

## VBOA Policy #4

### Continuing Professional Education Guidelines for CPAs

**TITLE:**

**EFFECTIVE DATE:**

July 1, 2022

**AUTHORITY:**

Code of Virginia §§ 54.1-4409.2 and 54.1-4413.2 and VBOA regulations 18VAC5-22-90 and 18VAC5-22-140

**POLICY STATEMENT:**

Specific CPE requirements of the Virginia Board of Accountancy (VBOA) are listed in the authority sections named above. This policy details the CPE guidelines approved by the VBOA.

#### **General guidelines**

Persons who hold a Virginia license must obtain 120 hours of CPE during a rolling three-calendar-year reporting period. For each calendar year within the reporting period, the person must obtain a minimum of 20 hours of CPE that must include a VBOA-approved ethics course of at least 2 hours. If the person releases or authorizes the release of reports on attest services, compilation services, or financial statement preparation services during the calendar year, the person must obtain a minimum of 8 hours of CPE related to those services in that same calendar year, which are included as part of the annual minimum and reporting period minimum.

CPE requirements for persons who have been newly issued a Virginia license can be found in VBOA regulation 18VAC5-22-90(B). CPE requirements for a person wishing to reinstate a Virginia license or wishing to transition the status of their Virginia license from Inactive back to Active can be found in VBOA regulation 18VAC5-22-90(C).

The VBOA recognizes that 50 minutes of CPE participation equals one hour of CPE. Conversion of semester hours or quarter hours from an accredited college or university into hours of CPE can be found in VBOA regulations. CPE requirements may be adjusted depending upon when a person who holds a Virginia license begins or ceases to provide services to the public or to or on behalf of an employer in accordance with VBOA regulation 18VAC5-22-90. Specific questions may be addressed by contacting the VBOA.

All persons who hold a Virginia license have until January 31 to complete the previous calendar year's CPE requirements.

#### **VBOA-approved ethics course (beginning with the 2021 course)**

The VBOA requires that all people who hold a Virginia license complete on an annual basis a VBOA-approved ethics course of at least 2 hours, which includes the VBOA Segment as defined in VBOA Policy #2, unless the person has been granted the Inactive status for their Virginia license or the VBOA has granted a waiver of this requirement.

The VBOA-approved ethics course of at least 2 hours is a separate and distinct annual requirement from the one-time American Institute of Certified Public Accountants ethics course needed for initial licensure.

People who hold a Virginia license must complete the VBOA-approved course, which includes the VBOA Segment no later than January 31 of each year to meet the previous calendar-year requirement. No sponsor may provide the annual ethics course later than January 31 for the previous calendar year.

The VBOA-approved ethics course must include the specific VBOA Segment. Licensees must complete a VBOA-approved ethics course annually.

It is the responsibility of a person who holds a Virginia license to ensure that sponsors providing the VBOA-approved ethics course are listed on the VBOA's website as an approved sponsor of this course. A person who holds a Virginia license will not be deemed to have met the annual ethics requirement if they complete an ethics course from a non-approved sponsor.

People who hold a Virginia license must also ensure that sponsors provide a certificate of completion or some other form of documentation that includes the sponsor's name, participant's name, course/content name, date taken and hours of CPE earned.

If the person also holds the license of another state and Virginia is not his principal place of business, the ethics course taken to comply with this subsection either shall conform to the requirements prescribed by the VBOA or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.

#### **Qualifying CPE other than the VBOA-approved ethics course**

It is the intent of the VBOA that all CPE (1) meet the requirements of VBOA regulations 18VAC5-22-90 and 18VAC5-22-140; (2) provide course content pertinent to the profession; and (3) assist the person who holds a Virginia license in becoming a better accounting professional. The VBOA accepts CPE obtained through a variety of forums, as long as the person who holds a Virginia license is able to provide the required CPE documentation that demonstrate the learning objectives were met.

A variety of continuing professional education is acceptable, as specified in VBOA regulations.

#### **Accepted professional education credits**

The VBOA has approved, in addition to continuing professional education (CPE) credits, they will accept Continuing Education (CE), Continuing Education Units (CEU), Continuing Legal Education (CLE), Quality Assurance Service (QAS) and semester and quarter-hour credits as CPE credits.

The VBOA will determine on a case-by-case basis the acceptability of other forums for CPE not otherwise specified in regulation. Restrictions on specific forums for CPE are found in VBOA regulations. Acceptance of hours of CPE is at the discretion of the VBOA.

With the exception of the VBOA-approved ethics course, the VBOA does not currently require people who hold a Virginia license to obtain CPE from specific or approved sponsors.

### **Subject Matter Experts**

Acceptable CPE must be instructed, developed or peer reviewed by subject matter experts. These are individuals or teams having expertise in the subject matter. Expertise may be demonstrated through practical experience or education, or both.

### **Acceptable CPE**

- **Attending a seminar or educational conference.** Instructors must have up-to-date knowledge of the subject matter and use appropriate teaching materials.
- **Earning course credit at an accredited college or university.** One semester-hour of credit for completion of courses at an accredited college or university constitutes 15 hours of CPE and one quarter-hour of credit constitutes 10 hours of CPE.
- **Completing a course through nano-learning or incremental CPE.** Nano-learning is known as learning and absorbing information in smaller increments of time. The VBOA accepts nano-learning CPE. Nano-learning are tutorial programs designed to permit a participant to learn a given subject in a no less than 10-minute time frame through the use of electronic media (including technology applications and processes and computer-based or web-based technology) and without interaction with a real-time instructor. The learning activities must be reviewed and approved by subject matter experts. Nano-learning certificates are required and no less than 10 minutes is accepted. A 10-minute nano-learning program certificate would reflect: **.2 CPE**
- **Completing a self-study course.** The learning activities must be reviewed and approved by subject matter experts and supported with documentation that meets VBOA requirements
- **Making a presentation.** The licensee may present at a professional seminar, educational conference or classroom setting, if up-to-date knowledge of the subject matter is demonstrated and appropriate teaching materials are used. Licensees may receive CPE credit for both preparation and presentation. The topic must be relevant to the development of being a CPA. The first time a program is presented; credit can be received for up to two times the number of contact hours. For example, if a program is presented for four contact hours, the instructor could receive up to 12 hours of credit (eight preparation and four contact hours). Repeat presentations will not be counted as additional CPE.

