

CHAPTER 10
CONTINUING EDUCATION
[Prior to 7/13/88, see Accountancy, Board of[10]]

193A—10.1(542) Applicability. The continuing education rules that follow rest upon the premise that (1) the increasing complexity of the practice of public accountancy makes it essential that CPAs and LPAs continue their professional education; (2) the public interest requires that CPAs and LPAs practicing before the public keep themselves continually up to date on all developments affecting the areas of their practice; and (3) formal programs of continuing education provide CPAs and LPAs with the opportunity to continually update themselves on the expanding body of knowledge required to practice public accountancy. Each certificate holder or license holder is required to comply with the continuing education requirements as a condition precedent to the renewal of the certificate or license.

193A—10.2(542) Cost of continuing education. All costs of complying with the continuing education requirements of the board are the responsibility of the certificate or license holder wishing to maintain registration in this state.

193A—10.3(542) Basic requirement. During the three-year period ending on the December 31 preceding the July 1 renewal date of the certificate or license, an applicant for renewal shall have completed 120 hours of acceptable continuing education subject to the following exceptions:

10.3(1) At the first biennial renewal date of July 1 that is less than 12 months from the date of filing the initial application for the certificate or license, the certificate or license holder shall not be required to report continuing education.

10.3(2) At the biennial renewal date of July 1 which is more than 12 months, but less than 24 months, from the date of filing the initial application for the certificate or license, the certificate or license holder shall report 40 hours of continuing education earned in the one-year period ending December 31 prior to the July 1 renewal date.

10.3(3) At the biennial renewal date of July 1 which is more than 24 months, but less than 36 months, from the date of filing the initial application for the certificate or license, the certificate or license holder shall report 80 hours of continuing education earned in the two-year period ending December 31 prior to the July 1 renewal date.

10.3(4) An applicant who wishes to reinstate a lapsed or inactive certificate or license to active status must meet the basic requirement of 120 hours of continuing education earned in the preceding three-year period prior to the date of application to reinstate. The hours claimed to reinstate to active status cannot again be used at the next or subsequent renewal dates. At the first biennial renewal date of July 1 that is less than 12 months from the date of filing the application to reinstate the certificate or license to active status, the certificate or license holder shall not be required to report continuing education. At the biennial renewal date of July 1 which is more than 12 months, but less than 24 months, from the date of filing the application to reinstate the certificate or license to active status, the certificate or license holder shall report 40 hours of previously unreported continuing education earned in the one-year period ending December 31 prior to the July 1 renewal date. At the biennial renewal date of July 1 which is more than 24 months, but less than 36 months, from the date of filing the application to reinstate the certificate or license to active status, the certificate or license holder shall report 80 hours of continuing education earned in the two-year period ending December 31 prior to the July 1 renewal date.

10.3(5) A licensee shall be deemed to have complied with the requirements of rule 193A—10.3(542) if, for the period that the licensee is a resident of another state or district having a continuing education requirement, the licensee met the resident state's mandatory requirement. Additionally, if a licensee maintains the licensee's principal place of business outside Iowa, the licensee shall be deemed to have satisfied Iowa's continuing education requirements if the other jurisdiction maintains a mandatory requirement and the licensee satisfies the continuing education requirements of the jurisdiction of the licensee's principal place of business.

10.3(6) The board shall have authority to make exceptions for reasons of individual hardship including health, certified by a medical doctor, military service, foreign residency, retirement, or other good cause. No exceptions shall be made solely because of age.

10.3(7) The provisions of subrules 10.3(1) to 10.3(4) are applicable until individual licenses are transitioned to an annual renewal cycle as provided in rule 193A—5.3(542). Licensees whose last names begin with A through K shall first renew on an annual basis when their licenses are scheduled to expire on June 30, 2010. Licensees whose last names begin with L through Z shall first renew on an annual basis when their licenses are scheduled to expire on June 30, 2011.

10.3(8) For licensees whose initial application for a certificate or license is issued on an annual renewal basis, continuing education will be required on the following phased-in basis:

- a. No continuing education shall be required on the first annual renewal after initial licensure.
- b. 40 hours of continuing education shall be required in the one-year period ending December 1 prior to the second July 1 annual renewal date.
- c. 80 hours of continuing education shall be required in the two-year period ending December 1 prior to the third July 1 annual renewal date.
- d. 120 hours of continuing education shall be required in the three-year period ending December 1 prior to the fourth and subsequent July 1 annual renewal dates.

