

## TITLE 872 INDIANA BOARD OF ACCOUNTANCY

*NOTE: Under IC 25-2.1-2-1, the name of the Indiana State Board of Public Accountancy is changed to Indiana Board of Accountancy, effective January 1, 1994.*

### ARTICLE 1. GENERAL PROVISIONS

#### Rule 0.5. Definitions

##### 872 IAC 1-0.5-1 Definitions

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-1-7

Sec. 1. The following definitions apply throughout this title:

- (1) "Accounting internship" means work experience in accounting obtained with an employer for credit from a university or college.
- (2) "AICPA" means the American Institute of Certified Public Accountants.
- (3) "AP" means accounting practitioner.
- (4) "Board" means the Indiana board of accountancy.
- (5) "Bookkeeping" means the:
  - (A) recording;
  - (B) classifying; and
  - (C) summarizing;of financial transactions of an entity from original documents for the purpose of preparing financial statements for internal use of management.
- (6) "Corporate internal audit position" means work experience in the examination and evaluation of the adequacy and effectiveness of an organization's accounting and financial records and its system of internal control.
- (7) "Course", for CPE, includes the following:
  - (A) Seminars.
  - (B) Workshops.
  - (C) Panel discussions.
  - (D) Technical sessions.
  - (E) Similar terms to describe organized instruction.
- (8) "CPA" means certified public accountant.
- (9) "CPE" means continuing professional education.
- (10) "Financial statements" means the results of arranging fiscal transactions into a form in order to provide readers with information.
- (11) "Firm" has the meaning as set forth in IC 25-2.1-1-7. The term includes entities organized under the laws of Indiana or any other state, including limited liability partnerships.
- (12) "Full-time employment" means a position in which the individual:
  - (A) works at least forty (40) hours per week; or
  - (B) if a teaching position, carries a teaching load of at least twelve (12) semester hours or the equivalent.
- (13) "Group program" means a CPE process designed to permit a participant to learn a given subject through real-time interaction with an instructor and other participants either:
  - (A) in a classroom or conference setting;
  - (B) by telephonic means; or
  - (C) by using the Internet.
- (14) "He", "his", or "him", the masculine pronouns, includes the feminine and the neuter gender.
- (15) "Hours", used without a modifier, means CPE credit hours.
- (16) "Internet-based study" means a CPE learning activity, through a group program or a self-study course, that is designed to permit a participant to learn the given subject matter via the Internet.
- (17) "PA" means public accountant.
- (18) "Public communication" means a communication made in identical form to multiple persons or to the world at large, as by:

- (A) television;
- (B) radio;
- (C) motion picture;
- (D) newspaper;
- (E) pamphlet;
- (F) mass mailing;
- (G) letterhead;
- (H) business card; or
- (I) directory.

(19) "Self-study" means a CPE process designed to permit a participant to learn a given subject without involvement of an instructor. Self-study courses use a pilot test to measure the average completion time from which the recommended CPE credit is determined.

Any provision in this article that requires a specific number of semester credit hours shall be converted to the equivalent if a different grading period is used at the college or university. Unless it is established that a different equivalency applies, it shall be presumed that the correct equivalency is two (2) semester hours for every three (3) quarter hours. (*Indiana Board of Accountancy; 872 IAC 1-0.5-1; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1925; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1029; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2342; errata filed Sep 14, 1994, 2:50 p.m.: 18 IR 269; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3932; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1650; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

## **Rule 1. Requirements for Certification, Licensure, and Registration**

### **872 IAC 1-1-1 Power to grant licenses; prohibited activities of unlicensed persons (Repealed)**

Sec. 1. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046*)

### **872 IAC 1-1-2 Applications for examination or registration; use of forms; filing deadlines**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1

Sec. 2. Applications must be made on forms authorized by the board. Reproductions will not be accepted. The forms include detailed instructions that if followed, should furnish the board or the board's designee with sufficient information to enable it to pass upon the candidate's eligibility for examination or the applicant's eligibility for registration. The board or the board's designee may require candidates to provide photographs, certified transcripts of education achievement, and other relevant data. (*Indiana Board of Accountancy; Rule 69-1,2; filed Jun 30, 1978, 9:54 a.m.: 1 IR 394; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1927; filed May 1, 1984, 12:50 p.m.: 7 IR 1538; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1030; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2733; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

### **872 IAC 1-1-3 Age of applicant (Repealed)**

Sec. 3. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

### **872 IAC 1-1-4 Residence requirements (Repealed)**

Sec. 4. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

### **872 IAC 1-1-5 Character references (Repealed)**

Sec. 5. (*Repealed by Indiana Board of Accountancy; filed Aug 28, 1986, 3:20 pm: 10 IR 72*)

### **872 IAC 1-1-6 Educational requirements; transcripts (Repealed)**

Sec. 6. (Repealed by Indiana Board of Accountancy; filed Aug 3, 2001, 4:34 p.m.: 24 IR 3990)

**872 IAC 1-1-6.1 Educational requirements**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.1. (a) Compliance with IC 25-2.1-3-2 regarding educational requirements for first time CPA examination candidates will be met by obtaining at least one hundred fifty (150) semester hours of college education, including a baccalaureate or higher degree from an accredited college or university. As part of the one hundred fifty (150) semester hours, a candidate must meet any one (1) of the following conditions:

(1) Earned a graduate degree from a college or university that is accredited by an accrediting organization as included in section 6.3 of this rule and completed:

(A) at least twenty-four (24) semester hours in accounting at the undergraduate level or fifteen (15) semester hours in accounting at the graduate level or an equivalent combination thereof; and

(B) at least twenty-four (24) semester hours in business administration and economics courses, other than accounting courses, at the undergraduate or graduate level.

The business administration courses may include up to six (6) hours of business and tax law courses and up to six (6) hours of computer science courses. The accounting hours must include courses covering the subjects of financial accounting, auditing, taxation, and managerial accounting. If the accounting hours are a mixture of graduate and undergraduate hours, the higher number of required hours applies. An equivalent combination of undergraduate and graduate semester hours under clause (A) would be a total of twenty-four (24) semester hours calculated at the rate of one and six-tenths (1.6) semester hours for each actual one (1) semester hour in accounting at the graduate level and one (1) semester hour for each actual one (1) semester hour in accounting at the undergraduate level.

(2) Earned a baccalaureate degree from a college or university that is accredited by an accrediting organization as included in section 6.3 of this rule and completed:

(A) at least twenty-four (24) semester hours in accounting at the undergraduate or graduate level, including courses covering the subjects of financial accounting, auditing, taxation, and managerial accounting; and

(B) at least twenty-four (24) semester hours in business administration and economics courses other than accounting courses.

The business administration courses may include up to six (6) hours of business and tax law courses and up to six (6) hours of computer science courses.

(b) College courses with substantial duplication of content may be counted only one (1) time toward the requirements in IC 25-2.1-3-2 and this section. This subsection shall not apply to internships. (*Indiana Board of Accountancy; 872 IAC 1-1-6.1; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3933; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Aug 3, 2001, 4:34 p.m.: 24 IR 3989; filed Jul 30, 2003, 5:15 p.m.: 26 IR 3881; filed Sep 8, 2004, 2:45 p.m.: 28 IR 212; filed Nov 29, 2004, 11:45 a.m.: 28 IR 1182; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-6.2 Graduation; accreditation**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.2. A candidate is considered as graduating from an accredited educational institution if, at the time the educational institution grants the candidate's degree, it is accredited as outlined in sections 6.1 and 6.3 of this rule. (*Indiana Board of Accountancy; 872 IAC 1-1-6.2; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3934; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2733; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-6.3 Accepted colleges, universities, and degrees**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.3. (a) A college or university is recognized by the board if it is accredited by one (1) of the following regional

accrediting associations:

- (1) Middle States Association of Colleges and Schools/Commission on Higher Education.
- (2) New England Association of Schools and Colleges.
- (3) North Central Association of Schools and Colleges.
- (4) Northwest Association of Schools and Colleges.
- (5) Southern Association of Colleges and Schools/Commission on Colleges.
- (6) Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges.

(b) The colleges and universities recognized by the board under subsection (a), which do not include candidates for accreditation, are listed in the following documents, which are incorporated by reference as if fully set out in this rule:

- (1) Directory Accredited Membership and Candidates for Accreditation 1997-98, published by the Commission on Higher Education Middle States Association of Colleges and Schools, 3624 Market Street, 2nd Floor Annex, Philadelphia, Pennsylvania 19104, copyright 1997.
- (2) New England Association of Schools and Colleges Membership Roster 1997, published by the New England Association of Schools and Colleges, Inc., 209 Burlington Road, Bedford, Massachusetts 01730-1433.
- (3) 1997 Directory of CIHE Affiliated Institutions, NCA Quarterly, Volume 72, Number 2, Fall 1997, published by the North Central Association of Colleges and Schools, 30 North LaSalle, Suite 2400, Chicago, Illinois 60602.
- (4) Directory of Accredited Postsecondary Institutions, July 1997, published by Commission on Colleges Northwest Association of Schools and Colleges, 11130 NE 33rd Place, Suite 120, Bellevue, Washington 98004.
- (5) Commission on Colleges July 1997 Member List, published by Southern Association of Colleges and Schools/Commission on Colleges, 1866 Southern Lane, Decatur, Georgia 30033-4500.
- (6) Directory of Accredited Institutions Candidates for Accreditation, 1997-1998, published by Western Association of Schools and Colleges, Inc., 533 Airport Boulevard, Suite 200, Burlingame, California 94010.

