

2020 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, 2020**.

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 31st 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 15th.
- Continued practice with a lapsed license after February 15th may result in additional conditions for license or registration reinstatement.

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

All licensees must earn six (6) hours of qualified ethics CPE that includes two (2) hours in a SC Board of Accountancy-approved South Carolina ethics course during each ethics cycle. The current 3-year reporting period is from January 1, 2019 to December 31, 2021. **You can only count one 2-hour SC ethics course per 3-year period.**

All 2019 CPE must be completed by December 31, 2019. This means any Certificates of Attendance/Completion must show a 2019 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 uploaded via the online document submission portal, which you can access at: <https://eservice.llr.sc.gov/DocumentSubmission/>. Prior to uploading your CPE report, you must:

- Complete both pages of the report and **sign it**.
- If you have any self-study certificates, you must include them in the PDF file with your report.

- Convert all pages of the reporting form and all self-study certificates 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 initial license in 2019, you are not required to complete or report CPE for 2019. If you earned CPE in 2019, it cannot be carried forward to 2020.
- CPE reports for non-licensed owners of firms must be uploaded using the online document submission portal for the firm.

Accountancy Practice Act and Regulations

- Accountancy Practice Act: <https://www.scstatehouse.gov/code/t40c002.php>
- Regulations: <http://www.scstatehouse.gov/codereqs/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 firm registration separately from your individual CPA license.
- Section 40-2-20(15)(a) defines the practice of accounting as: Issuing a report on financial statements of a person, firm, organization, or governmental unit or offering to render or rendering any attest or compilation service.
- 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.
- The following are required to obtain a firm registration:
 - A firm with an office in this State, providing attest or compilation services, or using in its business name the title, “Certified Public Accountants”, “Public Accountants”, “Accounting Practitioners”, or the abbreviation “CPAs”, “PAs”, or “APs”, or using any other title, designation, words, letters, abbreviation, sign, card or device indicating the firm is a CPA firm or an Accounting Practitioner firm, must be registered with the Board.
 - A firm that does not have an office in this State but performs attest services described in Section 40-2-20(2)(a)(audits), (c)(examinations), or (d)(services under PCAOB Auditing Standards) for a client having a home office in this State, must be registered with the Board.
 - A licensee who does not perform services or use his or her title as described above is not required to obtain a firm registration.
- If providing any of the services listed below, you must enroll in an acceptable Peer Review program as outlined in Regulation 1-09(C):
 - (1) Audits;
 - (2) Reviews of financial statements;
 - (3) Compilations of financial statements;
 - (4) Examinations of prospective financial statements;
 - (5) Compilations of prospective financial statements;
 - (6) Agreed-upon procedures of prospective financial statements;
 - (7) Examination of written assertions; and
 - (8) Agreed-upon procedures of written assertions.
- If a firm’s highest level of service is only preparing financial statements under SSARS 21, the firm is exempt from Peer Review.
- All firms must send a copy of their most recent peer review to the Board as part of the renewal process. Peer review reports should be uploaded via document submission during online renewal.

- 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.**
- **Non-CPA owners must also complete the same number of qualified CPE hours in ethics as CPA owners as required by 40-2-40(C)(7)(b), which states “Noncertified public accountant owners must complete the same number of hours of continuing professional education as licensed certified public accountants in this State. However, in each three-year period, as established by the board, six of the hours must be in ethics, and at least two of these hours must be a board-approved South Carolina Accountancy Rules and Regulations course.”**
- 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

- Current Board FAQs can be accessed online at: <https://llr.sc.gov/acct/faq.aspx>
- 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://llr.sc.gov/acct/news.aspx>

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 strongly suggests licensees name another licensed CPA as their successor. The Board believes that doing so better protects the licensee, 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.

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****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.**