

OKLAHOMA ACCOUNTANCY BOARD (OAB)

PERMITS

REQUIREMENTS TO OBTAIN A PERMIT TO PRACTICE PUBLIC ACCOUNTING

1. *Where can I find the law pertaining to individual permits?* The Oklahoma Accountancy Act (Act) is available on the OAB website at www.ok.gov/oab. Refer to Section 15.14A for the requirements relating to individual permits. See Section 15.35 for the CPE requirements.

2. *Where can I find the rules pertaining to individual permits?* The Oklahoma Administrative Code (Code) is available on the OAB website at www.ok.gov/oab. Chapter 15, Subchapter 25 pertains to permits. The CPE requirements and standards can be found in Chapter 15, Subchapters 30 and 32 respectively.

3. *Who must hold a permit to practice?* All OAB registrants engaged in the practice of public accounting are required to hold a permit.

4. *Where can I find a definition of the practice of public accounting so I can determine whether I need a permit?* Section 15.1A.31 of the Act defines the practice of public accounting. The Act is available on the OAB website.

5. *I work for a public accounting firm, but I don't sign anything. Do I have to hold a permit?* Yes, CPA and PA staff employed by Oklahoma public accounting firms are considered to be engaged in public practice and are required to hold permits if they work on client records.

6. *May I hold a permit if I do not practice public accounting?* Yes

7. *I work full time in industry (or government or education) and do not practice public accounting. Am I required to hold a permit now that I must complete CPE?* No. You are required to hold a permit only if you also perform public accounting services for anyone, other than non-compensated services for immediate family members (defined in Code 10:15-1-2).

8. *What are the requirements to obtain an initial permit to practice?* To obtain an original permit, you must report a minimum of forty (40) hours of CPE, including two (2) hours of professional ethics, earned within the previous calendar year or within 365 days immediately preceding the date of the application. In addition, you must provide evidence of the successful completion (90% or above) of the AICPA Ethics Examination or its equivalent as determined by the OAB.

9. What are the requirements to renew a lapsed permit? To renew a permit that has lapsed, you must report a minimum of forty (40) hours of CPE, including two (2) hours of professional ethics, earned within the previous calendar year or within 365 days immediately preceding the date of the application. In addition, you must provide evidence of the successful completion (90% or above) of the AICPA Ethics Examination or its equivalent as determined by the OAB. The exam course is called "Professional Ethics: The AICPA's Comprehensive Course." It can be counted toward the 40 hours of CPE and the 2 hours of professional ethics required for the permit as long as it was earned in an appropriate compliance period.

10. What are the requirements to renew a permit currently in effect? To renew a permit currently in effect, you must comply with the CPE requirements in Code 10:15-30-5. Essentially, you must earn 120 hours of CPE in a rolling 3-year period, with no less than 20 hours in any year. You must complete 2 hours of professional ethics each year.

11. What is the fee to obtain a permit? \$100

12. When will my permit expire? The permit will expire at midnight on the next June 30th following the date of issuance. It must be renewed prior to its expiration.

13. Is there a late fee for renewing the permit after the filing deadline? No, but you must provide evidence of successful completion (90% or above) of the AICPA's Comprehensive Ethics Exam (or its equivalent as determined by the OAB) to renew a lapsed permit. This is currently a 14 or 17 hour self-study course in professional ethics called "Professional Ethics: The AICPA's Comprehensive Course." Furthermore, the law does not allow you to practice public accounting once your permit has expired.

14. Since I must earn the same amount of CPE required of a permit holder, should I not apply for the permit to practice even though I'm in industry? You may apply for the permit if you wish. However, there are additional requirements for those applying for permits that do not apply to non-permit holders. Please refer to question 15.

15. What requirements would an industry CPA/PA have to meet in order to obtain a permit? To apply for an initial permit or to apply for a permit once a previous permit has lapsed, you must report a minimum of 40 hours of CPE, including at least 2 hours of professional ethics. In addition, you must successfully complete (90% or above) the AICPA's Comprehensive Ethics Examination or its equivalent as determined by the OAB. The course, entitled "Professional Ethics: The AICPA's Comprehensive Course," can be ordered from the AICPA at www.cpa2biz.com; or it may be available from your state's professional society. The CPE credit for the course may be counted toward the 40 hours of CPE and the 2 hours of ethics required for the permit.

Secondly, if you apply for a permit to practice, 72 hours of the total 120 hours earned in a 3-year period (60%) must be earned in areas related to the practice of public accounting. You must complete 8 hours each year in the areas of accounting,

assurance, or taxation. If you do not hold a permit, other than your two hours of ethics each year, all of your CPE can relate to your professional industry, governmental, or academic position as long as it enhances your professional competence and is properly documented.

16. I am in public practice and have just passed the CPA examination, but I have not yet earned the 40 hours of CPE required for the permit. What should I do?

You can apply for a 60-day transition period which, if approved, would allow you to practice for 60 days while you earn the CPE required to obtain the permit. (See Code 10:15-25-5 for details.)

17. I earned 40 hours of CPE in the current calendar year to obtain my initial permit. Can I report these hours again next year when I report my hours for this year as part of my 3-year CPE requirement?

Yes. Example: 40 hours of CPE were earned between 1/1/06 and 10/15/06. The initial permit was issued 10/20/06. The 40 hours earned for the initial permit can be reported in June 2007 when you are asked to report your 2006 CPE hours.

18. Can I apply for reciprocity and a permit online?

No. The reciprocal application process is fairly involved. You can download the application form from the OAB website, but you will need to complete the forms and mail them to the OAB office along with the application fees and any additional information requested on the application. The application must then be processed by the Registration Coordinator, approved by the Executive Director, and sanctioned by the Board before reciprocity is granted. The permit cannot be issued until reciprocity is granted.

19. Do I have to apply for a permit when I apply for reciprocity? If you intend to practice public accounting, you must apply for a permit. You are not required to apply for a permit if you do not intend to practice public accounting.

20. I do not practice public accounting but wish to hold a permit. For CPE purposes, what type of CPE is considered "related to the practice of public accounting"?

Ask yourself the following and other similar questions: 1) What areas of the accounting profession would I be most likely to practice if I were to begin practicing public accounting? 2) What areas of the accounting profession would I like to explore to find out if I would be interested in practicing in those areas? 3) What skills do I need to develop to make myself more marketable in the public accounting arena? The answers should give you some direction as to the type of courses to take. Some courses or programs could apply to both industry and public accounting, depending upon the areas you think you would practice in if you were to begin practicing public accounting.

21. I am applying to renew a lapsed permit. The application tells me I must provide evidence of successful completion of the AICPA Comprehensive Ethics Examination. I have already completed the two hours of ethics required for the permit. Will that suffice?

Two hours of professional ethics does not meet the requirements for renewing a lapsed permit. Please refer to question 9.

22. I intend to enter Oklahoma and practice under the substantial equivalency (SE) requirements. Am I required to hold a permit in Oklahoma or to report CPE to the OAB? No. If you enter Oklahoma under SE, you simply must comply with the requirements of section 15.12A of the Act and Title 10, Chapter 15, Subchapter 22 of the Code. The Act and the Code are available on the OAB website at www.ok.gov/oab.

Note: The following CPE brochures are also available from the OAB: "Comprehensive Ethics Examination and Ethics CPE"; "Qualifying CPE and General CPE Information"; and "CPE Reporting Requirements and Exceptions." This information is also available on the OAB website at www.ok.gov/oab.