(c) Degrees from foreign universities, if they substantially comply with the requirements of section 6 or 6.1 of this rule and IC 25-2.1-3-2, will be deemed to meet the requirements established by IC 25-2.1-3-2.

(d) The applicant's claim to college or university credits must be confirmed by an official transcript of credit issued by the institution. The transcript must show that the degree has been conferred and must bear the official seal of the college or university, as well as the official signature of the registrar.

(e) The applicant is responsible for all such material being in possession of the board or the board's designee by the deadline for filing applications. Incomplete or late applications will be disapproved by the board. (*Indiana Board of Accountancy; 872 IAC 1-1-6.3; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3934; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

#### **872 IAC 1-1-6.4 Accredited degree equivalency requirements**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.4. A graduate of a four (4) year degree granting college or university not accredited at the time the candidate's degree was received or at the time the application was filed will be deemed to be a graduate of an accredited educational institution if:

- (1) the candidate's degree is equivalent to a degree from an accredited educational institution, as defined in section 6.3 of this rule, and that fact is certified by a credentials certification service;
- (2) an accredited institution defined in section 6.3 of this rule accepts the candidate's nonaccredited baccalaureate degree for admission to a graduate business degree program; or
- (3) the:

(A) candidate satisfactorily completes at least fifteen (15) semester hours, or the equivalent, in postbaccalaureate education at the accredited educational institution, of which at least nine (9) semester hours, or the equivalent, shall be in accounting; and

(B) accredited educational institution certifies that the candidate is in good standing for the continuation in the graduate program or has maintained a grade point average in these courses that is necessary for graduation.

(*Indiana Board of Accountancy; 872 IAC 1-1-6.4; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2734; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-6.5 Acceptance of degrees; previously not accredited**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.5. If an educational institution was not accredited at the time a candidate's degree was received, but is so accredited at the time the application is filed with the board, the institution will be deemed to be accredited for the purpose of section 6.2 of this rule provided that it certifies that the candidate's total educational program would qualify the candidate for graduation with a baccalaureate degree during the time the institution has been accredited. (*Indiana Board of Accountancy; 872 IAC 1-1-6.5; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2734; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-6.6 Courses taken at nonaccredited institutions**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.6. If a candidate's degree was received at an accredited educational institution under section 6.3 or 6.4 of this rule, but the educational program that was used to qualify the candidate's major included courses taken at nonaccredited institutions, either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which the candidate's degree was received provided the accredited institution has either:

- (1) accepted such courses by including them in its official transcript; or
- (2) certified to the board that it will accept such courses for credit toward graduation.

(*Indiana Board of Accountancy; 872 IAC 1-1-6.6; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2734; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-7 Special written examination for waiver of educational requirement (Repealed)**

Sec. 7. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

**872 IAC 1-1-8 Experience requirements; credit for types of experience**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-10

Sec. 8. (a) This section and sections 8.2 through 8.5 of this rule implement the requirements in IC 25-2.1-3-10 for experience to be obtained by applicants for certified public accountant certificates before the certificate or license may be issued by the board. The experience requirements are twenty-four (24) months of full-time employment in the following positions:

- (1) As an employee or an accounting intern engaged in an accounting position in a firm (as that term is defined in 872 IAC 1-0.5-1(11)).
- (2) As an employee in a financial or accounting position in industry, government, or a nonprofit organization.
- (3) As an employee in an advisory and/or consulting services position related to one (1) or more of the following activities:
  - (A) Financial.
  - (B) Accounting.
  - (C) Operational.
- (4) As an instructor teaching accounting in a college or university (four (4) year institutions or junior colleges).
- (5) As an instructor teaching accounting in an institution created under IC 20-12-61 [*IC 20-12 was repealed by P.L.2-2007, SECTION 390, effective July 1, 2007.*] or private school registered under IC 20-12-62 [*IC 20-12 was repealed by P.L.2-2007, SECTION 390, effective July 1, 2007.*].

(b) Clerical functions shall not count under this section toward meeting the experience requirements. Clerical functions are positions that do not have accounting significance, including doing merely mathematical calculations, account analysis (looking into accounting books for specific information already recorded), and merely recording information in the general ledger (as opposed to compiling the information). Positions that partly qualify under this section and partly do not qualify shall be treated under this method provided for in section 8.2 of this rule with the part of the position that does not qualify under this section being treated as if it were

part-time employment.

(c) Experience in fractions of months will be counted.

(d) An applicant may combine the types of experience described in subsection (a). To do so, the applicant must obtain a total of twenty-four (24) months of experience. (*Indiana Board of Accountancy; Rule 69-1,8; filed Jun 30, 1978, 9:54 a.m.: 1 IR 396; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1928; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1033; filed Aug 28, 1986, 3:20 p.m.: 10 IR 65; filed Nov 28, 1988, 5:32 p.m.: 12 IR 922; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2343; errata filed Sep 14, 1994, 2:50 p.m.: 18 IR 269; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1651; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2518; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2734; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-8.1 Combining types of experience (Repealed)**

Sec. 8.1. (*Repealed by Indiana Board of Accountancy; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2520*)

**872 IAC 1-1-8.2 Part-time work as experience**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-10

Sec. 8.2. Part-time employment that qualifies for experience credit will be converted to the full-time equivalent, for example, working half time for eight (8) months will count as four (4) months of experience and teaching six (6) semester hours will count as one (1) quarter year of experience. (*Indiana Board of Accountancy; 872 IAC 1-1-8.2; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1653; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-8.3 Experience verification**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-10

Sec. 8.3. (a) An applicant's experience in a particular position meets the requirements in IC 25-2.1-3-10 if the work is verified by the holder of an active certificate issued by the board or issued by another state so long as the certificate allows the holder to perform similar acts to those allowed to be performed by certificate holders in Indiana who:

- (1) employed the applicant or a legal entity controlled by that individual employed the applicant;
- (2) worked for the same employer as the applicant;
- (3) reviewed the accounting work of the applicant on a periodic basis in the capacity of an outside accounting firm, a government agency, or some similar capacity; or
- (4) otherwise has direct knowledge of the work performed by the applicant.

(b) Any certificate holder who has been requested by an applicant to submit to the board verification of the applicant's experience and has refused to do so shall, upon request by the board, explain in writing or in person the basis for such refusal. (*Indiana Board of Accountancy; 872 IAC 1-1-8.3; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1653; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2519; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2735; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-8.4 Advanced degree as experience**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-10

Sec. 8.4. (a) A master's degree in accounting or business administration from a college or university recognized by the board may be substituted for twelve (12) months of accounting experience for any person who was a first time examination candidate prior to January 1, 2000.

(b) A doctorate degree in accounting or business administration from a college or university recognized by the board may be substituted for twelve (12) months of accounting experience.

(c) For purposes of this section, an advanced degree shall be calculated as twelve (12) months of experience under section 8 of this rule.

(d) An applicant may not receive experience credit from more than one (1) advanced degree. (*Indiana Board of Accountancy; 872 IAC 1-1-8.4; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1653; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2519; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-8.5 Experience required on application and board verification**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1-3-10

Sec. 8.5. (a) To apply for a certified public accountant certificate, an applicant, who has previously met the applicable education and examination requirements, shall file an application on a form provided by the board, including the employer's name and address, contact person, and a job description for all employment for which experience credit under this section is claimed. If experience credit is claimed for an advanced degree under section 8.4 of this rule, the applicant shall also identify the institution from which the degree was conferred and the date it was conferred and shall include an official transcript from the college or university that conferred the degree.

(b) Subsequent to the receipt of an application under subsection (a), the board will seek verification of employment from all employers and may seek such additional information from the applicant and employer or third parties as is necessary to determine whether the applicant meets the experience requirements established in this section. (*Indiana Board of Accountancy; 872 IAC 1-1-8.5; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1654; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-9 Requirements for examination**

Authority: IC 25-2-1-3  
Affected: IC 25-2-1-4

Sec. 9. A candidate wishing to take the examination must:

- (1) complete the application provided for in section 2 of this rule; and
- (2) pay the candidate's cost of purchasing the examination, payable to the examination service.

(*Indiana Board of Accountancy; Rule 69-1.9; filed Jun 30, 1978, 9:54 a.m.: 1 IR 396; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1928; filed May 1, 1984, 12:50 p.m.: 7 IR 1539; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1033; filed Jul 6, 1995, 12:00 p.m.: 18 IR 2784; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2735; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-9.5 Education required for admission to CPA examination**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1

Sec. 9.5. (a) Candidates may not take the certified public accountant examination prior to meeting the education requirements found in sections 6.1 through 6.6 of this rule.

(b) Except as allowed by subsection (c), a candidate may not apply to take the CPA examination until the candidate has completed all the education requirements found in sections 6.1 through 6.6 of this rule.

(c) Notwithstanding subsection (b), a candidate may apply to take the CPA examination up to sixty (60) days prior to the candidate's completion of the education requirements found in sections 6.1 through 6.6 of this rule, after the board, or the board's designee, receives a certificate of enrollment from the educational institution or institutions where the candidate is completing the candidate's education. The certificate of enrollment must:

- (1) identify the courses in which the candidate is currently enrolled;
- (2) if applicable, state that with completion of the courses identified in subdivision (1), the candidate is anticipated to receive a baccalaureate or higher degree; and
- (3) have the seal of the institution or a notary seal placed on it.

