE compliance in a manner prescribed by the Board within 30 days of a Board request.

10 **7.7 FAILURE TO COMPLY WITH CPE REQUIREMENTS**

11 A. If upon review, the Board or its designee, finds, that a Certificate Holder has failed to  
12 comply with the CPE requirements, the Certificate Holder has 10 days from the date of  
13 transmission of the notice of such finding to:

14 1. provide further evidence that the hours completed meet the CPE requirements  
15 established by these Rules; or

16 2. provide documentation described in Rule 7.5, of having completed additional  
17 CPE hours during the CPE Reporting Period that meet the requirements  
18 established by these Rules.

19 B. If the Board finds that a Certificate Holder failed to comply with the CPE requirements,  
20 the Board may discipline the Certificate Holder and/or include the Certificate Holder in  
21 the CPE audit of a subsequent CPE Reporting Period.

22 **7.8 BOARD APPROVAL OF COLORADO RULES AND REGULATIONS (CR&R)  
23 COURSES**

24 A. The Board will not accept or consider courses in CR&R that do not comply with the  
25 content outline set forth in this Rule 7.8.

26 B. For the purposes of CR&R, the following documents may be considered by program  
27 sponsors as instructional materials and not as reference or supplements to the  
28 instructional materials. The use of C.R.S., Board Rules, Board Policies, and legislative  
29 documents by program sponsors will be considered compliant with the Joint Standards  
30 for CR&R.

31 C. CR&R Content Outline:

32 **Course Description:**

1 This course discusses the Colorado Statutes and Rules that pertain to CPAs licensed to  
2 practice in the state of Colorado. Students will become familiar with the Colorado  
3 Revised Statutes, the Rules of the State Board of Accountancy, and the Policies  
4 adopted by the Board currently in effect and how the statutes, rules, and policies pertain  
5 to them.

6 **I. Overview of Regulatory Guidance**

- 7 a. General review of Colorado Revised Statutes (as they pertain to
- 8 accountancy), Board of Accountancy Rules, and Policies.
- 9 b. Legislative changes affecting the accounting profession, as applicable.

10 **II. State Board of Accountancy**

- 11 a. Organization and duties of the Board
- 12 b. State Board of Accountancy Website (overview)

13 **III. Certified Public Accountant Designation**

- 14 a. Proper use - Holding Out
- 15 b. Types of Certificates
- 16 c. Status and maintenance of Certificates
  - 17 i. Licensure – Examination and certification
  - 18 ii. Continuing profession education
- 19 d. Mobility and Practice Privilege and reciprocity
- 20 e. Peer Review

21 **IV. Professional Conduct**

- 22 a. Unlawful Acts
- 23 b. Accountant/Client Privilege
- 24 c. Grounds for disciplinary Action

25 **V. Firms**

- 26 a. Firm Registration
- 27 b. Firm Names
- 28 c. Peer Review

29  
30 **\*CR&R courses must include the date of the current version offered/taught.**

31



1 Chapter 8. The Board may approve the Peer Review Program and standards of a Peer  
2 Review Program organization not specifically identified in these regulations as Board-  
3 approved if the organization submits evidence satisfactory to the Board that the overall  
4 program and standards are at least equivalent to those of the AICPA Peer Review  
5 Program. At a minimum, the evidence must include the standards, procedures,  
6 guidelines, oversight process, training materials, and related documents used by those  
7 administering reviews, performing reviews, having reviews, and those considering  
8 reviews for acceptance. The Board may request any other documents/information from a  
9 Peer Review Program organization that it determines is appropriate in deciding whether  
10 to grant approval.

- 11 D. No Certificate Holder or Firm is required to become a member of any Peer Review  
12 Sponsoring Organization.

#### 13 **8.4 PEER REVIEWER QUALIFICATIONS AND DUTIES**

- 14 A. A Peer Reviewer must hold an Active or Valid Certificate, license, or Registration to  
15 practice public accounting, in good standing, issued by any State.

- 16 B. A Peer Reviewer must meet the peer reviewer requirements established in the Board-  
17 approved Peer Review Standards.

- 18 C. No CPA may act as a Peer Reviewer or participate in providing Peer Review services if  
19 the CPA has had Discipline imposed for any reason, other than failure to timely pay a  
20 CPA licensure renewal fee, by any State or Federal agency, agency outside the United  
21 States or the PCAOB within 5 years immediately preceding the date on which the CPA is  
22 engaged or otherwise participates in providing a Peer Review. Exceptions to this Rule  
23 8.4 may be granted at the sole discretion of the Board.

- 24 D. A Peer Reviewer is subject to all provisions of the Act and the Rules when providing  
25 Peer Review Services.

- 26 E. A Peer Reviewer must comply with all applicable provisions of the Peer Review  
27 Standards when performing a Peer Review.

#### 28 **8.5 RETENTION OF DOCUMENTS RELATING TO PEER REVIEWS**

- 29 A. Certificate Holders and Firms subject to Peer Review must maintain all documentation  
30 necessary to establish that all Peer Reviews conformed to Peer Review Standards. The  
31 documentation maintained by the Certificate Holder or Firm must include the following:

- 32 1. Documentation of the Peer Reviewer/Reviewing Firm qualifications;
- 33 2. Copies of all the Peer Review documents described in Rule 8.6;
- 34 3. All correspondence that indicates the Certificate Holder's or Firm's concurrence  
35 or non-concurrence with the results of the Peer Review; and

1 4. All proposed remedial actions and all information relevant to those remedial  
2 actions, including the implementation of the remedial actions.

3 B. The documents described in this Rule 8.5.A. must be retained by the Certificate Holder  
4 or Firm until the completion of the 2 most recent subsequent Peer Reviews or for a  
5 period of 5 years, whichever is longer and must be provided to the Board upon request.  
6 If the Certificate Holder or Firm ceases to practice or merges with another Certificate  
7 Holder or firm, the Certificate Holder or Responsible Party for the Firm must retain all  
8 Peer Review documents described in this Rule 8.5.A. For a period of 5 years, and must  
9 be provided to the Board upon request.