10.3(9) Licensees who apply to reinstate a lapsed or inactive certificate or license to active status pursuant to 193A—subrule 5.6(3) or 5.9(7) shall satisfy the basic requirement of 120 hours of continuing education earned in the preceding three-year period prior to the date of the application to reinstate on an annual renewal schedule, modified as needed to incorporate the phase-in schedule for initial licensees described in subrule 10.3(8). Once the certificate or license is reinstated, the following schedule shall apply:

- a. No continuing education shall be required on the first annual renewal after reinstatement of a lapsed or inactive certificate or license to active status.
- b. 40 hours of continuing education that has not previously been reported shall be required in the one-year period ending December 1 prior to the second July 1 annual renewal date following reinstatement to active status.
- c. 80 hours of continuing education that has not previously been reported shall be required in the two-year period ending December 1 prior to the third July 1 annual renewal date following reinstatement to active status.
- d. 120 hours of continuing education shall be required in the three-year period ending December 1 prior to the fourth and subsequent July 1 annual renewal dates following reinstatement to active status.

10.3(10) Licensees are cautioned that adhering to the phase-in schedules provided in this rule may or may not satisfy other standards applicable to the licensee's practice, such as "yellow book" standards applicable to the performance of attest services involving government audits. Each licensee is responsible for ensuring that all continuing education requirements that are applicable to the licensee's practice are satisfied.

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193A—10.4(542) Measurement standards. The following standards will be used to measure the hours of credit to be given for acceptable continuing education programs completed by individual applicants:

10.4(1) Credit is measured with one 50-minute period equaling one contact hour of credit. Half-hour credits may be allowed (equal to no less than 25 minutes) after the first hour of credit has been earned.

10.4(2) Only class hours or the equivalent, and not student hours devoted to preparation, will be counted.

10.4(3) Credit expressed as continuing education units (CEUs) shall be counted as ten contact hours for each continuing education unit.

10.4(4) Service as lecturer or discussion leader of continuing education programs will be counted to the extent that it contributes to the applicant's professional competence.

193A—10.5(542) Mandatory education required.

10.5(1) In each renewal period in which compilation reports are issued, every CPA certificate holder or LPA license holder who is responsible for supervising compilation services or who signs or authorizes someone to sign the accountant's compilation report on the financial statements on behalf of a firm shall complete, as a condition of certificate or license renewal, a minimum of seven hours of continuing education devoted to financial statement presentation, such as courses covering the statements on standards for accounting and review services (SSARS) and accounting and auditing updates. When required, the financial statement presentation continuing education shall be completed within the two-year period ending on the December 31 preceding the application for biennial or annual certificate or license renewal. For credit to be claimed for a course covering multiple topics, a minimum of one hour as outlined in subrule 10.4(1) shall be devoted to financial statement presentation, and credit shall be claimed as one contact hour of credit for each hour of participation devoted to each particular topic. For example, if a seminar or presentation is conducted for a total of four hours and only one hour is devoted to financial statement presentation, then only one hour shall be claimed toward meeting the requirement of this subrule.

10.5(2) Every CPA certificate holder or LPA license holder shall complete a minimum of four hours of continuing education devoted to ethics and rules of professional conduct during the two-year period ending December 31, prior to the July 1 annual or biennial renewal date, as applicable. For a course to qualify to meet this requirement, the course description shall clearly outline the subject matter covered as professional or business ethics. If credit is to be claimed for a course covering multiple topics, a minimum of one-half hour as outlined in subrule 10.4(1) shall be devoted to business or professional ethics, and credit shall be claimed as one contact hour, or after the first one hour, one-half hour of credit for each hour or one-half hour of participation devoted to each particular topic. For example, if a seminar or presentation is conducted for a total of four hours and only one hour is devoted to business or professional ethics, then only one hour shall be claimed toward meeting the requirement of this subrule. The first requirement shall be completed by December 31, 2007, for individuals whose renewal date is July 1, 2008, and December 31, 2008, for individuals whose renewal date is July 1, 2009.

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193A—10.6(542) Programs that qualify—limitations.

10.6(1) The overriding consideration in determining whether a specific program qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional competence of an individual registered in this state. It will be left to each individual certificate or license holder to determine the course of study to be pursued. Thus, the auditor may study accounting and auditing, the tax practitioner may study taxes, and the management advisory services practitioner may study subjects related to such practice. Job-related continuing education shall qualify as acceptable provided that the hours claimed contribute directly to the professional competence of the certificate or license holder.

10.6(2) Continuing education programs will qualify only if:

- a. An outline of the program is prepared in advance and preserved.
- b. The program is at least one hour (50-minute period) in length.
- c. The program is conducted by a qualified instructor, discussion leader or lecturer. A qualified instructor, discussion leader or lecturer is anyone whose background, training, education or experience makes it appropriate for that person to lead a discussion on the subject matter of the particular program.
- d. A record of attendance is maintained.

10.6(3) The following programs are deemed to qualify provided all other requirements of this rule are met.

- a. Professional development programs of recognized national and state accounting organizations.
- b. Technical sessions at meetings of recognized national and state accounting organizations and their chapters.
- c. Distance learning programs or group study Webcast programs.

d. University or college courses meet the continuing education requirements of those attending. Each semester hour shall be equal to 15 contact hours of credit. Each quarter hour shall be equal to 10 contact hours of credit.