(d) A candidate may be admitted to the CPA examination based on the education requirements anticipated to be completed by the certificate of enrollment. However, a candidate may only sit for the CPA examination after all educational requirements found in sections 6.1 through 6.6 of this rule are completed. The candidate is responsible for compliance with subsection (e) and is subject

to action under subsection (f).

(e) Not later than sixty (60) days immediately following the end of the window (as described in section 14 of this rule) in which the candidate sits for the examination, a candidate, who applied to sit for the CPA examination under the provisions of subsection (c), shall cause to be submitted to the board, or the board's designee, all final official transcripts and applicable supporting documentation indicating that the candidate has met all the education requirements found in sections 6.1 through 6.6 of this rule.

(f) The board may cancel any examination scores received by a candidate who fails to meet the requirements in subsection (e). If an examination score is canceled, the candidate is not entitled to any credit for any section of the examination passed. (*Indiana Board of Accountancy; 872 IAC 1-1-9.5; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1736; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2735; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Mar 14, 2011, 10:23 a.m.: 20110413-IR-872100258FRA*)

**872 IAC 1-1-10 Application; fees**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 10. (a) Applications to take the certified public accountant examination must be made on a form provided by the board. Candidates will be notified of their eligibility to sit for the exam.

(b) All fees are nonrefundable and nontransferable. The following is a schedule of fees adopted by the board:

(1) The fee for the examination for CPA and AP licensure is the payment of the candidate's cost of purchasing the examination, payable to the examination service.

(2) Transfer of grades, seventy-five dollars (\$75).

(3) CPA certificate by reciprocity, seventy-five dollars (\$75).

(4) Triennial certificate of registration for CPAs, PAs, and APs, seventy-five dollars (\$75).

(5) For restoration of an expired triennial certificate of registration for CPAs, PAs, and APs, fifty dollars (\$50), plus all unpaid renewal fees.

(6) Triennial permit to practice for firms, thirty dollars (\$30).

(7) For restoration of an expired triennial permit to practice for firms, fifty dollars (\$50), plus all unpaid renewal fees.

(8) Verification of certificate of registration for CPA, PA, or AP to another state, twenty-five dollars (\$25).

(c) Notwithstanding subsection (b)(4), a fee for an individual initially registered in the:

(1) second year of a triennial registration period shall be fifty dollars (\$50); and

(2) third year of the triennial registration period shall be twenty-five dollars (\$25).

(d) Failure of an applicant to pay the initial registration fee will cause the application to be terminated one (1) year after the board's action granting registration.

(e) Should an applicant pay the initial registration fee after the first renewal deadline for all licensees following the applicant's approval for licensure, the applicant must pay the renewal fee in addition to the initial registration fee in order to become licensed. (*Indiana Board of Accountancy; Rule 69-1, 10; filed Jun 30, 1978, 9:54 a.m.: 1 IR 396; filed Feb 15, 1980, 3:05 p.m.: 3 IR 639; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1928; filed May 1, 1984, 12:50 p.m.: 7 IR 1540; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1033; filed Aug 28, 1986, 3:20 p.m.: 10 IR 65; filed Aug 6, 1990, 4:30 p.m.: 13 IR 2135; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2345; errata filed Jul 28, 1994, 4:00 p.m.: 17 IR 2891; filed Jul 6, 1995, 12:00 p.m.: 18 IR 2784; filed Jun 14, 1996, 3:00 p.m.: 19 IR 3110; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1654; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2520; filed Jul 7, 2003, 3:45 p.m.: 26 IR 3654; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2735; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-10.5 Accountant investigative fund**

Authority: IC 25-2.1

Affected: IC 25-2.1-8-4

Sec. 10.5. (a) To provide funds for administering and enforcing the provisions of IC 25-2.1, including investigating and taking action against persons who violate IC 25-2.1, in addition to the fees required under section 10 of this rule, the board shall charge and collect the following fees:

(1) Ten dollars (\$10) for the issuance of a certificate to practice as a certified public accountant.

(2) For the triennial renewal of a certificate to practice as:

- (A) an accounting practitioner: \$30
- (B) a certified public accountant: \$30
- (C) a public accountant: \$30

(b) Fees collected under this section shall be deposited in the accountant investigative fund established under IC 25-2.1-8-4. (*Indiana Board of Accountancy; 872 IAC 1-1-10.5; filed Oct 30, 2008, 4:01 p.m.: 20081126-IR-872070304FRA*)

**872 IAC 1-1-11 Notice by mail**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1

Sec. 11. It is the policy of the Board or the Board's designee to mail all correspondence and notices to candidates and registrants at their last known address of record on file with the Board or the Board's designee. Failure to receive such correspondence or notices does not relieve the candidate or registrant of the obligation to pay application or renewal fees. (*Indiana Board of Accountancy; Rule 69-1,11; filed Jun 30, 1978, 9:54 am: 1 IR 397; filed Aug 18, 1983, 3:20 pm: 6 IR 1929; filed May 1, 1984, 12:50 pm: 7 IR 1540; filed Mar 20, 1985, 3:25 pm: 8 IR 1034; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-12 Contents of examinations; grading**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1-3

Sec. 12. (a) Effective April 2004, as the examination for certified public accountant candidates, the board or the board's designee shall use the computer-based Uniform CPA examination that is available to be taken in four (4) testing windows as provided in section 14 of this rule and prepared by the AICPA under a plan of cooperation with the boards of all states and territories of the United States. The examination consists of the following sections:

- (1) Auditing and attestation.
- (2) Business environment and concepts.
- (3) Financial accounting and reporting.
- (4) Regulations.

(b) The board or the board's designee shall use the Advisory Grading Service provided by the AICPA under a plan of cooperation with the boards of all states and territories of the United States to assist it in performing its duties under IC 25-2.1.

(c) For purposes of section 19 of this rule, for conditioned candidates reexamination requirements, those candidates who prior to April 2004 had credit for passing:

- (1) auditing shall have credit for auditing and attestation;
- (2) business law and professional responsibilities shall have credit for business environment and concepts;
- (3) financial accounting and reporting shall have credit for financial accounting and reporting; and
- (4) accounting and reporting shall have credit for regulations.

(d) As the examination for accounting practitioners, the board or the board's designee shall use sections of the computer-based Uniform CPA examination as provided for in this subsection. An individual with a two (2) year associate degree under IC 25-2.1-6-1(a)(3)(A) [*IC 25-2.1-6-1 was repealed by P.L.190-2007, SECTION 16, effective July 1, 2007.*] shall take the financial accounting and reporting and the regulations sections of the Uniform CPA examination. An individual with a baccalaureate degree under IC 25-2.1-6-1(a)(3)(B) [*IC 25-2.1-6-1 was repealed by P.L.190-2007, SECTION 16, effective July 1, 2007.*] shall take only the financial accounting and reporting section of the Uniform CPA examination.

(e) The board or the board's designee may also make use of the Advisory Grading Service provided by the AICPA to assist in performing its duties under IC 25-2.1. (*Indiana Board of Accountancy; Rule 69-1, 12; filed Jun 30, 1978, 9:54 a.m.: 1 IR 397; filed May 1, 1984, 12:50 p.m.: 7 IR 1540; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1034; filed Aug 28, 1986, 3:20 p.m.: 10 IR 66; filed Apr 5, 1994, 3:30 p.m.: 17 IR 1888; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Jul 30, 2003, 5:15 p.m.: 26 IR 3882; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2736; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-13 Issuance of C.P.A. certificate or A.P. license (Repealed)**

Sec. 13. *(Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046)*

**872 IAC 1-1-14 Time of holding examinations; notice**

Authority: IC 25-2.1-2-15  
 Affected: IC 25-2.1

Sec. 14. (a) Beginning April 2004, candidates will be allowed to take the examination during the following four (4) testing windows in a calendar year:

- (1) January 2 through February 29.
- (2) April 1 through May 31.
- (3) July 1 through August 31.
- (4) October 1 through November 30.

(b) Eligible candidates shall be notified of the time, place, and procedures of the examination or shall independently contact the board or a test center operator identified by the board to obtain the time, place, and procedures for the examination at an approved test site. *(Indiana Board of Accountancy; Rule 69-1,14; filed Jun 30, 1978, 9:54 a.m.: 1 IR 398; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2737; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA)*

**872 IAC 1-1-15 Examination hours (Repealed)**

Sec. 15. *(Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046)*

**872 IAC 1-1-16 Location of examinations (Repealed)**

Sec. 16. *(Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046)*

**872 IAC 1-1-17 Examination procedures (Repealed)**

Sec. 17. *(Repealed by Indiana Board of Accountancy; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2738)*

**872 IAC 1-1-18 Refunding of examination and proctoring fees (Repealed)**

Sec. 18. *(Repealed by Indiana Board of Accountancy; filed Aug 28, 1986, 3:20 pm: 10 IR 72)*

**872 IAC 1-1-19 Certified public accountants; passing grades; conditioned candidates; reexaminations**

Authority: IC 25-2.1-2-15  
 Affected: IC 25-2.1-3-8

Sec. 19. (a) The candidate must attain the uniform passing grade of seventy-five (75), scaled through a psychometrically acceptable standard setting procedure and approved by the board.

(b) A candidate may take the required test sections individually and in any order. Credit for any test section passed shall be valid for eighteen (18) months from the actual date the candidate took that test section provided the following:

- (1) Candidates must pass all four (4) test sections of the Uniform CPA examination within a rolling eighteen (18) month period, which begins on the date that the first test section passed is taken.
- (2) Candidates cannot retake a failed test section in the same testing window.
- (3) In the event all four (4) test sections of the Uniform CPA examination are not passed within the rolling eighteen (18) month period, credit for any test section passed more than eighteen (18) months previously will expire and that test section must be retaken.