## 10 **8.6 SUBMISSION OF PEER REVIEW DOCUMENTS**

11 A. Certificate Holders and Firms required to participate in a Peer Review must submit the  
12 following documents to the Board upon request:

- 13 1. Peer Review Report (accepted by the Sponsoring Organization);
- 14 2. the Certificate Holder's or Firm's letter of response (accepted by the Sponsoring  
15 Organization);
- 16 3. the acceptance letter from the Sponsoring Organization;
- 17 4. letter(s) signed by the Certificate Holder or Firm accepting the documents with  
18 the understanding that the Certificate Holder or Firm agrees to take any actions  
19 required by the Sponsoring Organization; and
- 20 5. letter signed by the Sponsoring Organization notifying the Certificate Holder or  
21 Firm that required actions have been appropriately completed.

22 B. For Peer Reviews scheduled by the Sponsoring Organization on or after January 1,  
23 2013 the Peer Review documents described in this Rule 8.6.A, once accepted, must be  
24 made available by the Sponsoring Organization to the Board via a secure website by  
25 January 1, 2014 or within 30-days of its completion.

26 C. For Peer Reviews scheduled by the Sponsoring Organization on or after January 1,  
27 2013, if a Sponsoring Organization cannot provide access to the Peer Review  
28 documents described in this Rule 8.6.A via a secure website, the Certificate Holder or  
29 Firm must securely maintain the Peer Review documents as provided in Rule 8.5.B and  
30 submit them within 30-days of a Board request.

31 D. For Peer Reviews scheduled prior to January 1, 2013, the Certificate Holder or Firm  
32 must securely maintain the Peer Review documents described in this Rule 8.6.A as  
33 provided in Rule 8.5.B and submit them within 30-days of a Board request.

34

1    **8.7    EXTENSIONS FOR COMPLETING PEER REVIEWS**

2           The Board will accept an extension for completing Peer Reviews granted by Sponsoring  
3           Organizations that does not affect a Renewal Period if the Board is notified by the  
4           Certificate Holder or Firm within 14 days following the date of the letter from the  
5           Sponsoring Organization granting the extension. Extensions may be granted for the  
6           following reasons:

- 7           1.     health;
- 8           2.     military service; or
- 9           3.     other good cause clearly outside the control of the reviewed Certificate Holder or  
10          Firm.

11   **8.8    BOARD ACTIONS**

- 12   A.     The Board may require Sponsoring Organizations to provide a list of CPAs or Firms that  
13          are enrolled with the Sponsoring Organization.
- 14   B.     Based upon the Peer Review outcome and after consideration of the documents  
15          described in Rule 8.5, the Board may require remedial actions, including specified CPE  
16          courses that the Certificate Holder or Board-designated Individuals of a Firm must  
17          complete as a condition of Renewal.
- 18   C.     The findings of Peer Review Reports are deemed reasonable grounds for the Board to  
19          initiate a complaint and/or investigation under Section 12-2-126, C.R.S.

20   **8.9    CHANGE OF FIRM REGISTRATION STATUS – PEER REVIEW STATUS**

21           In the event a Certificate Holder’s or Firm’s practice is sold, dissolved or merged with the  
22           practice of another Certificate Holder or Firm, determination of the successor or  
23           predecessor Firm(s) Peer Review year-end(s) and other Peer Review due date(s), if  
24           any, will be made in accordance with the Sponsoring Organization’s guidance.

25   **8.10   CONFIDENTIALITY OF PEER REVIEW INFORMATION**

26           Peer Reviewers shall not disclose or use for their own benefit any confidential  
27           information that comes to their attention from Certificate Holders or Firms in carrying out  
28           their responsibilities, except that they may furnish such information in response to a  
29           legally enforceable subpoena.

30   **8.11   PEER REVIEW PROGRAM OVERSIGHT COMMITTEE (PROC)**

- 31   A.     The Board may establish a committee to oversee Sponsoring Organizations’  
32          administration of their Peer Review Programs. The committee may consist of not more  
33          than 5 members appointed by the Board.

- 1 B. Members are appointed for terms of 3 years, except that the terms of those first  
2 appointed shall be arranged so that to the extent possible, an equal number of members  
3 will rotate off annually. There is no limit to the number of consecutive terms a member  
4 may serve.
- 5 C. The committee may fill vacancies occurring during a term for the unexpired term with  
6 members approved by the Board.
- 7 D. Each member must hold an Active Colorado CPA Certificate or an Active CPA certificate  
8 from a substantially equivalent jurisdiction.
- 9 E. Each member must have undergone and received a Peer Review Report with a rating of  
10 pass on the most recent Peer Review for himself or his Firm.
- 11 F. No committee member may be a member of any State board of accountancy or one of  
12 its committees or perform any enforcement-related work for a State board.
- 13 G. Committee responsibilities may include but are not limited to:
- 14 1. Recommending to the Board the approval of Sponsoring Organizations, Peer  
15 Review Programs and Peer Review Standards.
- 16 2. Monitoring and assessing the effectiveness of the Sponsoring Organizations,  
17 Peer Review Programs, and Peer Review Standards.
- 18 3. Reporting to the Board whether Sponsoring Organizations are administering and  
19 facilitating Peer Review Programs in conformity with Board-approved Peer  
20 Review Standards in all material respects.
- 21 H. No member of the committee may disclose information to the Board that would identify  
22 any specific Certificate Holder, Firm, or Peer Reviewer/Reviewing Firm except as  
23 required to be submitted to the Board in this Chapter.

## 24 **8.12 PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)**

25 For Certificate Holders or Firms registered with and inspected by the PCAOB, the Board  
26 approves the PCAOB's inspection process for reviewing practices subject to its authority  
27 to the extent that such practices are not included in the scope of Peer Review  
28 Programs. Certificate Holders or Firms receiving inspections under the PCAOB must  
29 also undergo a Peer Review under a Board-approved Peer Review Program that covers  
30 the portion of the Certificate Holder's or Firm's practice not subject to the PCAOB  
31 inspection process, should it have such a practice.