The definition of presentations made in a classroom setting includes teaching courses at an accredited college or university. College and university instructors, at

accredited institutions, may count first time preparation and presentation of a course for CPE. CPE is only permitted the first time the course is prepared and offered by the instructor. One semester-hour of credit constitutes 15 hours of CPE; one quarter-hour of credit constitutes 10 hours of CPE. A copy of the syllabus and a statement certifying it was the licensee's first time preparing and teaching the section is required. Documentation needs to include a letter from the Department Head or Chair confirming that information.

***During each 3-year period, a maximum of 30 hours for preparing and making presentations or teaching courses is allowable.***

- **Published articles, books, or CPE programs.** Licensees may receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence. Topics must be relevant to the development of CPAs performing professional services or improve their professional competence. Materials must be formally reviewed by an authoritative independent party and must be published in a book, magazine or similar publication. CPE can be claimed upon publication. Revisions of published materials are not eligible for additional CPE.

Self-study guides and training materials that are produced for a training library and written by a licensee may be counted as CPE. The curriculum must contribute to the accounting profession in providing services to the public or to or on behalf of an employer. As a rule, training materials written and presented by a licensee will be considered for CPE under the presentation guidelines and cannot be claimed under this provision. An independent party, who is a subject matter expert, must formally review all written materials.

***During each rolling 3-year period, a maximum of 30 hours CPE is permitted for published materials. CPAs must document the actual time spent.***

- **CPE credit for certifications/exams/licensures.** VBOA has approved CPE hours for studying and passing certain exams and professional certifications or licenses. CPE is awarded based on the length of the exam with five CPE awarded for each hour of the exam. For example, a one-hour exam would constitute five hours of CPE. As a general rule, licensees cannot earn additional CPE for passing certifications/exams/licensures if they were awarded CPE by the sponsor of an exam preparation course.

***During each rolling 3-year period, a maximum of 60 hours for certifications/exams/licensures is allowable.***

**CPE reporting period**

The VBOA uses a rolling three calendar-year period to determine CPE compliance. This period includes the three calendar years prior to the current calendar year. For example, if asked by the VBOA to produce evidence of CPE compliance, submit such evidence for the three calendar years prior to the current calendar year.

**CPE compliance reviews**

On a monthly basis, the VBOA randomly selects people who hold a Virginia license for CPE compliance. The VBOA will notify licensees selected for a CPE compliance review. If selected, a person will be required to submit acceptable CPE documentation to verify compliance through a means determined by the VBOA. As a function of this CPE review process, a person may be required to provide additional documentation as requested by the VBOA to support compliance.

In addition to the random selection process, people who hold a Virginia license will also be selected for a CPE compliance review as a component of any open investigation or enforcement case or in situations where the VBOA believes that a CPE compliance review is warranted.

**CPE documentation requirements**

Required documentation can generally be satisfied by providing:

- Certificates of completion from the CPE sponsor including the sponsor' name, participant's name, course/content name, date taken and hours of CPE earned.
- Official transcript of the college or university for earning course credit at an accredited college or university.
- Official syllabus/agenda and signed statement indicating the length of the presentation when making a presentation.
- A statement certifying it was the licensee's first time preparing and teaching the section is required and a letter from the Department Head or Chair confirming that information.
- A statement from the writer supporting the number of CPE hours claimed. The name and contact information of the independent reviewer(s) or publisher. A copy of the published article, book or written material (or proof of publication), or in the case of a CPE program, the final course documentation. Copies of materials must list the name of the licensee as author or contributor.

The VBOA has restrictions on the types of documentation it regards as acceptable. The VBOA will not accept receipts, registration confirmations, canceled checks, outlines, PowerPoint presentations or sign-in sheets, etc., as valid CPE documentation.

**Retention requirements for CPE documentation**

People who hold a Virginia license must retain CPE documentation for the four calendar years preceding the current calendar year.

**CPE violations**

As the result of a CPE compliance review, the VBOA may find that a person who holds a Virginia license has violated the CPE requirements during the reporting period. In such cases, enforcement action may be taken and the person will generally be offered a Consent Order and be subject to disciplinary action.

A person who holds a Virginia license may also determine on their own, outside of a CPE compliance review, that they are deficient in CPE for a specific reporting period. The person should notify the VBOA immediately when it is determined that a CPE deficiency has occurred.

In accordance with VBOA regulations, depending on the facts and circumstances, the VBOA may waive all or part of the CPE requirement for one or more calendar years or grant additional time for complying with the CPE requirement, provided that the waiver or deferral is in the public interest. However, requests for a waiver or a deferral must generally be received in advance of the deadline for CPE completion. It is the policy of the VBOA that such waivers or deferrals generally be considered only in situations resulting from extreme medical hardship or active military deployment.

Requests for a waiver or deferral made under this section will be considered on a case-by-case basis. Such approvals are rare.

**APPROVAL AND REVIEW:**

This VBOA policy was reviewed and approved on January 11, 2022.

*Changes related to maximum hours for published materials will be effective July 1, 2022.*

**SUPPRESSION:**

This VBOA policy replaces Board Policy #4 that was approved on June 23, 2020.

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LAST REVIEW:**

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