

# 2019 SC Board of Accountancy Update

## License renewals:

License Renewals, Firm Renewals and CPE hours are due to the Board of Accountancy no later than 11:59 p.m. on **January 31, 2019**.

### Renewal Fees:

CPA, PA and Accounting Practitioner	\$80
In-State Firm	\$50
Out-of-State Firm	\$50

- A license not renewed by 11:59 p.m. on January 31<sup>st</sup> will be considered lapsed.
- Licensees will be required to file a Reinstatement Application and pay a \$500 reinstatement fee if renewal is filed or completed after February 15<sup>th</sup>.
- Licensees who continue to practice with a lapsed license after February 15<sup>th</sup> may be subject to additional conditions in order to reinstate their license.

---

### Continuing Professional Education (CPE) (Regulation 1-08):

**All licensees must have six (6) hours of qualified ethics CPE that includes two (2) hours in a SC Board of Accountancy-approved South Carolina ethics course.** These six hours must have been earned from January 1, 2016, through December 31, 2018. The 2-hour ethics course can be taken only once in each 3-year cycle. **You can only count one 2-hour SC ethics course per 3-year period. December 31, 2018, is the end of the 3 year reporting period for all licensees.** The next 3-year reporting period is from January 1, 2019, to December 31, 2021.

All 2018 CPE must be completed by December 31, 2018. This means any Certificates of Attendance/Completion must show a 2018 date. All self-study courses must be Quality Assurance Services (QAS) approved, and **self-study CPE cannot exceed 20 hours**. You must submit Certificates of Completion for all self-study courses taken when you submit your CPE Reporting Form.

You must report a minimum of 40 hours of CPE within each calendar year (January 1 through December 31) that is to be reported by January 31 of the following year. The maximum number of hours you may carryover from one year to the next is 20.

Not all learning activities qualify for CPE. The event must be structured as CPE, have a sponsor, and the sponsor must issue a Certificate of Completion/Attendance to receive credit (Regulation 1-08).

Online CPE webinars are considered live presentations provided the course:

- Requires attendee to periodically respond to verify the attendee is present throughout the course.
- Allows attendee the ability to contact the moderator to ask questions.

If you are providing a copy of the firm's CPE data sheet to substitute for page 2 of the Board's reporting form:

- Complete page 1 of the CPE reporting form.
- Ensure the substitute form provides all of the same data as page 2 of the Board's reporting form.
- Make sure the data required is easily recognizable. If not, complete page 2.

The Board requires CPE to be submitted by email. You must:

- Only use [acctcpe@llr.sc.gov](mailto:acctcpe@llr.sc.gov) to email your CPE report.
- Complete both pages of the report and sign it.
- If you have any self-study certificates, you must attach them as PDF files to the email.

- Convert report into a PDF document only.
- Name the PDF document in the following *format*: “Last name, First name – CPA License #”. For example: Smith, John – CPA1234.
- If you were issued an original license after exam in 2018, you are not required to complete and report CPE for 2018. If you did CPE in 2018, it cannot be carried forward to 2019.

### Accountancy Practice Act and Regulations

- Accountancy Practice Act: [http://www.llr.sc.gov/POL/Accountancy/forms/law\\_title40.pdf](http://www.llr.sc.gov/POL/Accountancy/forms/law_title40.pdf)
- Regulations: <http://www.scstatehouse.gov/coderegs/Chapter%201.pdf>

### New Licensees

- All new licensees and reinstatement licensees must be fingerprinted and have a background check performed through the FBI at the candidate’s expense.
- Applicants who passed the CPA Exam three (3) or more years before applying for licensure must complete at least 120 hours of acceptable CPE before they can qualify to become licensed.
- Applicants who completed their work experience seven (7) or more years before submitting an application must have obtained an additional six (6) months qualified work experience within the two years prior to submitting their applications.