(c) Candidates having earned conditional credits on the paper and pencil examination, prior to April 2004, will retain conditional credits for the corresponding test sections of the computer-based CPA examination as follows:

Paper and Pencil Examination	Computer-Based Examination
Auditing	Auditing and attestation

Financial accounting and reporting (FARE)  
Accounting and reporting (ARE)

Financial accounting and reporting  
Regulation

Business law and professional responsibilities (LPR)

Business environment and concepts

(d) Additional requirements for the transitional conditional status are as follows:

(1) Candidates who have attained conditional status prior to April 2004 will be allowed a transition period to complete any remaining test sections of the CPA examination. The transition is the maximum number of opportunities that candidates who have conditioned under the paper and pencil examination have remaining, prior to April 2004, to complete all remaining test sections, or the number of remaining opportunities under the paper and pencil examination, multiplied by six (6) months, whichever is first exhausted.

(2) If a previously conditioned candidate does not pass all remaining test sections during the transition period, conditional credits earned under the paper and pencil examination will expire and the candidate will lose credit for the test sections earned under the paper and pencil examination. However, any test section passed during the transition period is subject to the conditioning provisions of the computer-based examination as provided for in subsection (c), except that a previously conditioned candidate will not lose conditional credit for a test section of the computer-based examination that is passed during the transition period, even though more than eighteen (18) months may have elapsed from the date the test section is passed, until the end of the transition period.

(e) Under IC 25-2.1-3-8, the board may extend the term of conditional credit validity if the candidate can show that the credit was lost by reason of circumstances beyond the candidate's control.

(f) A candidate shall be deemed to have passed the Uniform CPA examination once the candidate holds at the same time valid credit for passing each of the four (4) test sections of the examination. For purposes of this section, credit for passing a test section of the computer-based examination is valid from the actual date of the testing event for that testing section, regardless of the date the candidate actually receives notice of the passing grade. (*Indiana Board of Accountancy; Rule 69-1, 19; filed Jun 30, 1978, 9:54 a.m.: 1 IR 398; filed Feb 15, 1980, 3:05 p.m.: 3 IR 640; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1929; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1036; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2346; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2737; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-20 Accounting practitioners; passing grades; conditioned candidates; reexaminations (Repealed)**

Sec. 20. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

**872 IAC 1-1-21 Disclosure of grades (Repealed)**

Sec. 21. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

**872 IAC 1-1-22 Reexamination (Repealed)**

Sec. 22. (*Repealed by Indiana Board of Accountancy; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2738*)

**872 IAC 1-1-23 Disposition of examination manuscripts (Repealed)**

Sec. 23. (*Repealed by Indiana Board of Accountancy; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2738*)

**872 IAC 1-1-24 Previous examination questions (Repealed)**

Sec. 24. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

**872 IAC 1-1-25 Transfer of credits**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1-3-7

Sec. 25. An applicant for a CPA certificate who has taken the Uniform CPA examination under the jurisdiction of another state

may be given credit for subjects passed as provided for by IC 25-2.1-3-7. (*Indiana Board of Accountancy; Rule 69-1, 25; filed Jun 30, 1978, 9:54 a.m.: 1 IR 400; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1930; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1037; filed Aug 28, 1986, 3:20 p.m.: 10 IR 66; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2347; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2738; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-26 Critique program (Repealed)**

Sec. 26. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

**872 IAC 1-1-27 Biennial registration; fees; notice of change in registered partnership or corporation (Repealed)**

Sec. 27. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

**872 IAC 1-1-28 Certificate, etc., property of board; return upon revocation or suspension (Repealed)**

Sec. 28. (*Repealed by Indiana Board of Accountancy; filed Feb 25, 1997, 12:30 p.m.: 20 IR 1737*)

**872 IAC 1-1-29 Duplicate certificate or license; fee**

Authority: IC 23-1.5-2-9; IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 29. Any licensee whose certificate or license has been inadvertently destroyed may receive another certificate or license from this board upon submission of a written request in affidavit form, certifying that the original has been lost, stolen, or destroyed together with payment of the applicable fee. If an original certificate or license has been damaged it may be replaced upon payment of the same fee provided the damaged certificate or license is returned to the board. (*Indiana Board of Accountancy; Rule 69-1, 29; filed Jun 30, 1978, 9:54 am: 1 IR 401; filed Mar 20, 1985, 3:25 pm: 8 IR 1037; filed Aug 28, 1986, 3:20 pm: 10 IR 67; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-30 Disciplinary action against APs; preparing or rendering opinions**

Authority: IC 25-2.1-2-15

Affected: IC 23-1.5; IC 25-2.1

Sec. 30. Any certificate, license, or permit to practice issued by the board to an AP may be subject to disciplinary action for preparing or rendering the following:

- (1) Opinions on financial statements.
- (2) Schedules.
- (3) Reports.
- (4) Exhibits for:
  - (A) publication;
  - (B) credit purposes;
  - (C) use in court of law or equity; or
  - (D) other purposes.

(*Indiana Board of Accountancy; Rule 69-1, 30; filed Jun 30, 1978, 9:54 a.m.: 1 IR 401; filed Feb 15, 1980, 3:05 p.m.: 3 IR 640; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1931; filed May 1, 1984, 12:50 p.m.: 7 IR 1543; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1037; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2347; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-1-31 Reciprocity requirements (Repealed)**

Sec. 31. (*Repealed by Indiana Board of Accountancy; filed Dec 4, 1989, 4:40 p.m.: 13 IR 635*)

**872 IAC 1-1-32 Reciprocity application (Repealed)**

Sec. 32. *(Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046)*

**872 IAC 1-1-33 Reciprocity fees (Repealed)**

Sec. 33. *(Repealed by Indiana Board of Accountancy; filed Aug 28, 1986, 3:20 pm: 10 IR 72)*

**872 IAC 1-1-34 Qualifications for certificate by reciprocity (Repealed)**

Sec. 34. *(Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)*

**872 IAC 1-1-35 Accountancy corporation subject to law and regulations (Repealed)**

Sec. 35. *(Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)*

**872 IAC 1-1-36 Name of accountancy corporation; prohibitions (Repealed)**

Sec. 36. *(Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)*

**872 IAC 1-1-37 Security for claims against corporation (Repealed)**

Sec. 37. *(Repealed by Indiana Board of Accountancy; filed Nov 28, 1988, 5:32 p.m.: 12 IR 924)*

**872 IAC 1-1-38 Reports by accountancy corporations (Repealed)**

Sec. 38. *(Repealed by Indiana Board of Accountancy; filed Nov 28, 1988, 5:32 p.m.: 12 IR 924)*

**Rule 2. Code of Professional Conduct**

**872 IAC 1-2-1 Rules of professional conduct; applicability**

Authority: IC 25-2.1-2-15

Affected: IC 4-22-2; IC 23-1.5; IC 25-1-11-12; IC 25-2.1

Sec. 1. (a) In the interpretation and enforcement of this rule, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings, and opinions issued by the following:

- (1) Boards of other jurisdictions.
- (2) Appropriately authorized committees on ethics of professional organizations.

(b) No licensee of the board shall violate the following standards for the competent practice of accounting appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accountancy, which are incorporated by reference as if fully set out in this rule:

- (1) The following pronouncements on professional standards set forth in the AICPA Professional Standards, Volumes 1 and 2 (June 1, 2008), subject to the exceptions listed in subsection (c) (applicable to certified public accountants and certified public accountant firms only):

- (A) U.S. Auditing - AICPA, including the following:
  - (i) Statement on Auditing Standards - Introduction.
  - (ii) The General Standards.
  - (iii) The Standards of Field Work.
  - (iv) The First, Second, and Third Standards of Reporting.
  - (v) The Fourth Standard of Reporting.

- (vi) Other Types of Reports.
- (vii) Special Topics.
- (viii) Compliance Auditing.
- (ix) Special Reports of the Committee on Auditing Procedure.

- (B) Statements on Standards for Attestation Engagements.
- (C) Statements on Standards for Accounting and Review Services.
- (D) Code of Professional Conduct.
- (E) Statements on Standards for Valuation Services.
- (F) Statement on Standards for Consulting Services.
- (G) Tax Services.
- (H) Personal Financial Planning.

(2) Professional corporation act at IC 23-1.5.

(3) National Society of Accountants (NSA) Rules of Professional Conduct and Official Interpretations, May 2003, excluding the interpretations and Rule 9 (professional referrals) (applicable to accounting practitioners and public accountants and accounting practitioner and public accountant firms only).

(c) As incorporated by reference in subsection (b)(1), the AICPA professional standards are amended to read as follows:

(1) ET 50 (Principles of Professional Conduct – Sections 51 through 57) is deleted.

(2) The third paragraph of Rule 505 (Form of Organization and Name) is deleted.

(3) The phrase "standards promulgated by bodies designated by Council", or any similar reference, shall mean the standards incorporated by reference in subsection (b)(1).

(d) Except for the Statements of Standards for Attestation Engagements and the Statement on Standards for Accounting and Review Services, which are addressed by AT section 20.04 and AR section 20.04 respectively, notwithstanding the use of the word "should" in the AICPA pronouncements incorporated by reference in subsection (b)(1)(A) through (b)(1)(H), a certified public accountant must:

(1) comply with the pronouncements; or

(2) justify any departures therefrom and document how the alternative procedures performed in those circumstances were sufficient to achieve the objectives of the pronouncements.