10.6(4) Formal correspondence and formal individual study programs contributing directly to the professional competence of an individual that require registration and provide evidence of satisfactory completion will be considered for credit. The amount of credit to be allowed for correspondence and formal individual study programs (including tested study programs) is to be recommended by the program sponsor and based upon appropriate “field tests” and shall not exceed 50 percent of the renewal requirement. If the program sponsor has not designated the amount of credit to be claimed for completing the course of study, the licensee must estimate the equivalent number of hours and justify the amount of hours claimed. A licensee claiming credit for correspondence or formal self-study courses is required to obtain evidence of satisfactory completion of the course from the program sponsor. Credit will be allowed in the renewal period in which the course is completed.

10.6(5) Credit may be allowed for interactive self-study programs on the basis of one hour of credit for each 50 minutes spent on the interactive study program if the developer of such programs is approved by either the national continuing professional education registry or by the NASBA continuing education registry.

10.6(6) The credit allowed an instructor, discussion leader, or speaker will be on the basis of two hours for subject preparation for each hour of teaching. Credit for teaching college or university coursework may be claimed for courses taught above the elementary accounting or principles of accounting level. Repetitious presentations shall not be considered. The maximum credit for such preparation and teaching will not exceed 50 percent of the renewal period requirement.

10.6(7) Credit may be awarded for published articles and books. The amount of credit so awarded will be determined by the board. Credit may be allowed for published articles and books provided they contribute to the professional competence of the licensee. Credit for preparation of such publications may be given on a self-declaration basis up to 25 percent of the renewal period requirement. In exceptional circumstances, a licensee may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances that the licensee feels justify additional credit.

10.6(8) Participation in committee meetings or recognized professional societies, which are structured as educational programs, may qualify if they meet the appropriate requirements.

10.6(9) Credit may be allowed for the successful completion of examinations for Certified Management Accountant/CMA, Certified Information Systems Auditor/CISA, Certified Financial Planner/CFP, Enrolled Agent/EA, as well as other similar examinations approved by the board. Credit will be allowed at a rate of five times the length of each examination, which is presumed to include all preparation time, claimed in the calendar year of the examination, and limited to 50 percent of the total renewal requirement.

10.6(10) Dinner, luncheon and breakfast meetings of recognized organizations may qualify if they meet the appropriate requirements.

10.6(11) Firm meetings for staff or for management groups may qualify if they meet the appropriate requirements. Portions of such meetings devoted to administrative and firm matters cannot be included.

10.6(12) The board may look to recognized state or national accounting organizations for assistance in interpreting the acceptability of and credit to be allowed for individual courses.

10.6(13) The right is specifically reserved to the board to approve or disapprove credit for continuing education claimed under these rules.

193A—10.7(542) Controls and reporting.

10.7(1) An applicant for renewal may be requested to provide, in such manner and at such time as prescribed by the board, a signed statement, under penalty of perjury, on forms provided by the board, setting forth the continuing education in which the licensee has participated. The board may allow for attestation that the licensee has met the requirements in lieu of providing a listing in certain instances. If requested to provide a listing of the continuing education completed, the information may include:

a. School, firm or organization conducting the course.

- b. Location of course.
- c. Title of course or description of content.
- d. Principal instructor.
- e. Dates attended.
- f. Hours claimed.

10.7(2) The board may require sponsors of courses to furnish an attendance list or any other information the board deems essential for administration of these continuing education rules.

10.7(3) The board will verify on a test basis information submitted by licensees. If an application for renewal is not approved, the applicant will be so notified and may be granted a period of time by the board in which to correct the deficiencies noted.

10.7(4) Primary responsibility for documenting the requirements rests with the licensee, and evidence to support fulfillment of those requirements must be retained for a period of three years subsequent to submission of the report claiming the credit. Satisfaction of the requirements, including retention of attendance records and written outlines, may be accomplished as follows:

a. For courses taken for scholastic credit in accredited universities and colleges (state, community, or private) or high school districts, evidence of satisfactory completion of the course will be sufficient; for noncredit courses taken, a statement of the hours of attendance, signed by the instructor, must be obtained by the licensee.

b. For correspondence and formal independent study courses, written evidence or a certificate of completion from the sponsor or course provider shall be obtained by the licensee.

c. In all other instances, the licensee must maintain a record of the information listed in subrule 10.7(1) and a copy of the course outline prepared by the course sponsor.

193A—10.8(542) Grounds for discipline. A licensee or an applicant is subject to discipline, including permanent revocation, if the licensee or applicant provides false information to the board in connection with an application to renew or reinstate a certificate or license. A licensee or an applicant is also subject to discipline if the licensee or applicant is unable to document the continuing education hours reported to the board in connection with an audit or other request for documentation. False information of this nature will subject the licensee or applicant to discipline whether the false information was supplied intentionally or with reckless disregard for the truth or accuracy of the number of hours claimed. Licensees and applicants are accordingly cautioned to supply the board with accurate continuing education information.

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