Washington Society of Certified Public Accountants

Explaining the New Regulatory Changes in Washington: What Licensing Changes Mean for You, How You Do Business, and the Next Generation of CPAs

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New rules from the Washington Board of Accountancy

- ➢Individual mobility. WAC 4-30-090
- ➢Initial individual education requirements. WAC 4-30-060
- ➢Experience requirements. WAC 4-30-070
- ➢Verification requirements. WAC 4-30-072
- ➢Initial individual CPA licensing requirements. WAC 4-30-080

Mobility for CPAs and CPA firms

- All CPA licensing is inherently local, and there are 55 boards of accountancy in the U.S. and the location of the individual or enterprise consumer determines the ethical and administrative standards that apply

- Providing public accounting services in person, by mail, telephone, or electronic means to clients residing in any state or U.S. territory requires "practice privileges" in that state or U.S. territory

- "Practice privileges," allow a CPA to temporarily enter a state to practice public accounting but is not the equivalent of a license

- Historically, practice privileges were based upon the state which issued the license having "substantially equivalent" education, testing, and experience requirements as the state where the consumer is located

Benefits of automatic mobility for the public

- Removing state boundaries creates more consumer choices to choose a CPA or firm or employee to serve their individual and business needs

- Removing state boundaries creates more price competition among providers

- A state board's ability to discipline is based on the consumer location, whether contact is physical or electronic, rather than where a license is issued

Benefits of automatic mobility for CPAs and firms

- Licensees and firms are free to serve clients or employers in other states physically, electronically, or otherwise, which expands markets for services

- As an ethical violation in the state in which the consumer of professional services is based, whether client or employer, is also considered a violation in the state which issued the CPA license, uniform individual or firm mobility creates less risk of a chance of an inadvertent administrative violation in the state in which the consumer is based

New Washington automatic mobility

- Practice privileges are the temporary rights granted to a person who holds a current license or certificate in good standing from any other state or jurisdiction of the United States, and at the time of licensure, was required to show evidence of having obtained at least a minimum of a baccalaureate degree, passed the Uniform CPA Exam, and has at least one year of experience. WAC 4-30-090 (1)

- An individual who qualifies for practice privileges may offer or render professional services, whether in person or by mail, telephone, or electronic means. WAC 4-30-090(2)

- The Board requires no notice, fee, or other submission be provided by any such individual exercising practice privileges in the state of Washington. WAC 4-30-090(3)

Mobility and deemed consent

- An individual who qualifies for practice privileges, as a condition of exercising such privilege, is automatically deemed to consent to certain requirements:
  - To the personal and subject matter jurisdiction and disciplinary authority of the Board;
  - To comply with Washington laws and Washington rules;
  - That in the event a license or certificate from any other state or jurisdiction of the United States is no longer valid, the individual will cease offering or rendering professional services in this state individually or on behalf of a firm; and
  - To the appointment of the state board which issued the certificate or license as their agent upon whom process may be served in any action or proceeding by the Board against the certificate holder or licensee. WAC 4-30-090(4)

New pathway rules

- WAC 4-30-060 contains the new education requirements for initial CPA licensing, it requires an applicant for the CPA license to obtain at least one of the following:
    - A baccalaureate degree with an accounting concentration or equivalent;
    - A post-baccalaureate degree with an accounting concentration or equivalent; or
    - A baccalaureate degree with an accounting concentration or equivalent plus 30 semester hours (45 quarter hours) of college education
- WAC 4-30-070 contains the new experience requirements for initial CPA licensing:
    - For applicants for the CPA license who meet the education requirements of only a baccalaureate degree, two years of experience consisting of a minimum of 24 months and 4,000 hours
    - For applicants for the CPA license who meet the education requirements of a post baccalaureate degree or the existing 150 hour requirement, one year of experience consisting of a minimum of 12 months and 2,000 hours