(e) It shall be deemed incompetent practice contrary to high standards of integrity and dignity in the profession of certified public accountancy for a licensee of the board to be found by a court of competent jurisdiction to have engaged in accounting practices falling below professional standards in Indiana.

(f) As used in this rule, "member", as used in the:

(1) AICPA Professional Standards; and

(2) NSA Rules of Professional Conduct and Official Interpretations;

means licensee.

(g) Where matters incorporated by reference in this section conflict with express provisions of:

(1) IC 25-2.1 (accountancy act);

(2) IC 23-1.5 (professional corporation act); or

(3) rules adopted by the board;

the express provisions control.

(h) No subsequent editions, amendments, supplements, or releases of the:

(1) AICPA Professional Standards;

(2) NSA Rules of Professional Standards; or

(3) NSA Rules of Professional Conduct;

will be in effect in Indiana or adopted by the board, except by following the rulemaking provisions of IC 4-22-2.

(i) The standards incorporated by reference in subsection (b) apply to conduct that occurs after August 31, 2009. This subsection shall not be construed to extinguish the board's authority to impose any sanction under IC 25-1-11-12 for conduct that occurred before September 1, 2009, in violation of a previous version of this section.

(j) A copy of the AICPA Professional Standards and the NSA Rules of Professional Conduct are available for public inspection at the offices of the Indiana Professional Licensing Agency, 402 West Washington Street, Room W072, Indianapolis, Indiana 46204. Copies of the AICPA Professional Standards are available from the entity originally issuing the document, the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775. Copies of the NSA Rules of

Professional Conduct are also available from the entity originally issuing the document, the National Society of Accountants, 1010 North Fairfax Street, Alexandria, Virginia 22314. (*Indiana Board of Accountancy; Rule 69-1, 39; filed Jun 30, 1978, 9:54 a.m.: 1 IR 402; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1932; filed May 1, 1984, 12:50 p.m.: 7 IR 1544; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1040; filed Aug 28, 1986, 3:20 p.m.: 10 IR 68; filed Dec 11, 1992, 5:00 p.m.: 16 IR 1399; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1736; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1353, eff Feb 1, 2001; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Nov 18, 2005, 9:40 a.m.: 29 IR 1214, eff Jan 1, 2006; filed Oct 3, 2006, 12:00 p.m.: 20061101-IR-872060065FRA, eff Jan 1, 2007; filed Jul 31, 2009, 8:45 a.m.: 20090826-IR-872090151FRA, eff Sep 1, 2009*)

**872 IAC 1-2-2 Definitions (Repealed)**

Sec. 2. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

**872 IAC 1-2-2.1 Records furnished to clients**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 2.1. A licensee shall furnish to his client or former client, upon request made within a reasonable time:

(1) any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account, but the licensee may make and retain copies of such documents when they form the basis for work done by him; and

(2) a copy of the licensee's working papers, to the extent that such working papers include records which would ordinarily constitute part of the client's books and records are not otherwise available to the client.

(*Indiana Board of Accountancy; 872 IAC 1-2-2.1; filed May 1, 1984, 12:50 pm: 7 IR 1545; filed Mar 20, 1985, 3:25 pm: 8 IR 1041; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-2-3 Independence (Repealed)**

Sec. 3. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

**872 IAC 1-2-4 Integrity and objectivity (Repealed)**

Sec. 4. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

**872 IAC 1-2-5 Commissions (Repealed)**

Sec. 5. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

**872 IAC 1-2-6 Contingent fees (Repealed)**

Sec. 6. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

**872 IAC 1-2-7 Incompatible occupations (Repealed)**

Sec. 7. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

**872 IAC 1-2-8 Competence (Repealed)**

Sec. 8. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

**872 IAC 1-2-9 Auditing standards (Repealed)**

Sec. 9. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-10 Accounting principles (Repealed)**

Sec. 10. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-11 Forecasts (Repealed)**

Sec. 11. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-12 Confidential client information (Repealed)**

Sec. 12. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-13 Records furnished to client (Repealed)**

Sec. 13. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-14 Discreditable acts (Repealed)**

Sec. 14. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-15 Acting through others (Repealed)**

Sec. 15. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-16 Advertising (Repealed)**

Sec. 16. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-17 Solicitation (Repealed)**

Sec. 17. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983; 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-18 Communications with board (Repealed)**

Sec. 18. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983; 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-19 Violation of acts or rules and regulations (Repealed)**

Sec. 19. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983; 3:20 pm: 6 IR 1934)*

**872 IAC 1-2-20 Contingent fees (Repealed)**

Sec. 20. *(Repealed by Indiana Board of Accountancy; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1354, eff Feb 1, 2001)*

**872 IAC 1-2-21 Interpretation of contingent fees in tax matters (Repealed)**

Sec. 21. *(Repealed by Indiana Board of Accountancy; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1354, eff Feb 1, 2001)*

**872 IAC 1-2-22 Commissions and referral fees (Repealed)**

Sec. 22. (Repealed by Indiana Board of Accountancy; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1354, eff Feb 1, 2001)

**Rule 3. Permits to Practice; Continuing Education**

**872 IAC 1-3-1 Definitions (Repealed)**

Sec. 1. (Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046)

**872 IAC 1-3-2 Permit to practice required; practice without permit, sanctions; issuance biennially; application; expiration (Repealed)**

Sec. 2. (Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)

**872 IAC 1-3-3 Continuing professional education**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 3. (a) Applicants for renewal of a certificate as a CPA, PA, or AP must complete a minimum of one hundred twenty (120) hours of instruction acceptable under sections 4 and 5.1 of this rule. Subsections (c) and (d) and sections 3.1 through 3.4 of this rule will apply to determine the number of hours.

(b) CPE is measured by course length with one (1) fifty (50) minute period equal to one (1) hour of CPE credit. One-half (1/2) hour CPE credit increments (equal to twenty-five (25) minutes) are permitted after the first hour of credit has been earned in a given course. When the total minutes of a course are greater than fifty (50) minutes, but not divisible by fifty (50), CPE credit hours granted will be rounded down to the nearest one-half (1/2) credit. For example, for courses with segments totaling one hundred forty (140) minutes, two and one-half (2 1/2) hours CPE credit may be granted.

(c) A minimum of ten percent (10%) of the required minimum hours in a reporting period shall be in accounting or auditing, or both.

(d) A minimum of four (4) hours in the reporting period shall be in ethics.

(e) The time reporting period in which the applicant must have a minimum of one hundred twenty (120) hours is the three (3) years ending on December 31 prior to the expiration of certificates with a minimum of twenty (20) hours per year. (*Indiana Board of Accountancy; Rule 69-1, 40,3; filed Feb 15, 1980, 3:05 p.m.: 3 IR 642; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1041; filed Aug 28, 1986, 3:20 p.m.: 10 IR 68; filed May 17, 1988, 3:15 p.m.: 11 IR 3567, eff Jul 1, 1988; filed Dec 4, 1989, 4:40 p.m.: 13 IR 632; filed Nov 20, 1990, 9:33 a.m.: 14 IR 758, eff Jan 1, 1991; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2348; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1654; filed Nov 20, 2000, 3:04 p.m.: 24 IR 1031; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA; filed Dec 10, 2010, 10:34 a.m.: 20110105-IR-872100359FRA*)

**872 IAC 1-3-3.1 CPE credit for instruction**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 3.1. (a) Preparation time for the participant does not qualify for CPE credit.

(b) Actual time as lecturer, instructor, or discussion leader may be included. Two (2) hours of preparation time shall be granted to each instructor per one (1) hour of CPE allowed time for the course, provided that this credit is claimed once on the first time that the instructor conducts the course. Total time under this subsection shall be limited to fifty percent (50%) of the total minimum required for the reporting period. There will be no preparation time or actual time as a lecturer, instructor, or discussion leader granted for lecturers, instructors, or discussion leaders of a repeated course.

(c) College instructors teaching courses on a day-to-day basis will not receive any CPE credit as an instructor. (*Indiana Board of Accountancy; 872 IAC 1-3-3.1; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3936; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-3-3.2 CPE self-study**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1-4-5

Sec. 3.2. (a) Self-study courses shall be acceptable, provided the following:

- (1) The subject matter is acceptable under section 4 of this rule.
- (2) A certificate of satisfactory completion is awarded no later than the end of the reporting period. The time to be included is the CPE course rating.
- (3) Total time of self-study as allowed under this section is limited to fifty percent (50%) of the total minimum requirement for the reporting period.

(b) Internet-based study that is not identified as a group program shall be presumed to be self-study. (*Indiana Board of Accountancy; 872 IAC 1-3-3.2; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3936; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

**872 IAC 1-3-3.3 College courses as CPE**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1-4-5

Sec. 3.3. (a) College courses that meet the requirements of this rule may be counted for CPE credit as permitted by this section.

(b) All licensees will be given CPE credit for graduate level courses.

(c) Public accountants and accounting practitioners who do not hold a bachelor's degree with required hours in accounting, business administration, and economics and who have taken undergraduate courses in an accredited university or college in accounting, business administration, and economics may receive CPE credit.