## 32 **8.13 PEER REVIEW REQUIREMENT**

- 33 A. Any Certificate Holder or Firm subject to Peer Review that is licensed, registered, or  
34 begins performing attest and compilation services after May 31, 2011 must:

- 1 1. enroll in an approved Peer Review Program within 30 days of licensure,  
2 registration, or beginning attest or compilation services;
- 3 2. if the date of licensure, registration, or beginning such services is less than 18  
4 months prior to the Renewal of the Certificate Holder or Firm, the Certificate  
5 Holder or Firm must submit evidence of enrollment in an approved Peer Review  
6 Program with the Renewal application; and
- 7 3. the Certificate Holder or Firm must complete the Peer Review. "Complete" the  
8 peer review means the Peer Review documents have been accepted by the  
9 Sponsoring Organization's Report Acceptance Body as defined in the Board-  
10 approved Peer Review Standards within 18 months following the report date of  
11 the initial engagement performed. Failure to timely complete a Peer Review as  
12 required in this paragraph is grounds for discipline including revocation.
- 13 B. A Certificate Holder or Firm that has fulfilled the requirements of Rule 8.13.A. is deemed  
14 to have Undergone a Peer Review for the purposes of Renewal.

15 **8.14 RENEWAL ATTESTATION**

16 As a condition of renewal, Certificate Holders and Firms must attest that they either (1)  
17 have undergone a Peer Review as defined in 8.13 or (2) that they have not issued an  
18 attest or compilation report subject to Peer Review.

19 **8.15 EFFECTIVE DATE**

20 These Peer Review requirements are effective for Certificate Holders upon Renewal of  
21 CPA Certificates in 2015 and Firm Registrations in 2014.

22

1 **CHAPTER 9 - RULES OF PROFESSIONAL CONDUCT**

2 **9.1 DUTY TO ABIDE BY CODE OF PROFESSIONAL CONDUCT**

3 A. The Rules of Professional Conduct are promulgated under the authority granted under  
4 Section 12-2-104(1)(c), C.R.S. to establish and maintain high standards of Competence  
5 and Integrity in the public accounting profession. The Rules of Professional Conduct  
6 apply with equal force to all Licensees, except where the wording of a specific rule  
7 indicates otherwise. As specifically provided in Rule 9.4, these Rules incorporate by  
8 reference additional standards and rules from other entities. All Licensees must comply  
9 with the Board's Rules of Professional Conduct in addition to all standards and rules  
10 incorporated by reference, which shall be construed as supplemental to these Rules.  
11 In the event that the Rules of the State Board of Accountancy are more stringent or are  
12 inconsistent with an incorporated standard or rule, the Rules of the State Board of  
13 Accountancy govern.

14 B. Board Rules are intended to promote the following professional obligations;

- 15 1. Serve the public interest – A Licensee must accept the obligation to act in a way  
16 that will serve the public interest, honor the public trust, and demonstrate a  
17 commitment to professionalism.
- 18 2. Exercise Due Care and Reasoned Professional Judgment – In carrying out their  
19 responsibilities, a Licensee must discharge professional responsibilities with due  
20 care and diligence and exercise professional judgment in all activities.
- 21 3. Demonstrate Integrity – To maintain and broaden public confidence, a Licensee  
22 must perform all professional responsibilities with the highest sense of honesty.
- 23 4. Maintain Personal Objectivity – A Licensee must maintain objectivity at all times  
24 when rendering Professional Services. Specifically, a Licensee must:
- 25 a. Avoid rendering Professional Services where actual or perceived conflicts  
26 of interest exist, unless such conflicts are specifically permitted by Board  
27 Rule or professional standards.
- 28 b. Be independent in fact and appearance when providing attestation  
29 services.
- 30 5. Confidentiality – A Certificate Holder has an obligation to maintain and respect  
31 the confidentiality of information obtained in the performance of all professional  
32 duties.  
33

34 C. In sum, a Licensee must exercise due professional care to:

- 35 1. Comply with federal and State laws and the profession's technical and ethical  
36 standards;

- 1           2.     Maintain competence and strive to improve the quality of services; and
- 2           3.     Personally discharge professional responsibilities with the highest sense of
- 3                 integrity, objectivity and ethical commitment.

4   **9.2    COLORADO SPECIFIC RULES OF PROFESSIONAL CONDUCT**

5   A.    INTEGRITY AND OBJECTIVITY

- 6           1.     A Licensee shall not engage in fraud, deceit or any form of dishonesty in relation
- 7                 to the Board including but not limited to any response, representation,
- 8                 application, form or other communication with or to the Board whether oral or
- 9                 written.
  
- 10          2.     A Licensee shall perform all Professional Services with integrity and objectivity.
- 11                 A Licensee shall not engage in fraud, deceit, or any form of dishonesty,
- 12                 knowingly misrepresent facts, or subordinate their judgment to others.
  
- 13          3.     A Licensee shall not market, solicit, or otherwise offer services through any
- 14                 representation that contains false, misleading or deceptive statements.

15 B.    CONTINGENT FEE AND COMMISSIONS

16           A fee established for the performance of any service pursuant to an arrangement in

17           which no fee will be charged unless a specific finding or result is attained, or in which the

18           amount of the fee is otherwise dependent upon the finding or result of such service.

19           Solely for purposes of these Rules, fees are not regarded as being contingent if fixed by

20           courts or governmental entities acting in a judicial or regulatory capacity, or in tax

21           matters if determined based upon the results of judicial proceedings or the findings of

22           governmental agencies acting in a judicial or regulatory capacity or there is a reasonable

23           expectation of substantive review by a taxing authority. Any contingent fee must be

24           disclosed to the Client in writing on or before performing professional services for that

25           Client.

26           Any commission or other monetary benefit that is, or may be, received from any Person

27           other than the Client because of the services performed for the Client must be disclosed

28           in writing on or before performing professional services for that Client or upon receipt if

29           not known at the time of beginning services.

30 C.    ISSUING COPIES OF REPORTS - TAX RETURNS OR OTHER DOCUMENTS

- 31          1.     Upon request and reasonable notice, a Licensee must furnish to a Client or
- 32                 former Client a copy of any report, tax return, or other document issued by the
- 33                 Licensee to or for such Client during the previous 5 years. The Licensee must
- 34                 furnish these copies in a timely manner. Unpaid fees for Professional Services do
- 35                 not constitute justification for withholding copies of these items.

- 1           2.     The Licensee may charge a Client or former Client for the reasonable cost of  
2           providing the copies.
- 3           3.     Client for the purposes of this Rule 9.2.C, includes Individuals who are current  
4           Owners or that were Owners during the time period addressed by the report, tax  
5           return, or other document issued, unless otherwise restricted by contract or law.

