

CHAPTER 4
LICENSURE OF LPAS

[Prior to 7/13/88, see Accountancy, Board of^[10]]

193A—4.1(542) Qualifications for a license as a licensed public accountant.

4.1(1) A person of good moral character who makes application pursuant to Iowa Code section 542.8 may be granted a license as a licensed public accountant if the person satisfies all of the following qualifications:

- a. Satisfactory completion of the educational requirements of Iowa Code section 542.8(1) and rule 193A—4.2(542);
- b. No less than one year of verified experience including the types of services described in Iowa Code section 542.8(8) and rule 193A—4.12(542); and
- c. Successful completion of the examination described in Iowa Code section 542.8(3) and rule 193A—4.7(542) and the ethics course and examination outlined in 193A—4.13(542).

4.1(2) An application may be denied if the applicant:

- a. Has been convicted of a crime;
- b. Has had a professional license of any kind revoked in this or any other jurisdiction;
- c. Makes a false statement of material fact on an application for a license or is otherwise implicated in the submission of a false application;
- d. Has been assessed penalties pursuant to Iowa Code section 542.14 or 193A—Chapter 17;
- e. Is the subject of a notice of noncompliance as provided in 193—Chapter 8;
- f. Demonstrates a lack of moral character in a manner that the board reasonably believes will impair the applicant's ability to practice public accountancy in full compliance with the public interest and state policies described in Iowa Code section 542.2. While it is not possible to itemize all actions or behaviors which may demonstrate a lack of moral character, the following nonexclusive list of factors will guide the board in making its determination:

- (1) A pattern and practice of making false or deceptive representations, or of omitting material facts, while providing any accounting services to the public;
 - (2) Fraud or dishonesty while advertising or selling goods or services to the public;
 - (3) Willful or repeated failure to timely file tax returns or other mandatory submittals due a governmental body;
 - (4) Fiscally irresponsible behavior in the absence of mitigating circumstances; or
 - g. Is subject to discipline on any ground that would form the basis for discipline against a licensee.
- [ARC 7715B, IAB 4/22/09, effective 7/1/09]

193A—4.2(542) Examination application.

4.2(1) An individual desiring to take the examination to qualify for a license as a licensed public accountant shall apply to the board's test administrator.

4.2(2) To be eligible to take the examination, the applicant must meet the requirements of Iowa Code section 542.8(1) "b" at the time of filing the application.

4.2(3) A candidate for the examination who has been convicted in a court of competent jurisdiction in this state, or another state, territory, or a district of the United States, or in a foreign jurisdiction of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud, or other similar offense, or of any crime involving moral character or dishonesty may be denied admittance to the examination by the board on the grounds of the conviction. For purposes of this subrule, "conviction" means a conviction for an indictable offense and includes a guilty plea, deferred judgment from the time of entry of the deferred judgment until the time the defendant is discharged by the court without entry of judgment, or other finding of guilt by a court of competent jurisdiction.

4.2(4) A candidate for examination who has had a professional license of any kind revoked in this or any other jurisdiction may be denied admittance to the examination by the board on the grounds of the revocation.

193A—4.3(542) Major in accounting. In determining whether the requirement in Iowa Code section 542.8(1) “b”(2) as to a “major in accounting” has been met, the board will follow the rules associated with a “concentration in accounting” outlined in 193A—paragraph 3.3(2) “c.”

193A—4.4(542) Transcripts required. The applicant’s claim to college, university, business school, or correspondence school credit must be confirmed by an official transcript issued by the institution. The applicant shall be responsible for having such transcripts sent to the board at the time of making application. The applicant shall also be responsible for having the institution furnish the board evidence that the institution meets the accreditation requirements of the board. The applicant is also responsible for all such material being in possession of the board by the deadline for filing the application; otherwise, the application shall be considered incomplete and disapproved by the board.

193A—4.5(542) Deadline for filing applications. Examinations are ordinarily held in June and December of each year, and all applications to take the examinations must be filed by the deadline established by the board’s test administrator.

193A—4.6(79GA,ch55) Admittance prior to completing educational requirements. Rescinded IAB 2/16/05, effective 3/23/05.

193A—4.7(542) Content and grading of the examination.

4.7(1) The board may use the examination prepared by the Accreditation Council for Accountancy and Taxation. The examination shall not include any questions regarding auditing or attest functions.

4.7(2) The board may use the grading services provided by the Accreditation Council for Accountancy and Taxation.

4.7(3) The identity of the person taking the examination shall be concealed until after the examination papers have been graded. Absent a showing of good cause, the board shall accept the passing grade established by the Accreditation Council for Accountancy and Taxation.

4.7(4) Alternatively, an applicant may satisfy the examination requirement of this rule by passing the Financial Accounting and Reporting-Business Enterprises and Accounting and Reporting-Taxation, Managerial, Governmental and Not-for-Profit Organization sections of the CPA examination provided by the AICPA.

193A—4.8(542) Conditioning requirements.

4.8(1) An applicant must take all subjects at one sitting unless the applicant becomes a conditional candidate or passes all subjects.

4.8(2) If an applicant receives a passing grade in any of the subjects and obtains a grade of not less than 50 in the subject or subjects failed, the applicant shall be considered a conditional candidate entitled to receive credit for the subject or subjects passed and be reexamined in the subject or subjects not passed during the next six succeeding examinations upon payment of the required fee.