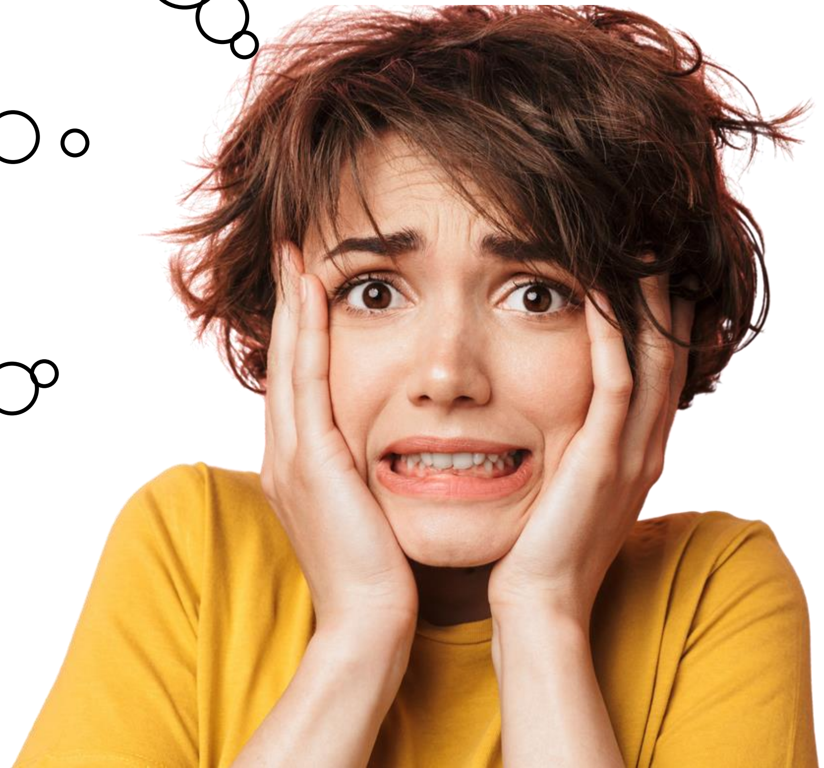
How do we address CPA candidate confusion?

What are the effective dates, can the new pathway apply to my situation?

Should I apply for licensure in another state?

What pathway is the right one for my situation?

What does my employer prefer?



What pathway options are available in my state?

What counts as an accounting concentration?

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The Impact on Firms and CPAs

The Challenges

- ✖ 55 sets of laws and rules
- ✖ 10 different mobility systems
- ✖ Spreadsheets, calendar reminders, and manual workflows

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California (Individuals)

- Register with California Tax Education Council if providing tax services

Florida (Firms)

- For attest, non-CPA partners must be engaged in the business as their principal occupation
- Ensure compliance with board rules pertaining to minimum capitalization, letters of credit, and adequate public liability insurance

Vermont (Individual)

- Signer of attest report must meet the experience and competency requirements set forth in the professional standards

North Carolina (Firms)

- Provide board with peer review information within 60 days of acceptance letter
- Notify board within 30 days of any change in address