6   D.   CLIENT RECORDS

- 7           1.     Client records are:
- 8           a.     Accounting or other records belonging to the Client that are obtained from  
9           or on behalf of the Client, or that are otherwise within a Licensee's  
10          possession or control.
- 11          b.     Licensee's work papers or records that contain data that should properly  
12          be reflected in the Client's books and records, including, but not limited to:
- 13                i.     adjusting, closing, combining, or consolidating journal entries; and
- 14                ii.    information normally contained in the books of original entry and  
15                general ledgers or subsidiary ledgers, such as accounts  
16                receivable, job cost and equipment ledgers or similar types of  
17                depreciation records.
- 18          c.     Computer files that include Client information normally contained in the  
19          books of original entry and general ledgers or subsidiary ledgers.
- 20          2.     Obligation to retain, return and provide Client records.
- 21                a.     A Licensee must retain copies of documentation of work performed,  
22                including any report, tax return or other document issued by the Licensee,  
23                for a period of 5 years. If original Client records or copies of Client  
24                records are retained by the Licensee, they must also be retained for a  
25                period of 5 years.
- 26                b.     A Licensee must return or make available to a Client or designee Client  
27                records upon request and reasonable notice from the Client or former  
28                Client. If the records cannot be returned or made available to the Client or  
29                designee promptly, the Licensee must immediately notify the Client or  
30                designee of the date the records will be returned or made available. The  
31                Licensee must return these records in a timely manner.
- 32                c.     A Licensee must not retain Client records in an attempt to force payment  
33                of any kind.

1 d. Upon completion of an engagement wherein the Client's records have  
2 been returned to the Client, duplicate records requested by the Client or  
3 former Client must be furnished to the Client upon reasonable notice for a  
4 reasonable charge. Such charge must be set to reflect the reasonable  
5 cost of providing the copies.

6 e. Upon request, a Licensee must provide to the Client or former Client a  
7 copy of any computer files that constitute Client records, without  
8 password protection and with the name of the software used to manage  
9 the accounting information. The Licensee is under no obligation to  
10 provide the Client or former Client with a copy of any computer code,  
11 application program or instructions for the software used to assemble the  
12 data.

13 3. Workpapers belonging to the Licensee.

14 a. A Licensee is not required to furnish to the Client or former Client any  
15 workpapers developed by the Licensee that do not result in changes to  
16 the Client's records or are not in themselves part of the records ordinarily  
17 maintained by a Client.

18 b. Licensee's workpapers are considered to be solely the property of the  
19 Licensee and are not the property of the Client even if developed with the  
20 assistance of the Client. For example, the Licensee may make extensive  
21 analyses of inventory or other accounts as part of the selective audit  
22 procedures. These analyses are considered to be a part of the Licensee's  
23 workpapers, even if Client personnel at the request of the Licensee have  
24 prepared the analyses. Only to the extent these analyses result in  
25 changes to the Client's records would the Licensee be required to furnish  
26 the details from the workpapers in support of the journal entries recording  
27 the changes. The Licensee is not required to furnish such details if the  
28 journal entries themselves contain all necessary details.

29 4. If an engagement is terminated prior to the completion of work, and the  
30 Licensee's work product has neither been issued nor paid for by the Client, the  
31 work product is solely and exclusively the property of the Licensee.

32 5. Unless otherwise provided, "timely manner" is presumed to be within 45 business  
33 days.

34 **9.3 INCORPORATION OF AICPA CODE OF PROFESSIONAL CONDUCT**

35 A. In addition to these Rules of Professional Conduct, the Board adopts and incorporates  
36 by reference the AICPA Code of Professional Conduct as described in the *AICPA*  
37 *Professional Standards* effective June 1, 2011 as provided in Chapter 1. These Rules  
38 does not include amendments to or later additions of the AICPA Code of Professional

1 Conduct as described in the *AICPA Professional Standards* effective June 1, 2011. All  
2 Licensees must comply with the Board's Rules of Professional Conduct and the AICPA  
3 Code of Professional Conduct in the performance of Professional Services. When the  
4 AICPA Code of Professional Conduct refers to "Member" it is understood that the  
5 references apply to Licensees, regardless of whether the Licensee is a member of the  
6 AICPA.

- 7 B. In the event the Rules of the State Board of Accountancy are more stringent or are  
8 inconsistent with the AICPA Code of Professional Conduct, the Rules of the State Board  
9 of Accountancy govern.

#### 10 **9.4 INCORPORATION OF STANDARDS**

11 A. Licensees must also comply with the requirements of the U.S. GAAS, U.S. GAAP, SEC,  
12 PCAOB, IRS, U.S. Government Accountability Office (GAO), Financial Accounting  
13 Standards Board (FASB), the Governmental Accounting Standards Board (GASB), the  
14 Cost Accounting Standards Board (CASB), the Federal Accounting Standards Advisory  
15 Board (FASAB), Federal Office of Management and Budget (OMB) as described in the  
16 *AICPA Professional Standards* effective June 1, 2011.

17 B. Licensees must comply with the *AICPA Professional Standards* and the following  
18 standards if such standards are applicable to the Professional Services being performed:

- 19 1. Statements of Governmental Accounting and Financial Reporting Standards  
20 issued by GASB;
- 21 2. Statements of Financial Accounting Standards and Interpretations, and Staff  
22 Positions issued by FASB, together with those Accounting Research Bulletins  
23 and Accounting Principles Board Opinions which are not superseded by action of  
24 the FASB;
- 25 3. Governmental Auditing Standards issued by the U.S. Governmental  
26 Accountability Office;
- 27 4. SEC Rules, Concept Releases, Interpretative Releases, and Policy Statements;  
28 and
- 29 5. IRS Circular 230.

30 This Rule does not include later amendments to or editions of the Standards listed herein.

31 The standards referenced in this Rule 9.4 are included in the AICPA Professional Standards  
32 June 1, 2011 edition as incorporated herein by reference in Chapter 1.