4.8(3) The time limit within which an applicant is required to pass all subjects under this rule shall not include any period during which the applicant was serving in the armed forces of the United States, unless the applicant takes an examination while so serving, in which case such time shall be included in computing the time limitation.

4.8(4) The time limit within which a candidate is required to pass all subjects under this rule may be extended for hardship cases, such as when the applicant for the examination is prevented from attending for such reasons as unexpected illness, verified by a medical doctor, or a death in the family, verified in writing.

193A—4.9(542) Examination procedures. The examination procedures to be followed by a candidate for the certified public accountants’ examination as outlined in rule 193A—3.8(542) shall also apply to a licensed public accountant examination candidate.

193A—4.10(542) Refunding of examination fees. Examination fees will not be refunded except as provided by the rules concerning the refunding of examination fees to an examination candidate for a certified public accountant certificate outlined in 193A—3.10(542).

193A—4.11(542) Credit for an examination taken in another state. A candidate who has partially passed an examination in another state will be given credit for the part or parts passed, provided the candidate meets the conditioning requirements of the board and further provided the examination given by the licensing authority in the other state was an examination prepared and graded by the Board of Examiners of the American Institute of Certified Public Accountants or the Accreditation Council for Accountancy and Taxation.

193A—4.12(542) Experience for license.

4.12(1) Experience shall include providing any type of service or advice involving the use of accounting, compilation, management advisory, financial advisory, tax or consulting skills. Experience may be gained through employment in government, industry, academia, or public practice.

4.12(2) One year of experience shall consist of full- or part-time employment that extends over a period of no less than one year and no more than three years and includes no fewer than 2,000 hours of performance of services outlined in subrule 4.12(1). Experience may be gained in more than one employment situation, including an internship.

4.12(3) All experience shall be verified by a licensee with direct supervisory control over the applicant or by a licensee who can attest that the experience gained by the applicant meets the requirements of subrule 4.12(1) if the applicant is not supervised by a licensee.

4.12(4) Teaching experience shall be in the employment of an institution of higher education and shall include teaching a minimum of 24 semester hours of accounting courses for which the course participants shall receive credit on an official transcript. Teaching of noncredit continuing education courses shall not qualify under this rule.

193A—4.13(542) Ethics course and examination. A successful candidate shall also be required to pass an examination covering the code of ethical conduct prior to issuance of the license.

193A—4.14(542) Statements on standards for accounting and review services (SSARS) education. An LPA license applicant shall complete a minimum of seven hours of continuing education devoted to statements on standards for accounting and review services (SSARS) prior to issuance of the license. An LPA license applicant is exempt from this requirement if the applicant has passed the CPA examination provided by the AICPA.

193A—4.15(542) Obtaining the license. A candidate who successfully passes the examination and completes requirements outlined in rules 193A—4.12(542), 4.13(542) and 4.14(542) shall make application for licensure on a form available from the board office. An applicant shall list on the application all states in which the applicant has applied for or holds a certificate, license or permit and shall also list any past denial, revocation, suspension, refusal to renew, or voluntary surrender to avoid disciplinary action of a certificate, license or permit. An applicant shall notify the board in writing within 30 days after the occurrence of any issuance, denial, revocation, suspension, refusal to renew, or voluntary surrender to avoid disciplinary action of a certificate, license or permit by another state. An applicant for licensure may be denied the license for reasons outlined in subrule 4.1(2) regardless of when the incident occurred.

193A—4.16(542) Licensure by reciprocity.

4.16(1) The examination required by Iowa Code section 542.8 will be waived for an applicant who has passed the examination required under the laws of another state, provided the examination given by the licensing authority of the other state was an examination prepared and graded by the Board of Examiners of the American Institute of Certified Public Accountants or the Accreditation Council for Accountancy and Taxation.

4.16(2) For the purpose of Iowa Code section 542.8, the title by which such other state designates its accountants shall not be controlling, but the matter shall be controlled by substantive requirements, whether such accountants be called licensed public accountants, public accountants, accounting practitioners or any other similar title.

4.16(3) A person desiring a license as a licensed public accountant in this state on the basis of a licensed public accountant license issued by another state must apply upon a form that may be obtained from the board office. The burden is on the applicant to obtain information satisfactory to the board that the applicant's license in such other state is in full force and effect and that the requirements for obtaining such license were substantially equivalent to those of this state to obtain a license as a licensed public accountant.

4.16(4) An applicant shall list on the application all states in which the applicant has applied for or holds a certificate, license or permit and shall also list any past denial, revocation, suspension, refusal to renew or voluntary surrender to avoid disciplinary action of a certificate, license, or permit. An applicant shall notify the board in writing within 30 days after the occurrence of any issuance, denial, revocation, suspension, refusal to renew or voluntary surrender to avoid disciplinary action of a certificate, license or permit by another state.

4.16(5) An applicant shall affirm that all information provided on the form is true and correct. Providing false information shall be considered prima facie evidence of a violation of Iowa Code chapter 542. A nonrefundable application fee will be charged each applicant.

193A—4.17(542) Use of title. Only a person holding a license as a licensed public accountant shall use or assume the title "licensed public accountant" or the abbreviation "LPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such person is a licensed public accountant.

These rules are intended to implement Iowa Code section 542.8.

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