The Challenges

- 55 sets of laws and rules
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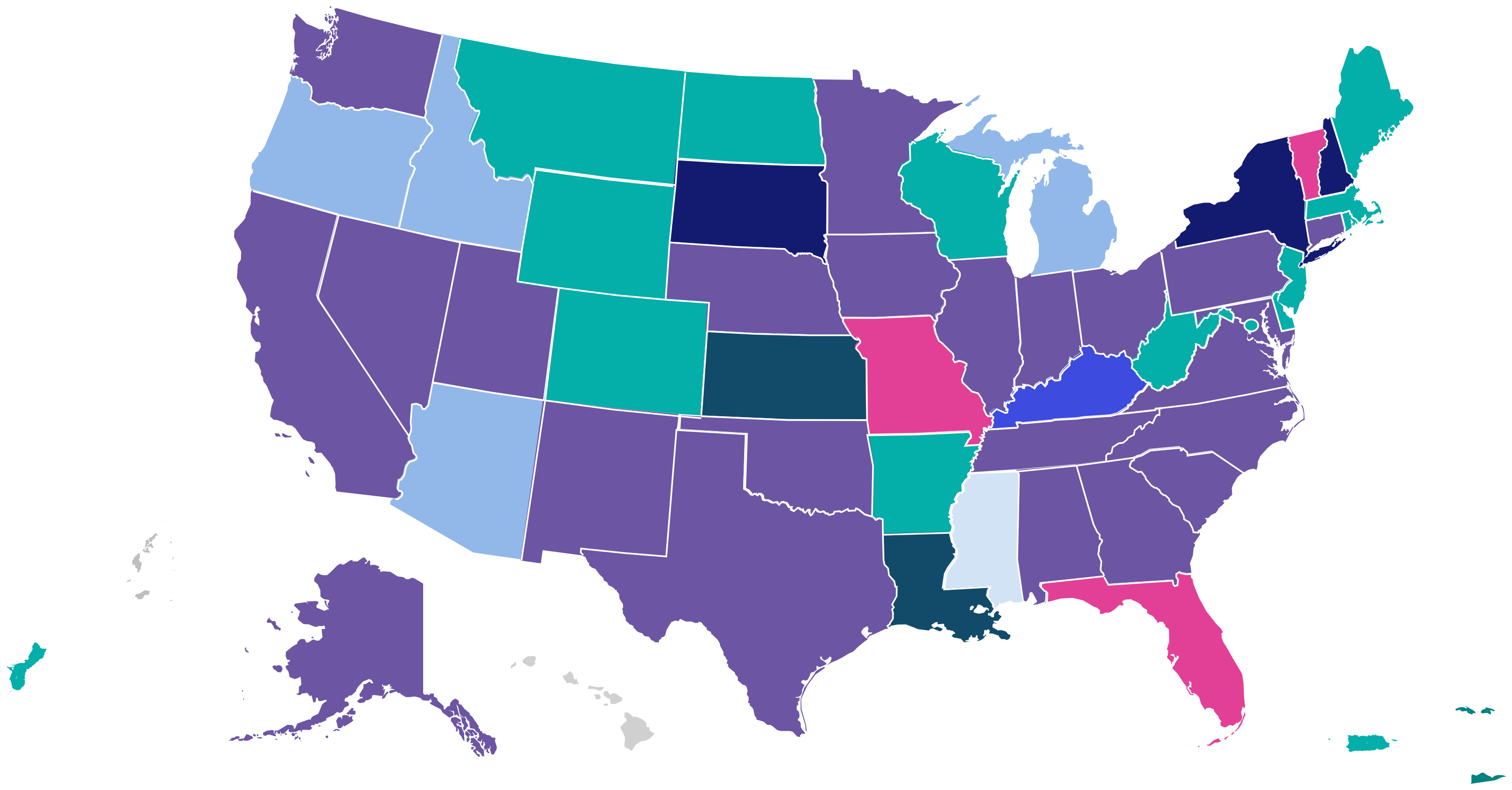
How is individual mobility determined?



The Challenges

- 55 sets of laws and rules
- 10 different mobility systems
- Spreadsheets, calendar reminders, and manual workflows

The Risks

- Missed deadlines
- Unauthorized activity
- Errors in manual data entry

The Impacts

- Penalties
- Lost revenue
- Reputational damage
- Peer review finding

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

In the Matter of the CPA Certificate of

[redacted]
CPA Certificate [redacted]
and
[redacted]
Unlicensed

STIPULATION AND CONSENT ORDER AND CEASE AND DESIST ORDER

Board File Nos. 2025-002 and 2025-001

STIPULATION

[redacted] (“Respondent”), [redacted] (“Respondent Firm”), and the Minnesota Board of Accountancy’s Complaint Committee stipulate that, subject to Board’s review and discretionary approval, the Board may issue a consent order that imposes the following sanctions:

A. Respondent and Respondent Firm shall cease and desist from holding out as a CPA firm until such time as the firm becomes licensed as a CPA firm in the State of Minnesota.

B. Respondents shall pay to the Board a joint-and-several CIVIL PENALTY of $5,000. Respondents shall submit the civil penalty by check to the Board within 60 days of the Board’s approval of this Stipulation and Consent Order.

The Impacts

- ✖ Penalties
- ✖ Lost revenue
- ✖ Reputational damage
- ✖ Peer review finding

2. **Investigation Nos.: 24-12-03L & 24-12-04L**
   Respondents: [redacted] & [redacted] (Firm)
   Hometown: Cedar Park, TX
   Certificate No.: [redacted]
   Firm License No.: [redacted]
   Rule Violations: 501.60, 501.74, 501.81
   Act Violations: 901.401, 901.460, 901.502(6), 901.502(11)

Respondents entered into an ACO with the Board whereby Respondents involuntarily surrendered their certificate and licenses in lieu of further disciplinary action. Respondents issued audit reports, compilations and reviews for clients when the Respondent Firm's license was delinquent.

The Impacts

- ✖ Penalties
- ✖ Lost revenue
- ✖ Reputational damage
- ✖ Peer review finding

2. Investigation Nos.: 24-12-03L & 24-12-04L
Respondents: [redacted] & [redacted] (Firm)
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the Board whereby Respondents involuntarily surrendered their certificate and licenses in lieu of further disciplinary action. Respondents issued audit reports, compilations and reviews for clients when the Respondent Firm's license was delinquent.