33 C. If the professional services are governed by standards not included in Rule 9.4.B  
34 Licensees who offer or render professional services in this state or for Clients located in  
35 this state must:

- 1 1. Maintain documentation of the justification for the departure from the standards
- 2 listed in Rule 9.4.B;
- 3 2. Determine and document what standards are applicable; and
- 4 3. Demonstrate compliance with the applicable standards.
- 5

1 **CHAPTER 10 - DECLARATORY ORDERS**

2 **SECTION 24-4-105(II), C.R.S**

3 **10.1 SUBJECT MATTER OF DECLARATORY ORDERS**

4 Any person, as defined in Section 12-2-102(3), C.R.S., may petition the Board for a declaratory  
5 order to terminate controversies or to remove uncertainties as either may relate to the  
6 applicability to the petitioner of any statutory provisions or of any rule or order of the Board.

7 **10.2 SCOPE OF BOARD RULINGS**

8 The Board will determine, in its discretion and without notice to petitioner, whether to rule upon  
9 any such petition. If the Board determines that it will not rule upon such a petition, the Board  
10 shall promptly notify the petitioner of its action and state the reasons for such action.

11 **10.3 BOARD RULING CONSIDERATIONS**

12 In determining whether to rule upon a petition filed pursuant to this Chapter, the Board will  
13 consider the following matters, among others:

- 14 A. Whether a ruling on the petition will terminate a controversy or remove uncertainties as  
15 to the applicability of any statutory provision, rule, or order of the Board to the petitioner.
- 16 B. Whether the petition involves any subject, question, or issue which is the subject of a  
17 formal or informal matter or investigation currently pending before the Board or a court  
18 involving one or more of the petitioners.
- 19 C. Whether the petition involves any subject, question, or issue that is the subject of a  
20 formal or informal matter or investigation currently pending before the Board or a court  
21 but not involving any petitioner.
- 22 D. Whether the petition seeks a ruling on a moot or hypothetical question or will result in an  
23 advisory ruling or opinion.
- 24 E. Whether the petitioner has some other adequate legal remedy, other than an action for  
25 declaratory relief pursuant to Rule 57, Colorado Rules of Civil Procedure, that will  
26 terminate the controversy or remove any uncertainty as to the applicability to the  
27 petitioner of the statute, rule, or order in question.
- 28 F. Whether the petition contains enough information regarding the facts for the Board to  
29 adequately consider the application of the statutory provision, rule, or order of the Board  
30 identified.

31 **10.4 PETITION REQUIREMENTS**

32 Any petition filed pursuant to this Chapter must set forth the following:

- 1 A. The name and address of the petitioner, and whether the petitioner is registered or holds  
2 a Certificate issued pursuant to Section 12-2-101, C.R.S. et seq.
- 3 B. The statute, rule, or order to which the petition relates.
- 4 C. A concise statement of all of the facts necessary to show the nature of the controversy  
5 or uncertainty and the manner in which the statute, rule, or order in question applies or  
6 potentially applies to the petitioner.

7 **10.5 BOARD RULING PROCEDURES**

8 If the Board determines that it will rule on the petition, the following procedures shall apply:

- 9 A. The Board may rule upon the petition based solely upon the facts presented in the  
10 petition. In such a case:
  - 11 1. Any ruling of the Board will apply only to the extent of the facts presented in the  
12 petition and any Board permitted amendment to the petition.
  - 13 2. The Board may order the petitioner to file a written brief, memorandum, or  
14 statement of position.
  - 15 3. The Board may set the petition, upon due notice to the petitioner, for a non-  
16 evidentiary hearing.
  - 17 4. The Board may dispose of the petition on the sole basis of the matters set forth in  
18 the petition.
  - 19 5. The Board may request the petitioner to submit additional facts, in writing. In  
20 such event, such additional facts will be considered as a Board permitted  
21 amendment to the petition.
  - 22 6. The Board may take administrative notice of facts pursuant to the Administrative  
23 Procedure Act Section 24-4-105(8), C.R.S. and may utilize its experience,  
24 technical competence, and specialized knowledge in the disposition of the  
25 petition.
  - 26 7. If the Board rules upon the petition without a hearing, it shall promptly notify the  
27 petitioner of its decision.
- 28 B. The Board may, in its discretion, set the petition for hearing, upon due notice to  
29 petitioner, for the purpose of obtaining additional facts or information or to determine the  
30 truth of any facts set forth in the petition, or to hear oral arguments on the petition. The  
31 notice to the petitioner setting such hearing shall set forth, to the extent known, the  
32 factual or other matters into which the Board intends to inquire. For the purpose of such  
33 a hearing, to the extent necessary, the petitioner has the burden of proving all of the  
34 facts stated in the petition, all of the facts necessary to show the nature of the

1 controversy or uncertainty, and the manner in which the statute, rule, or order in  
2 question applies or potentially applies to the petitioner, and any other facts the petitioner  
3 desires the Board to consider.

4 **10.6 DEFINED PARTIES**

5 The parties to any proceeding pursuant to this Chapter 10 shall be the Board and the petitioner.  
6 Any other person may seek leave of the Board to intervene in such a proceeding, and leave to  
7 intervene will be granted at the sole discretion of the Board. A petition to intervene shall set  
8 forth the same matters as required by Rule 10.4. Any reference to a "petitioner" in this Chapter  
9 also refers to any person who has been granted leave to intervene by the Board.

10 **10.7 AGENCY ACTION**

11 Any declaratory order or other order disposing of a petition pursuant to this Chapter 10 shall  
12 constitute agency action subject to judicial review pursuant to Section 24-4-108, C.R.S.

13



1 B. Firm Practice Privilege requirements.

2 Notwithstanding Section 12-2-117, C.R.S., a foreign partnership, corporation, limited  
3 partnership, limited liability limited partnership, or limited liability company that has a  
4 Valid certificate, license, permit or registration to practice public accountancy issued by  
5 another State that satisfies the requirements of Section 12-2-121(2)(a), C.R.S. may  
6 engage in the practice of accounting in this state without registering with the Board.

7 C. Contact information required.

8 Every Licensee engaged in the practice of accounting in this state shall provide contact  
9 information to Clients as required under Section 12-2-115(2), C.R.S.