### Firm Registration Information and Responsibilities:

- If you have a firm, you must renew your license separately from your individual CPA license.
- Section 40-2-20(15)(b) defines the practice of accounting as: using or assuming the title “Certified Public Accountant” or the abbreviation “CPA” or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant. Any work you do for the public for compensation, other than on behalf of an organization in which you are an officer, employee, partner, member or principal, while holding out as a CPA, is considered the practice of accounting and must be done through a registered firm. See Regulation 1-05(A).
  - If you provide CPA services to the public for compensation, you must register a firm. **You are required to register a firm, even if you only prepare a tax return from your home, provide part-time CFO/outsourced controller services, do bookkeeping work, or non-attest work.**
  - If you provide CPA services to the public for compensation, separate from your normal day-to-day job, you will need to register a firm. **You are required to register a firm, even if you only prepare a tax return from your home, provide part-time CFO/outsourced controller services, do bookkeeping work, or non-attest work.**
- If providing any of the services listed below, you must enroll in an acceptable Peer Review program as outlined in Regulation 1-09(C):
  - Audit or other engagement to be performed in accordance with SAS.
  - Review or compilation of Financial Statement to be performed in accordance with SSARS.
  - Any engagement to be performed in accordance with PCAOB standards.
  - Performance of Agreed Upon Procedure Engagement or other engagements in accordance with SSAE.
- If a firm’s highest level of service is only preparing financial statements under SSARS 21, the firm is exempt from Peer Review.
- Peer Review is required if you do one or more engagements that trigger the requirement to be peer reviewed.
- All firms must send a copy of their most recent peer review to the Board as part of the renewal process. Peer reviews should be emailed to: [acctpeerreview@llr.sc.gov](mailto:acctpeerreview@llr.sc.gov).
- If a firm hires a CPA who is licensed in another state, and whose principal place of business will be in South Carolina, the resident manager must make sure the CPA obtains a South Carolina license by reciprocity. If the principal place of business is in South Carolina, a South Carolina CPA license is required before he or she can sign or hold out in any manner as a SC CPA.
- Non-CPA owners must complete the same number of qualified CPE hours as CPA owners, and the firm and the resident manager are responsible for the compliance of non-CPA owners with all applicable accountancy statutes and regulations, including CPE requirements, and making sure that the non-CPA owner is of good moral character and not does not engage in any conduct that,

if committed by a licensee, would constitute a violation of the regulations promulgated by the Board.

- Both the resident manager and the individual CPA may be sanctioned if the application for a South Carolina license is not timely filed.

### Frequently Asked Questions

- The Board is in the process of updating its FAQs, which can be accessed online at: <http://www.llr.sc.gov/pol/accountancy/index.asp?file=faq.htm>
- Please note that the FAQs are provided as a courtesy and are not intended to be comprehensive, as the facts and circumstances of each situation are unique. In the event of any conflict, the statutes and regulations will always take precedence. Individuals should review the Board's current statutes and regulations, or contact Board staff, for clarification of requirements and information presented.

### Board Newsletter

The Board of Accountancy publishes its newsletter, **SC BOArD News**, on a quarterly basis. Check out the latest edition of SC BOArD News at: <https://www.llr.sc.gov/pol/accountancy/index.asp?file=news.htm>

### Succession Plans

Regulation 1-12(A), adopted in May 2007, requires all licensees to designate a successor, who would assume responsibility for client files, in the case of incapacity or death of the licensee. Your designated successor must agree to assume responsibility for client files. While your designated successor is not required to be a CPA, the Board prefers for the designated successor to be another CPA and strongly encourages licensees to consider naming another CPA as their successor. The Board believes that when a licensee names another licensed CPA as their successor, they are better protecting themselves, their estate, their clients, and the public by ensuring that their successor is bound by the same code of conduct and ethical guidelines as the licensee.

## Contact Us

**Telephone:** (803) 896-4770 **Email:** [Contact.Accountancy@llr.sc.gov](mailto:Contact.Accountancy@llr.sc.gov)

Susanna Sharpe, CPA, Assistant Administrator

Chelsea Buchanan, Program Coordinator

Johnnie Rose, Program Assistant

Courtney Wise, Administrative Assistant

Courtney Crosby, CPA, Investigator/Inspector

Mary League, Advice Counsel to the Board

**\*\*The Office of Advice Counsel is responsible for providing legal advice to all Boards, Commissions and Panels, as well as their administrative staff. These attorneys do not provide legal advice to parties outside LLR.**