[redacted]; SEAFORD NY

Profession: Certified Public Accountant; Lic. No. [redacted]

Regents Action Date: September 9, 2025

Action: Application for consent order granted; Penalty agreed upon: 2 years stayed suspension, 2 years probation, $5,000 fine.

Summary: Licensee did not contest the charge of practicing the profession of public accountancy as a certified public accountant while not actively registered.

The Impacts

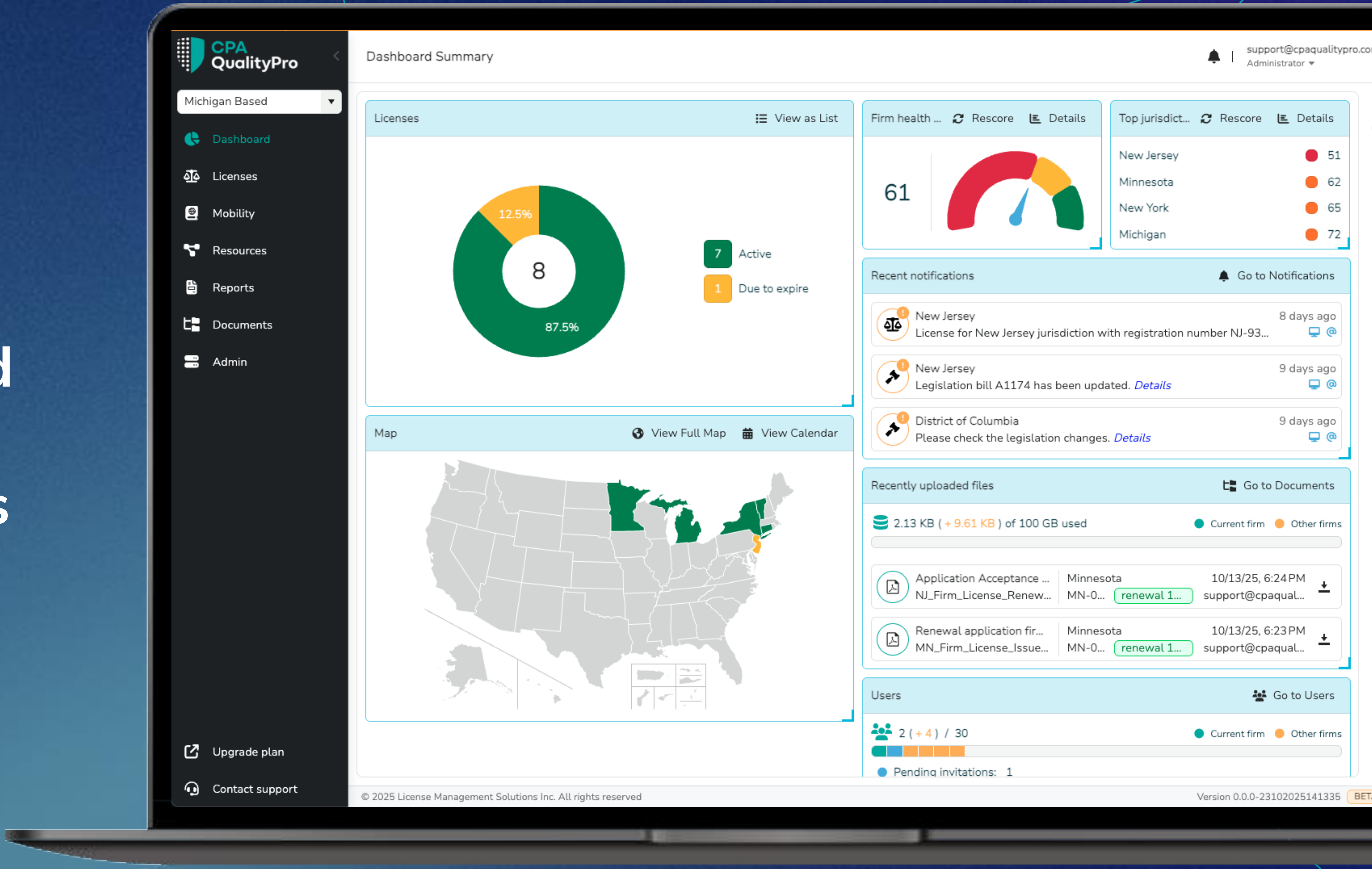
- ✖ Penalties
- ✖ Lost revenue
- ✖ Reputational damage
- ✖ Peer review finding