### 10 **11.3 DISCIPLINE FOR HOLDERS OF THE PRACTICE PRIVILEGE**

11 A. Practice Privilege Holders.

12 Licensees who hold a Practice Privilege are subject to the jurisdiction of and the  
13 disciplinary action of the Board pursuant to Section 12-2-121(2)(C)(I); therefore, the  
14 Board may revoke, suspend, fine, issue a Letter of Admonition, place on probation,  
15 impose other conditions or limitations, or deny the Practice Privilege to any Practice  
16 Privilege holder for the following grounds:

- 17 1. Fraud, deceit or dishonesty in qualifying for the Practice Privilege,
- 18 2. Fraud or negligence in the Practice of Public Accounting in Colorado or any other  
19 jurisdiction,
- 20 3. Fraud or negligence in the filing of or failure to file a Licensee's own income tax  
21 returns,
- 22 4. Violation of any provision of the Act applicable to the Practice Privilege, or any  
23 final rule promulgated by the Board applicable to the Practice Privilege or of any  
24 valid agency order,
- 25 5. Violation of the AICPA Code of Professional Conduct or a Rule of Professional  
26 Conduct promulgated by the Board under the authority granted by the Act,
- 27 6. Conviction of a felony under the laws of any State or of the United States. A plea  
28 of guilty or a plea of *nolo contendere* accepted by the court shall be considered  
29 as a conviction,
- 30 7. Conviction of any crime, an element of which is dishonesty or fraud, under the  
31 laws of any jurisdiction or of the United States. A plea of guilty or a plea of *nolo*  
32 *contendere* accepted by the court shall be considered as a conviction,
- 33 8. Discipline taken against the Licensee's authority to practice as a CPA or a public  
34 accountant(s) in any State,

- 1 9. Discipline taken against the Licensee's right to practice before any jurisdiction or  
2 federal agency or agency outside the United States or the PCAOB, created by  
3 the federal "Sarbanes-Oxley Act of 2002", 15 U.S.C. sec 7201 et seq., for  
4 improper conduct or willful violation of the rules or regulations of such State,  
5 agency, or the PCAOB,
- 6 10. Providing public accounting services to the public without qualifying for the  
7 Practice Privilege under Section 12-2-121(2), C.R.S.,
- 8 11. Assuming or using the title or designation "certified public accountants" or the  
9 abbreviation "CPAs," or any other title, designation, words, letters, abbreviation,  
10 sign, card or device tending to indicate that such Person is a CPA unless such  
11 Person holds an Active/Valid Certificate or registration as a Colorado CPA(s) or  
12 Firm or qualifies for the Practice Privilege,
- 13 12. An act or omission which fails to meet U.S. GAAP or U.S. GAAS,
- 14 13. Habitual intemperance with respect to or excessive use of any habit-forming  
15 drug, any controlled substance as defined in Section 12-22-303 (7), C.R.S. or  
16 any alcoholic beverage, any of which renders him unfit to practice public  
17 accounting,
- 18 14. Failure to retain records of the work performed for each Client in Colorado for a  
19 period of 5 years or as required by law.
- 20 15. Use of false, misleading, or deceptive advertising or name.
- 21 B. If a Licensee's Certificate, license, or registration is limited or subject to any form of  
22 discipline or denial by another jurisdiction, a federal agency or foreign jurisdiction while  
23 the Licensee is exercising the Practice Privilege in Colorado, the Licensee must notify  
24 the Board, in a manner prescribed by the Board, of the limitation or discipline within 7  
25 business days of the action taken.
- 26 C. Licensees holding Practice Privilege are subject to the disclosure requirements as  
27 described in Rule 6.6 and 12.7.

#### 28 **11.4 FOREIGN INDIVIDUALS**

- 29 A. An Individual who holds a degree, certificate or license in a foreign country to practice  
30 public accounting may practice public accounting in this state without a Certificate issued  
31 under the Act or license issued by another U.S. jurisdiction, provided that:
  - 32 1. The degree, certificate or license is a recognized qualification for the practice of  
33 public accounting in that country and the certificate or license is active and in  
34 good standing;

- 1           2.     The Individual's principal place of business, as defined in Rule 11.2, is not in this  
2           state; and
- 3           3.     The practice is incident to the Individual's regular practice outside this state.  
4           "Incident to" means the Professional Services provided are temporary, minor and  
5           a subordinate component of Professional Services otherwise performed outside  
6           of this state.
- 7     B.     Individuals who practice public accounting under this Rule 11.4 are subject to the  
8           jurisdiction of and disciplinary action by the Board. The Board may deny, revoke,  
9           suspend, or impose other conditions and limitations on the privilege to practice under  
10          this Rule 11.4 (the "Foreign Practice Privilege"), or may fine, issue a Letter of  
11          Admonition, place on probation, or impose other conditions or limitations on an Individual  
12          practicing under the Foreign Practice Privilege for the following causes:
- 13          1.     Fraud, deceit or dishonesty in qualifying for the Foreign Practice Privilege,  
14          2.     Fraud or negligence in the Practice of Public Accounting in Colorado or any other  
15          jurisdiction,  
16          3.     Fraud or negligence in the filing of or failure to file the Individual's own income  
17          tax returns,  
18          4.     Violation of any provision of the Act or these Rules applicable to the Foreign  
19          Practice Privilege or of any valid agency order,  
20          5.     Violation of the AICPA Code of Professional Conduct or a Rule of Professional  
21          Conduct promulgated by the Board,  
22          6.     Conviction of a felony under the laws of any jurisdiction or of the United States. A  
23          plea of guilty or a plea of *nolo contendere* accepted by the court shall be  
24          considered as a conviction,  
25          7.     Conviction of any crime, an element of which is dishonesty or fraud, under the  
26          laws of any jurisdiction or of the United States. A plea of guilty or a plea of *nolo*  
27          *contendere* accepted by the court shall be considered as a conviction,  
28          8.     Discipline taken against the Individual's authority to practice public accounting in  
29          any jurisdiction,  
30          9.     Discipline taken against the Individual's right to practice before any jurisdiction or  
31          federal agency or any agency outside the United States or the PCAOB for  
32          improper conduct or willful violation of the rules or regulations of such jurisdiction,  
33          agency, or the PCAOB,  
34          10.    Providing public accounting services to the public without qualifying for the  
35          Foreign Practice Privilege,