(d) CPE credit under this section shall be given at the rate of fifteen (15) CPE hours for each semester credit hour. CPE credit granted for these hours will be given only for a grade of C or above. A grade of C- or below is not considered as satisfactory completion of a course by the board. (*Indiana Board of Accountancy; 872 IAC 1-3-3.3; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3936; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Oct 8, 2004, 11:05 a.m.: 28 IR 605; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-3-3.4 Noncredit courses as CPE for public accountants and accounting practitioners**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1-4-5

Sec. 3.4. All noncredit courses taken by public accountants and accounting practitioners from noneducational organizations (those not accredited by one (1) of the six (6) regional accrediting associations listed in 872 IAC 1-1-6.3) shall be given credit as follows:

(1) Coaching courses taken for the purpose of passing the CPA examination, ten (10) hours.

(2) Coaching courses taken for the purpose of passing the enrolled agent's examination, ten (10) hours.

This section applies only to public accountants and accounting practitioners. (*Indiana Board of Accountancy; 872 IAC 1-3-3.4; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3937; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-3-4 Course requirements**

Authority: IC 25-2.1-2-15  
Affected: IC 25-2.1-4-5

Sec. 4. (a) For a course to qualify and be included in the CPE minimum hour requirement, it must be:

- (1) formally organized;
- (2) primarily instructional; and
- (3) designed to directly enhance the certificate holder's knowledge and skill in providing services in the practice of public

accountancy.

The requirements of subsection (b) must be met for a course to qualify.

(b) The following do not qualify:

(1) Meetings conducted during eating periods.

(2) Business meetings for the:

(A) election of directors or officers;

(B) treasurers' reports; or

(C) committee reports.

(3) Committee work with local, state, and national professional organizations.

(4) Firm staff meetings that are oriented toward administrative and housekeeping matters.

(c) The board may obtain assistance from state and national accounting organizations relating to interpreting the acceptability and number of CPE hours for an individual sponsor or course. (*Indiana Board of Accountancy; Rule 69-1, 40, 4; filed Feb 15, 1980, 3:05 p.m.: 3 IR 643; filed May 1, 1984, 12:50 p.m.: 7 IR 1546; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1042; filed Aug 28, 1986, 3:20 p.m.: 10 IR 69; filed May 17, 1988, 3:15 p.m.: 11 IR 3568, eff Jul 1, 1988; filed Dec 4, 1989, 4:40 p.m.: 13 IR 633; filed Nov 20, 1990, 9:33 a.m.: 14 IR 759, eff Jan 1, 1991; filed Aug 22, 1991, 5:00 p.m.: 15 IR 8; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2349; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

**872 IAC 1-3-5 Sponsor requirements; approval (Repealed)**

Sec. 5. (*Repealed by Indiana Board of Accountancy; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655*)

**872 IAC 1-3-5.1 CPE sponsor requirements**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 5.1. The following are required for CPE courses to be eligible:

(1) The course sponsor must:

(A) be qualified in the subject matter; and

(B) use activities, materials, and delivery systems that are:

(i) current;

(ii) technically accurate; and

(iii) effectively designed.

(2) Sponsored courses and materials must be prepared, presented, and updated timely. Learning activities must be developed by individuals or teams having expertise in the subject matter. Expertise may be demonstrated through practical experience or education.

(3) The course materials must be periodically reviewed by the CPE course sponsor to assure that they are accurate and consistent with currently accepted standards relating to the program's subject matter.

(*Indiana Board of Accountancy; 872 IAC 1-3-5.1; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

**872 IAC 1-3-6 Application for renewal of certificate; fee**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-2; IC 25-2.1-4-5

Sec. 6. (a) Certificate holders must file triennially an application to renew their certificates using the application form provided by the board. Certificates expire on June 30 of every third year, for example, June 30, 1994, and June 30, 1997.

(b) Applicants must sign a statement under penalty of perjury that:

(1) the hours submitted are substantially correct;

(2) they attended and completed courses taken; and

(3) to the best of their knowledge, the courses completed meet the requirements of this rule.

(c) The board may:

- (1) verify any information submitted by the applicant; and
- (2) request the applicant to submit evidence supporting the course information.
- (d) Each application for a permit must be accompanied by a check or money order in the amount specified in 872 IAC 1-1-10.
- (e) It is the responsibility of each applicant to retain certificates of completion and other records to support the courses taken for thirty-six (36) months from the end of the renewal period for which CPE applied. These records shall include the following:
  - (1) Certificates of completion, such as the following:
    - (A) Course attendance verification by the sponsor.
    - (B) Certificates of completion for self-study courses.
    - (C) CPE attendance history by employer or third party.
  - (2) Course outline or other evidence of course content.
  - (3) Other evidence of support and justification.
- (f) The board may ask certificate holders to provide information as provided in subsection (e) in order to verify the CPE hours claimed on the application. Failure to comply with this section may result in the board disallowing CPE. (*Indiana Board of Accountancy; Rule 69-1, 40, 6; filed Feb 15, 1980, 3:05 p.m.: 3 IR 644; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1933; filed May 1, 1984, 12:50 p.m.: 7 IR 1547; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1043; filed Aug 28, 1986, 3:20 p.m.: 10 IR 70; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2350; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

**872 IAC 1-3-7 Reentry into public practice; application; continuing education requirements (Repealed)**

Sec. 7. (*Repealed by Indiana Board of Accountancy; filed May 17, 1988, 3:15 pm: 11 IR 3571, eff Jul 1, 1988*)

**872 IAC 1-3-8 Certificates issued to new licensees; proration of CPE requirement**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

- Sec. 8. (a) When a CPA or an AP certificate is issued to a person not previously licensed by the board, that person shall not be required to have any CPE hours prior to the issuance of the certificate.
- (b) The number of CPE hours that a licensee must obtain for the reporting period in progress at the time of the issuance of a new certificate under subsection (a) shall be established by section 16 of this rule.
- (c) CPE hours obtained by a licensee prior to the issuance of a new certificate under subsection (a), but during the same reporting period, may be counted toward meeting the requirements established in subsection (b) and section 16 of this rule. (*Indiana Board of Accountancy; Rule 69-1, 40, 8; filed Feb 15, 1980, 3:05 p.m.: 3 IR 644; filed May 1, 1984, 12:50 p.m.: 7 IR 1548; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1044; filed Aug 28, 1986, 3:20 p.m.: 10 IR 71; filed May 17, 1988, 3:15 p.m.: 11 IR 3568, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2350; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-3-9 Exemptions from continuing professional education requirements; applications (Repealed)**

Sec. 9. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

**872 IAC 1-3-10 Failure to meet minimum hour requirement (Repealed)**

Sec. 10. (*Repealed by Indiana Board of Accountancy; filed May 17, 1988, 3:15 pm: 11 IR 3571, eff Jul 1, 1988*)

**872 IAC 1-3-11 Continuing education administrative committee; powers and duties (Repealed)**

Sec. 11. (*Repealed by Indiana Board of Accountancy; filed May 1, 1984, 12:50 pm: 7 IR 1549*)

**872 IAC 1-3-12 Failure to apply for permit (Repealed)**

Sec. 12. (Repealed by Indiana Board of Accountancy; filed Aug 28, 1986; 3:20 pm: 10 IR 72)

**872 IAC 1-3-13 Effective dates (Repealed)**

Sec. 13. (Repealed by Indiana Board of Accountancy; filed May 1, 1984, 12:50 pm: 7 IR 1549)

**872 IAC 1-3-14 Reactivation of lapsed certificate**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 14. (a) An individual whose certificate has lapsed for more than eighteen (18) months who wishes to reenter the practice of accountancy must file an application to renew the lapsed certificate. An individual whose certificate has lapsed for eighteen (18) months or less is governed by section 17 of this rule.

(b) The application shall be accompanied by the following:

(1) A statement of the licensee's employment activity for the previous twenty-four (24) months.

(2) The payment of the fee for a triennial permit specified in 872 IAC 1-1-10.

(3) Evidence of the completion of the CPE hours required by subsection (c).

(c) In order to reenter the practice of public accountancy and receive a certificate under this section, a licensee shall complete one hundred twenty (120) CPE hours prior to filing the application.

(d) The CPE hours required under subsection (c) must:

(1) have been obtained no earlier than three (3) years prior to the date the application for reentry is filed; and

(2) meet the requirements established in sections 3 through 4 of this rule.

(e) CPE hours obtained by a certificate holder to renew a lapsed certificate under this section cannot be double counted by also using them for credit in the reporting period in progress for renewal of the license at the end of the reporting period. The CPE requirements for the reporting period in progress at the time of reactivation are stated in section 16 of this rule. (*Indiana Board of Accountancy; 872 IAC 1-3-14; filed May 17, 1988, 3:15 p.m.: 11 IR 3569, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2351; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3937; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Jul 30, 2003, 5:15 p.m.: 26 IR 3882; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-3-14.5 Reactivation of inactive license**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 14.5. (a) A licensee who:

(1) is not active because of the selection of inactive status under IC 25-2.1-4-5(c); and

(2) wishes to reactivate his certificate;

must file an application for reactivation.

(b) The application shall be accompanied by evidence of completion of the CPE hours required in subsection (c).

(c) In order to activate the certificate, a licensee shall complete one hundred twenty (120) CPE hours prior to filing the application.

(d) The CPE hours required under subsection (c) must:

(1) have been obtained no earlier than three (3) years prior to the date the application for reentry is filed; and

(2) meet the requirements established in sections 3 through 4 of this rule.

For purposes of this section, the reporting period referenced in section 4 of this rule shall be the period described in subdivision (1).