CPA QualityPro

Cloud-based software solution that streamlines CPA firm and individual license registrations, renewals, and compliance tracking across all 55 U.S. jurisdictions

- ✓ Firm and individual license tracking
- ✓ Firm and individual mobility guidance
- ✓ Automated renewal reminders
- ✓ Document storage
- ✓ Legislative and regulatory tracking
- ✓ Secure, cloud-based dashboard

All-in-one dashboard tracks firm and individual licenses across all 55 U.S. jurisdictions



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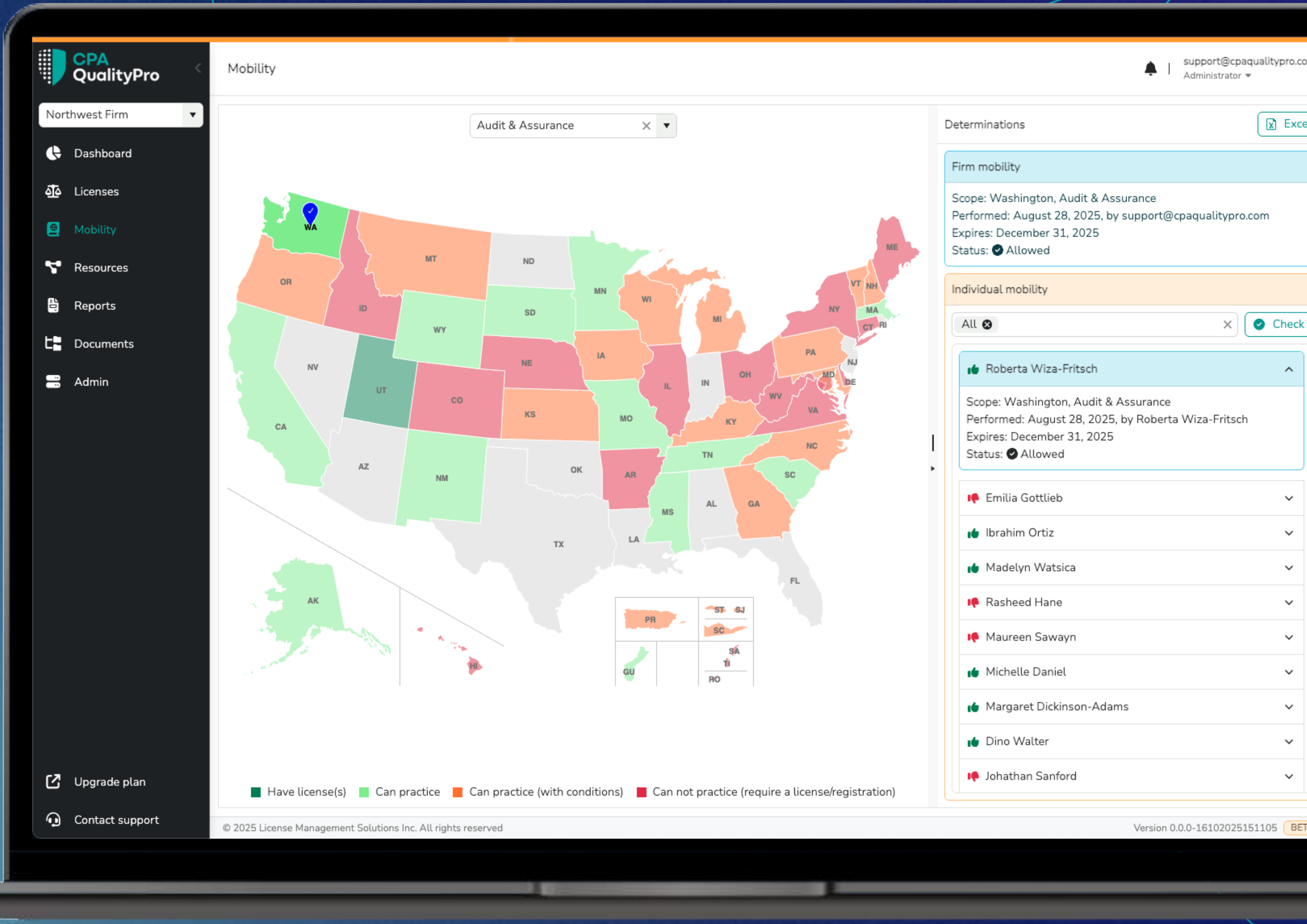
Determine firm and individual mobility status using license, state, and type of service