- 1           11.    Assuming or using the title or designation "certified public accountant" or the  
2                    abbreviation "CPA," or any other title, designation, words, letters, abbreviation,  
3                    sign, card or device tending to indicate that the Individual is a CPA unless he  
4                    holds an Active Certificate, or license issued by any State. However, the  
5                    Individual may use the equivalent title authorized where the Individual is certified  
6                    or licensed to practice if he qualifies for the Foreign Practice Privilege,
- 7           12.    An act or omission that fails to meet U.S. GAAP or U.S. GAAS,
- 8           13.    Habitual intemperance with respect to or excessive use of any habit-forming  
9                    drug, any controlled substance as defined in Section 12-22-303 (7), C.R.S. or  
10                  any alcoholic beverage, any of which renders him unfit to practice public  
11                  accounting,
- 12          14.    Failure to retain records of the work performed for each Client in Colorado for a  
13                  period of 5 years or as required by law.
- 14          15.    Use of false, misleading, or deceptive advertising or name.
- 15    C.    An Individual who meets the requirements of Rule 11.4.A is not required to submit any  
16            notice or fee to the Board as a condition of practicing. But the Individual must respond  
17            to all Board communications within 30 days and must submit all information as  
18            requested in connection with an investigation or action initiated under Rule 11.4.B.

19  
20  
21

1 **CHAPTER 12 – FIRM REQUIREMENTS**

2 **12.1 FIRM REGISTRATION**

- 3
- 4 A. Any Firm that meets the requirements of Section 12-2-117, C.R.S shall apply for a  
5 registration by submitting an application and fee in the manner prescribed by the Board.  
6
- 7 B. Any Firm registered under Section 12-2-117, C.R.S. must comply with all provisions of  
8 the Act and Rules of the Board.  
9
- 10 C. Except as provided in Section 12-2-121(2), C.R.S., a Firm, including a Firm with a single  
11 Owner, shall not Hold Out or engage in activities for which a Valid registration is required  
12 under Section 12-2-120(6), C.R.S. in this state until its application for registration has  
13 been approved by the Board.  
14
- 15 D. Each Registrant must designate a Responsible Party who will be responsible for fulfilling  
16 all notice and reporting requirements under the Act and these Rules regarding the  
17 Registrant.

18 **12.2 CPA FIRM NAMES**

- 19
- 20 A. The name under which a Firm Holds Out or engages in the Practice of Public Accounting  
21 must not be misleading.  
22
- 23 B. A Registrant may use an assumed or trade name when Holding Out as a registered Firm  
24 or when offering to perform Professional Services if:  
25
- 26 1. The Registrant has filed the assumed or trade name with the Colorado Secretary  
27 of State pursuant to Section 7-71-101, C.R.S;  
28
  - 29 2. The Registrant has provided the assumed or trade name to the Board in a  
30 manner prescribed by the Board;  
31
  - 32 3. The assumed or trade name clearly indicates that the Firm is engaged in  
33 providing accounting services; and  
34
  - 35 4. The assumed or trade name otherwise complies with these Rules.  
36
- 37 C. A Registrant that is a Network Firm may include the brand name or initials of the  
38 Network if the Firm is a member of a Network.
- 39 D. A Firm name is considered misleading if the name:
- 40 1. Implies the existence of a corporation by the use of words or abbreviations such  
41 as "Corporation," "Incorporated," "P.C.," "Corp.," or "Inc.," if the Firm is not  
42 incorporated or is not a professional corporation.
  - 43 2. Of a corporation or professional corporation is not ended by words or  
44 abbreviations such as "Corporation," "Incorporated," "P.C.," "Corp.," or "Inc."

- 1           3.       Implies the existence of a partnership by the use of a designation such as "Smith  
2           & Jones," "C.P.A.'s," "Partnership," "Ltd.," "LP," "LLP," or "LLLLP" if the Firm is not  
3           such an entity.
- 4           4.       Of a partnership is not ended by words or abbreviations permitted pursuant to the  
5           law under which the partnership was organized such as "LP," "LLP," or "LLLLP.
- 6           5.       Implies the existence of a limited liability company by the use of the abbreviations  
7           such as "Ltd.," "L.L.C.," "LLC" or "LC" if the Firm is not a limited liability company.
- 8           6.       Of a limited liability company is not ended by the words "Limited Liability  
9           Company" or the abbreviation "LLC", provided that the word "limited" may be  
10          abbreviated as "Ltd.," and the word "company" may be abbreviated as "Co."
- 11          7.       Includes the name of an Owner who has withdrawn from the Firm or otherwise  
12          terminated his association with the Firm other than by retirement or by death.  
13          The name of the former Owner must be removed from the Firm name and the  
14          name change reported to the Board within 30 days after the withdrawal or  
15          termination.
- 16          8.       Implies that the Firm is comprised of more than Individual by the use of terms  
17          such as "& Company," "& Associates," or "Group," if, in addition to the Owner,  
18          the Firm is not comprised of at least one other Owner or Individual employed,  
19          professionally associated, or contractually related on a regular and continuous  
20          basis with the Firm.
- 21          9.       Implies that more than one Individual in the Firm is a CPA by the use of terms  
22          such as "CPAs" or "Certified Public Accountants" if no more than one CPA is an  
23          Owner or is employed by, or professionally associated, or contractually related to  
24          the Firm on a regular and continuous basis.
- 25          10.       Includes the name of a Person who is not a CPA in any State or is not a CPA or  
26          its legal equivalent in a foreign country if the title "CPAs" is included in the Firm  
27          name.
- 28          11.       Indicates or implies an association with Persons who are not members of the  
29          Firm, unless the Firm is a Network Firm as defined in Rule 1.2 and the  
30          associated Persons are members of the Network.
- 31          12.       Contains any representation that would likely cause a reasonable person to be  
32          misled or confused about the Firm's legal entity type, e.g., corporation,  
33          partnership or limited liability company, or about the ownership or membership of  
34          the Firm.
- 35          13.       Contains any representation that would likely cause a reasonable person to have  
36          a false or unjustified expectation of favorable results or capabilities, through the  
37          use of a false or unjustified representation as to any material matter.
- 38          39          40          41