(e) CPE hours obtained by a licensee to reactivate an inactive license cannot be double counted by also using them for credit in the reporting period in progress for renewal of the license at the end of the reporting period. The CPE requirements for the reporting period in progress at the time of reactivation are stated in section 16 of this rule. (*Indiana Board of Accountancy; 872 IAC 1-3-14.5; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3937; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

**872 IAC 1-3-15 Continuing education hours required during current reporting period after reentry**

Authority: IC 25-2.1-2-15  
 Affected: IC 25-2.1-4-5

Sec. 15. (a) The number of CPE hours that a certificate holder must obtain for the reporting period in progress at the time of the issuance of a certificate under section 14 of this rule shall be established by section 16 of this rule.

(b) CPE hours obtained by a certificate holder prior to the issuance of a permit under section 14 of this rule, but during the same reporting period, may be counted toward meeting the requirements established in subsection (a) and section 16 of this rule only to the extent they exceed the one hundred twenty (120) hours required under section 14 of this rule. (*Indiana Board of Accountancy; 872 IAC 1-3-15; filed May 17, 1988, 3:15 p.m.: 11 IR 3570, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2351; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-3-16 Prorated continuing education requirements for holders of certificates granted during a reporting period**

Authority: IC 25-2.1-2-15  
 Affected: IC 25-2.1-4-5

Sec. 16. The following table establishes the number of CPE hours that a licensee must obtain for the three (3) year reporting period in progress at the time of the issuance or reactivation of a certificate under section 8, 14, or 14.5 of this rule, and it also establishes the minimum hours required in the calendar year of the issuance or reactivation:

Date of Issuance of Certificate	Required Hours for Three (3) Year Reporting Period	Required Minimum Hours for the Year of Issuance or Reactivation
January 1 – March 31 first year of the reporting period	120	20
April 1 – June 30 first year of the reporting period	110	15
July 1 – September 30 first year of the reporting period	100	10
October 1 – December 31 first year of the reporting period	90	0
January 1 – March 31 second year of the reporting period	80	20
April 1 – June 30 second year of the reporting period	70	15
July 1 – September 30 second year of the reporting period	60	10
October 1 – December 31 second year of the reporting period	50	0
January 1 – March 31 third year of the reporting period	40	N/A
April 1 – June 30 third year of the reporting period	30	N/A
July 1 - September 30 third year of the reporting period	20	N/A
October 1 – December 31 third year of the reporting period	0	0

For purposes of this section, "N/A" means that there is no specifically stated requirement for the year of issuance or reactivation because the licensee would have to obtain the prorated CPE hours for the three (3) year reporting period. (*Indiana Board of Accountancy; 872 IAC 1-3-16; filed May 17, 1988, 3:15 p.m.: 11 IR 3570, eff Jul 1, 1988; errata, 11 IR 3922; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2351; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1737; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3938; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Sep 7, 2004, 5:00 p.m.: 28 IR 211; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**872 IAC 1-3-17 Failure to meet continuing education provisions**

Authority: IC 25-2.1-2-15  
 Affected: IC 25-1-11; IC 25-2.1-4-2; IC 25-2.1-4-5; IC 25-2.1-8

Sec. 17. (a) A certificate holder who does not obtain the required number of CPE hours during a reporting period may cure that deficiency by taking them in the next reporting period. However, the certificate shall not be renewed until the necessary hours are obtained. An individual whose license has lapsed longer than eighteen (18) months is governed by section 14 of this rule.

(b) CPE hours obtained to cure a deficiency in a prior reporting period shall not be double-counted by also being included in the reporting period in progress when they are obtained. (*Indiana Board of Accountancy; 872 IAC 1-3-17; filed May 17, 1988, 3:15 p.m.: 11 IR 3570, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

**872 IAC 1-3-18 Board review of continuing education compliance**

Authority: IC 25-2.1-2-15

Affected: IC 25-1-4-5; IC 25-1-11; IC 25-2.1

Sec. 18. (a) If, as the result of an audit or other review, the board determines that CPE hours a licensee has claimed do not meet the requirements of this rule it shall notify the licensee of that determination in accordance with IC 25-1-4-5.

(b) Licensee who submits false information under section 6 of this rule or this section shall be subject to action provided for under IC 25-1-4-5 and IC 25-1-11. (*Indiana Board of Accountancy; 872 IAC 1-3-18; filed May 17, 1988, 3:15 p.m.: 11 IR 3571, eff Jul 1, 1988; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA; filed Nov 5, 2008, 2:33 p.m.: 20081203-IR-872080293FRA*)

**872 IAC 1-3-19 Permits for firms to practice accountancy**

Authority: IC 25-2.1-2-15

Affected: IC 23-1.5-2-9; IC 23-1.5-2-10

Sec. 19. (a) The expiration date for permits for firms to practice accountancy issued under IC 25-2.1-5 shall be June 30 of every third year, for example, June 30, 1997, and June 30, 2000.

(b) To obtain a permit to practice under IC 25-2.1-5 does not eliminate the requirement for professional corporations to obtain and renew the certificate of registration required by IC 23-1.5-2-9 and IC 23-1.5-2-10. (*Indiana Board of Accountancy; 872 IAC 1-3-19; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: 20071031-IR-872070066RFA*)

**Rule 4. Nonlicensee Firm Owners**

**872 IAC 1-4-1 General requirements**

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-5-4; IC 25-2.1-6-6

Sec. 1. (a) This section establishes the requirements for nonlicensee owners of CPA or PA firms under IC 25-2.1-5-4. This section does not apply to firms of accounting practitioners under IC 25-2.1-6-6.

(b) An active individual participant under IC 25-2.1-5-4(c)(2) is an individual who is actively engaged in the firm or affiliated entities in providing services to the firm's clients as his or her principal occupation.

(c) The firm's owners must comply with the AICPA Code of Professional Conduct (applicable to CPA firms only) or the NSA Rules of Professional Conduct (applicable to PA firms only) as adopted by the board in 872 IAC 1-2-1. (*Indiana Board of Accountancy; 872 IAC 1-4-1; filed Jul 7, 2003, 3:45 p.m.: 26 IR 3655; readopted filed Dec 1, 2009, 9:14 a.m.: 20091223-IR-872090784RFA*)

**Rule 5. Substantial Equivalency**

**872 IAC 1-5-1 Certification or permit not required for CPA certificate holders from other states; substantial equivalency (Repealed)**

Sec. 1. (*Repealed by Indiana Board of Accountancy; filed Jul 23, 2008, 12:52 p.m.: 20080820-IR-872070305FRA*)

**Rule 6. Quality Review**

**872 IAC 1-6-1 Applicability**

Authority: IC 25-2.1-2-15; IC 25-2.1-5-8; IC 25-2.1-5-9

Affected: IC 25-2.1-5; IC 25-2.1-6

Sec. 1. (a) This rule establishes a quality review program for CPA and PA firms issued a permit under IC 25-2.1-5.

(b) This rule does not apply to AP firms issued a registration under IC 25-2.1-6. (*Indiana Board of Accountancy; 872 IAC 1-6-1; filed Oct 13, 2004, 11:30 a.m.: 28 IR 966; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-2 "Approved quality review program" defined**

Authority: IC 25-2.1

Affected: IC 25-2.1-5-8; IC 25-2.1-5-9

Sec. 2. "Approved quality review program" means a peer review program:

(1) administered by an entity (administering entity) approved by the board under section 8 of this rule; and

(2) meeting the requirements of this rule, including the AICPA document incorporated by reference in section 11 of this rule (applicable to CPA and PA firms).

(*Indiana Board of Accountancy; 872 IAC 1-6-2; filed Oct 13, 2004, 11:30 a.m.: 28 IR 966; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-3 "Attest" defined**

Authority: IC 25-2.1-2-15; IC 25-2.1-5-8; IC 25-2.1-5-9

Affected: IC 25-2.1-1-3; IC 25-2.1-1-3.8

Sec. 3. "Attest" has the meaning set forth in IC 25-2.1-1-3.8. (*Indiana Board of Accountancy; 872 IAC 1-6-3; filed Oct 13, 2004, 11:30 a.m.: 28 IR 966; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-4 "Compilation" defined**

Authority: IC 25-2.1-2-15; IC 25-2.1-5-8; IC 25-2.1-5-9

Affected: IC 25-2.1-1-6.3

Sec. 4. "Compilation" has the meaning set forth in IC 25-2.1-1-6.3. (*Indiana Board of Accountancy; 872 IAC 1-6-4; filed Oct 13, 2004, 11:30 a.m.: 28 IR 966; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-5 "Firm location" defined**

Authority: IC 25-2.1-2-15; IC 25-2.1-5-8; IC 25-2.1-5-9

Affected: IC 25-2.1-5-5

Sec. 5. "Firm location" means an individual office location of a CPA or PA firm that is required to be registered under IC 25-2.1-5-5(a)(1) or IC 25-2.1-5-5(b)(1). (*Indiana Board of Accountancy; 872 IAC 1-6-5; filed Oct 13, 2004, 11:30 a.m.: 28 IR 966; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-6 "Quality review" defined**

Authority: IC 25-2.1-2-15; IC 25-2.1-5-8; IC 25-2.1-5-9

Affected: IC 25-2.1-1-12

Sec. 6. "Quality review" has the meaning set forth in IC 25-2.1-1-12. (*Indiana Board of Accountancy; 872 IAC 1-6-6; filed Oct 13, 2004, 11:30 a.m.: 28 IR 966; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-7 Quality review oversight committee**

Authority: IC 25-2.1

Affected: IC 25-2.1-5-8; IC 25-2.1-5-9

Sec. 7. (a) The board shall appoint a quality review oversight committee.