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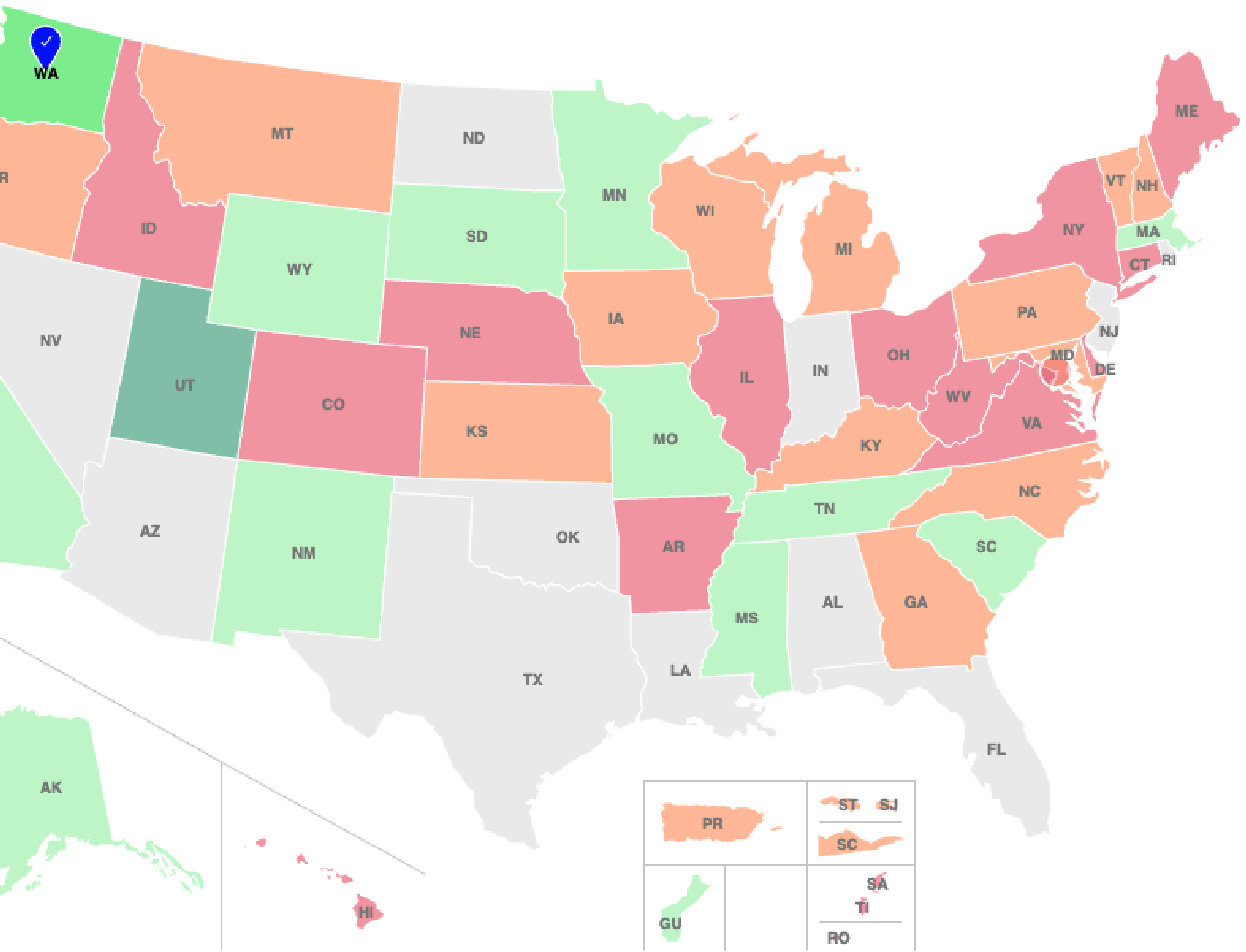

Firm mobility

Scope: Washington, Audit & Assurance
Performed: August 28, 2025, by support@cpaqualitypro.com
Expires: December 31, 2025
Status: Allowed

Individual mobility

All

Check

Roberta Wiza-Fritsch

Scope: Washington, Audit & Assurance
Performed: August 28, 2025, by Roberta Wiza-Fritsch
Expires: December 31, 2025
Status: Allowed

Emilia Gottlieb

Ibrahim Ortiz

Madelyn Watsica

Rasheed Hane

Maureen Sawayn

Michelle Daniel

Margaret Dickinson-Adams

Questions?

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