- 1           14.    Claims or implies the ability to influence a regulatory body or official.  
2  
3           15.    Includes the name of any Licensee whose license or registration has been  
4                    revoked or disciplined, such that the Licensee is prohibited from practicing public  
5                    accounting or prohibited from using the title CPA or similar designation or  
6                    Holding Out if the Firm name includes the designation “CPAs” or any other  
7                    language or device tending to indicate the disciplined CPA or Firm possesses an  
8                    Active certificate, license or registration.
- 9    E.     A Firm name must not be formulated in such a manner that the initials or parts of the  
10           name form a term, phrase, or imply an association that is misleading.
- 11   F.     All assumed and trade names must be reported to the Board in a manner prescribed by  
12           the Board.
- 13   G.     A Registrant engaged in the Practice of Public Accounting may not Hold Out, perform or  
14           offer to perform Professional Services using a name that is not stated in its Firm  
15           registration.
- 16   H.     The following types of Network Firm names are not in and of themselves misleading and  
17           are permissible so long as they do not violate the provisions of this Rule 12.2.
- 18           1.     A Firm name that uses a common brand name, or shares common initials, as  
19                    part of the Firm name, provided the Firm is a Network Firm as defined in Chapter  
20                    1; or
- 21           2.     A Firm name that uses the Network name if it shares one or more of the  
22                    characteristics described in Rule 1.2 AB.

### 23   **12.3   FIRM NOTIFICATIONS**

- 24   A.     A Registrant must notify the Board, in a manner prescribed by the Board, within 30 days  
25           of any of the following changes to the Registrant:
- 26           1.     Location or addition/deletion of offices;
- 27           2.     Dissolution or other termination of the Firm;
- 28           3.     Legal entity type of the Firm, e.g. partnership, professional corporation, or limited  
29                    liability company;
- 30           4.     Name of the Firm registered with the Office of the Secretary of State of Colorado  
31                    or equivalent authority if registered in another state;
- 32           5.     Assumed or trade name of the Firm;
- 33           6.     Responsible Party for the Firm; and



- 1           3.     Business telephone number; and,
- 2           4.     Colorado Certificate number of the Responsible Party and Colorado Firm
- 3                 registration number.

4   **12.7   FIRM DISCLOSURES**

5   A.     A Registrant must notify the Board in a manner prescribed by the Board within 45 days

6             of any of the following events relating to the Registrant:

- 7           1.     Imposition of discipline by:
  - 8                 a.     The SEC, the PCAOB, or the IRS.
  - 9                 b.     Another board of accountancy for any cause other than failure to pay a
  - 10                 registration fee by the due date.
  - 11                 c.     Any other federal or State agency regarding the Registrant's conduct in
  - 12                 providing Professional Services.
  - 13                 d.     Any federal or State taxing, insurance or securities regulatory authority.
  - 14                 e.     Any non-U.S. authority or credentialing body that regulates the practice of
  - 15                 accountancy for any cause other than failure to pay a registration fee by
  - 16                 the due date.
- 17           2.     Notice of disciplinary charges concerning the practice of accountancy filed by the
- 18                 SEC, PCAOB, IRS, or another board of accountancy, or a federal or State
- 19                 agency, or a non-U.S. authority or credentialing body that regulates the practice
- 20                 of accountancy.
- 21           3.     Initiation of a civil proceeding or an alternative dispute resolution proceeding by a
- 22                 governmental entity relating to an audit report for a public or non-public company.
- 23           4.     Judgment, settlement or resolution of a civil proceeding or an alternative dispute
- 24                 resolution proceeding by a governmental entity relating to an audit report for a
- 25                 public or non-public company.
- 26           5.     Initiation of an administrative proceeding or disciplinary proceeding by any
- 27                 federal, State, or non-U.S. agency, board, or administrative or registration
- 28                 authority or any professional association or entity regarding an audit report for a
- 29                 public or non-public company.
- 30           6.     Decision, judgment, settlement or resolution of an administrative proceeding or
- 31                 disciplinary proceeding by any federal, State or non-U.S. agency, board, or
- 32                 administrative or registration authority or any professional association or entity
- 33                 regarding an audit report for a public or non-public company.

- 1           7.     Any judgment, award or settlement of a civil action or arbitration proceeding of  
2                 \$150,000 or more in which the Registrant was a party if the action or proceeding  
3                 included any allegation of gross negligence, violation of a specific standard of  
4                 practice, fraud, or misappropriation of funds in the Practice of Public Accounting  
5                 or during an engagement.
- 6           8.     Occurrence of any matter that must be reported by the Firm to the PCAOB  
7                 pursuant to the Sarbanes-Oxley Act of 2002, 15 U.S.C. sec. 7201 et seq., and  
8                 PCAOB Rules and forms adopted pursuant thereto.
- 9    B.     The notice to the Board must include the following information regarding the reportable  
10            event:
- 11           1.     If the reportable event is a disciplinary proceeding, alternative dispute resolution  
12                 proceeding, administrative proceeding or civil action by any governmental entity  
13                 or professional association or entity, the name of the agency, its jurisdiction, the  
14                 case name, the docket or proceeding or case number by which it is designated, a  
15                 description of the matter or a copy of the document initiating the action or  
16                 proceeding and, if the matter has been adjudicated or settled, a copy of the  
17                 consent decree, order or decision.
- 18           2.     If the reportable event is a criminal conviction, charge, or plea, the court, its  
19                 jurisdiction, the case name, the case number, and a description of the matter or a  
20                 copy of the indictment or charges, and, if the responsible Licensee has been  
21                 convicted, acquitted, or entered a plea of guilty or *nolo contendere*, a copy of the  
22                 judgment of conviction.
- 23           3.     If the reportable event concerns a civil action or arbitration proceeding, the court  
24                 or arbiter, the jurisdiction, the case name, the case number, a description of the  
25                 matter or a copy of the complaint, and a copy of the verdict, the court or  
26                 arbitration decision, or, if settled, the court's order of dismissal.
- 27    C.     The Registrant may submit a written explanatory statement to be included in the Board's  
28            records.
- 29    D.     Documents provided to the Board shall be closed to public inspection if federal statute or  
30            regulation or State statute or rule or regulation so provides.
- 31    E.     This rule shall apply to any reportable event that occurs on or after the Rule's effective  
32            date.