(b) The oversight committee shall:

- (1) consist of three (3) licensees who have an active certificate as a certified public accountant or public accountant;
- (2) be composed of individuals who are not members of the board;
- (3) provide the board with the names of those firms that have undergone and have had an accepted review as well as whether the firms are meeting the terms, conditions, and remedial actions, if any, required for completion of the review;
- (4) along with the board, establish procedures designed to ensure confidentiality of documents furnished or generated in the course of the review; and
- (5) carry out other duties as delegated by the board necessary for the administration and enforcement of this rule.

(c) An appointment under this section is for a term of three (3) years, except for an appointment to fill a vacancy shall be for the remainder of the unexpired term. A committee member may continue to serve until the member's successor is appointed and qualified. An oversight committee member may be reappointed at the end of each term. (*Indiana Board of Accountancy; 872 IAC 1-6-7; filed Oct 13, 2004, 11:30 a.m.: 28 IR 966; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-8 Responsibilities of administering entity**

Authority: IC 25-2.1

Affected: IC 25-2.1-5-8; IC 25-2.1-5-9

Sec. 8. (a) The board shall appoint an administering entity.

(b) The administering entity shall:

- (1) administer the program in compliance with section 11 of this rule;
- (2) provide the oversight committee with the names of those firms that have undergone and have had an accepted review as well as whether the firms are meeting the terms, conditions, and remedial actions, if any, required for completion of the review; and
- (3) periodically report on the effectiveness of the review program to the board.

(*Indiana Board of Accountancy; 872 IAC 1-6-8; filed Oct 13, 2004, 11:30 a.m.: 28 IR 967; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

**872 IAC 1-6-9 Requirements for firms**

Authority: IC 25-2.1

Affected: IC 25-2.1-5

Sec. 9. (a) This section applies to renewal of firm permits that expire on or after June 30, 2006.

(b) During the three (3) year period preceding a firm's application for renewal of a permit under IC 25-2.1-5, a firm shall complete a quality review in compliance with this rule, unless the firm is not required to have a quality review under subsection (d)(2) or (d)(3). Failure of a firm to complete a quality review may result in the denial of the renewal of the firm's permit under IC 25-2.1-5.

(c) Each firm where attest or compilation services are performed shall be covered by a quality review. A single quality review report covering all locations may be submitted for firms with multiple firm locations.

(d) Each application for renewal of a permit under IC 25-2.1-5 shall certify:

- (1) under the penalty of perjury, acceptance of the quality review report issued to the firm by the administering entity;
- (2) that the firm is not required to have a quality review to renew its permit because it has not performed any attest or compilation engagements:

(A) since the last expiration of the firm permit; or

(B) if the firm permit was initially issued subsequent to the last renewal, since the initial issuance of the firm permit;  
or

- (3) that the firm is not required to have a quality review to renew its firm permit because it:

(A) did not perform any attest or compilation engagement within the first eighteen (18) months of the three (3) year period preceding the firm's application for renewal of its permit; or

(B) obtained the initial issuance of its firm permit within the last eighteen (18) months of the three (3) year period preceding the firm's application for renewal of its permit.

(e) Before commencement of an attest or compilation engagement, a firm that was not required to obtain a quality review under subsection (d)(2) shall:

(1) notify the board; and

(2) complete a quality review within eighteen (18) months of the notification.

(f) A firm that was not required to obtain a quality review under subsection (d)(3) shall:

(1) at the time of renewal, notify the board of the date the first attest or compilation engagement was commenced; and

(2) complete a quality review within eighteen (18) months of that date.

(g) In order to renew an expired firm permit, a firm shall complete a quality review in compliance with this rule. An exemption under subsection (d)(2) or (d)(3) shall be calculated as if the firm permit had been renewed before its expiration.

(h) Each firm is responsible for the cost of the quality reviews under this rule. (*Indiana Board of Accountancy; 872 IAC 1-6-9; filed Oct 13, 2004, 11:30 a.m.: 28 IR 967; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

### **872 IAC 1-6-10 Reports; confidentiality**

Authority: IC 25-2.1

Affected: IC 25-2.1-5-8; IC 25-2.1-5-9

Sec. 10. (a) An approved quality review program administering entity shall determine and report the following to the oversight committee with respect to each firm that is reviewed:

(1) Any recommendations concerning the possible improvement of the quality of the firm location's professional services.

(2) Whether the firm is not in general conformity with applicable professional standards.

(3) If the firm is not in general conformity, any significant departures from applicable professional standards.

(b) A firm that is the subject of a quality review may submit to the administering entity a response to the determinations and recommendations contained in the quality review report.

(c) Quality review reports and related comments shall be retained by the administering entity:

(1) for a period of at least three (3) years from the date of submission; or

(2) until acceptance by the administering entity of the firm location's next quality review report;

whichever is later.

(d) All proceedings, records, and work papers related to a quality review performed under this rule are:

(1) privileged as provided in IC 25-2.1-5-8; and

(2) not subject to discovery, subpoena, or other means of legal process or introduction into evidence unto a civil action, arbitration, administrative proceeding, or board proceeding.

(e) Subject to IC 25-2.1-5-9, a member of the oversight committee, the administering entity, or an individual who was involved with or who performed a quality review may not testify in a civil action, arbitration, administrative proceeding, or board proceeding to matters:

(1) produced, presented, disclosed, or discussed during, or in connection with, the quality review process; or

(2) that involve findings, recommendations, evaluations, opinions, or other actions of the approved quality review program, the administering entity, or individual reviewers.

(*Indiana Board of Accountancy; 872 IAC 1-6-10; filed Oct 13, 2004, 11:30 a.m.: 28 IR 967; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

### **872 IAC 1-6-11 AICPA standards for peer/quality review program**

Authority: IC 25-2.1

Affected: IC 25-2.1

Sec. 11. (a) That certain document being titled Standards for Performing and Reporting on Peer Reviews (copyright 2008, effective January 1, 2009), as published by the American Institute of Certified Public Accountants (AICPA), 1211 Avenue of the

Americas, New York, New York 10036-8775, is hereby incorporated by reference as if fully set out in this rule except for the revision stated in this section. This document applies to quality reviews performed after December 31, 2008.

(b) That certain document being titled Standards for Performing and Reporting on Peer Reviews (copyright 2004, effective January 1, 2005), as published by the American Institute of Certified Public Accountants (AICPA), 1211 Avenue of the Americas, New York, New York 10036-8775, is hereby incorporated by reference as if fully set out in this rule except for the revision stated in this section. This document applies to quality reviews performed before January 1, 2009.

(c) Notwithstanding the use of the word "should" in the Standards for Performing and Reporting on Peer Reviews, a reviewer must:

- (1) comply with the standards; or
- (2) justify any departure therefrom.

(d) The Standards for Performing and Reporting on Peer Reviews is incorporated by reference in this rule to establish substantive standards for quality reviews. Any requirement for membership in the AICPA or other organization or the involvement of any AICPA entity or state CPA society in the quality review process shall not apply. The quality review program under this rule is administered by the board and the administering entity established under section 8 of this rule. However, this subsection shall not be construed to limit the involvement of either the AICPA or the state CPA society in any quality review activity involving their members as long as the resulting quality review complies with this rule.

(e) If any provision of the Standards for Performing and Reporting on Peer Reviews conflict in any way with IC 25-2.1 or this title, it shall not apply. (*Indiana Board of Accountancy; 872 IAC 1-6-11; filed Oct 13, 2004, 11:30 a.m.: 28 IR 968; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

#### **872 IAC 1-6-12 NSA standards for peer/quality review program (Repealed)**

Sec. 12. (*Repealed by Indiana Board of Accountancy; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA*)

#### **872 IAC 1-6-13 Informal dispute resolution**

Authority: IC 25-2.1

Affected: IC 4-21.5-3-13

Sec. 13. (a) This section addresses informal dispute resolution that may be taken by the board as the result of a dispute between the administering entity or a reviewer and the firm being reviewed.

(b) This section does not increase or diminish hearings that may be required by IC 4-21.5-3 or other applicable statute and is not providing for hearings under IC 4-21.5-3. A dispute that has been addressed in an informal dispute resolution may still be a topic of a hearing under IC 4-21.5-3. In the event of such a hearing, the participation of the board and its members in an informal dispute resolution shall be considered a preliminary determination under IC 4-21.5-3-13(c).

(c) When a dispute occurs regarding the peer review report or corrective actions, or both, required as the result of a quality review, the administering entity shall notify the board in writing within thirty (30) days of the notification from the firm subject to the peer review report corrective action, or both. The notification to the board from the administering entity, a copy of which shall be sent to the firm, shall include the name of the firm and the peer review report and the correction action, as appropriate, and a discussion memorandum addressing the dispute. The board shall:

- (1) set the matter for an informal hearing;
- (2) notify the parties to the dispute;
- (3) provide the parties with an opportunity to present evidence at hearing; and
- (4) make a determination on the dispute.

(d) The board's determination in an informal dispute resolution shall govern how the administering entity and reviewer proceed regarding the issues involved but in no way limit the firm from arguing to the contrary in any proceeding under IC 4-21.5-3 and the determination shall not be considered to be final in any way for a proceeding under IC 4-21.5-3.

(e) The board may delegate an informal dispute resolution under this section to one (1) of its members. (*Indiana Board of Accountancy; 872 IAC 1-6-13; filed Dec 5, 2008, 10:29 a.m.: 20081231-IR-872070306FRA; readopted filed Nov 12, 2010, 10:07 a.m.: 20101208-IR-872100410RFA*)

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