**DEPARTMENT OF REGULATORY AGENCIES**

**State Board of Accountancy**

**ACCOUNTANCY RULES AND REGULATIONS**

**3 CCR 705-1**

*[Editor's Notes follow the text of the rules at the end of this CCR Document.]*

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## 1.4 BOARD ORGANIZATION AND ADMINISTRATION

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### B. ABBREVIATIONS AND DEFINITIONS

Except as otherwise provided, words and phrases capitalized in these Rules are defined in this Rule 1.4. In addition to the definitions found in section 12-100-103, C.R.S., the following apply:

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36. Practice Privilege/Mobility

    The privilege for a CPA or Firm to practice accounting in this state pursuant to section 12-100-117(2), C.R.S., and Rule 1.14.

37. Professional Business

    For the purposes of section 12-100-117(2), C.R.S., and these Rules, practicing in this state on "professional business" means that a CPA or foreign equivalent whose principle place of business is located in another state or jurisdiction is providing professional services in this state.

38. Professional Services

    Any service performed or offered to be performed by a licensee while holding out.

39. Reactivation

    The process by which an inactive or retired status certificate is returned to active status.

40. Registrant

    A firm that has been granted registration pursuant to the Act.

41. Reinstatement

    The process by which a certificate that has expired is returned to active, inactive, or retired status or by which a firm registration that has expired is returned to active/valid status.

42. Renewal

The process to retain a certificate in active, inactive, or retired status, and to retain a firm registration in active/valid status in accordance with a schedule established by the Division of Professions and Occupations.

43. Report Acceptance Body

A sponsoring organization's committee responsible for the acceptance of peer review documents.

44. Responsible Party

The firm partner, shareholder, or member designated to notify the Board of changes to the firm pursuant to section 12-100-114(2)(a)(III), C.R.S.

45. Retired

The status of a certificate following the Board's approval of a certificate holder's application to transfer the certificate status to retired.

46. Sponsoring Organization

A Board-approved professional society or other organization responsible for the facilitation and administration of peer reviews through use of its peer review program and peer review standards.

47. Substantial Equivalency

A determination by the Board or its designee that the education, examination, and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed the education, examination, and experience requirements contained in the AICPA/*NASBA Uniform Accountancy Act* (UAA) or that an individual CPA's education, examination, and experience qualifications are comparable to or exceed the requirements contained in the UAA.

48. U.S. GAAP

Generally accepted accounting principles as contained in the AICPA *Professional Standards* incorporated by reference in Rule 1.4(C).

49. U.S. GAAS

Generally accepted auditing standards as contained in the AICPA *Professional Standards* incorporated by reference in Rule 1.4(C).

**C. INCORPORATION BY REFERENCE**

The materials listed in this Rule 1.4(C) are incorporated by reference. These Rules do not include later amendments to or editions of the materials incorporated by reference in this Rule 1.4(C). (Note, however, that pursuant to law, licensees will be held to the requirements in those editions that were in effect at the time of the conduct at issue.) If a Rule of the State Board of Accountancy is inconsistent or otherwise differs from the materials incorporated by reference herein, the Rule of the State Board of Accountancy governs. Copies of these materials are available for public inspection during regular business hours at the Board's Office at 1560 Broadway, Suite 1350, Denver, Colorado, 80202 and at the Colorado State

Publications Library or at the specific addresses and websites provided below. For information on obtaining or examining these materials, contact the Board's Office at 1560 Broadway, Suite 1350, Denver, Colorado, 80202 or via email at dora_accountancy@state.co.us

1. AICPA Code of Professional Conduct

   The *Code of Professional Conduct* issued by the AICPA in the "AICPA *Professional Standards*," effective December 15, 2014. These materials may also be obtained at AICPA.org or AICPA, 220 Leigh Farm Road, Durham, North Carolina 27707-8110.

2. AICPA Professional Standards

   The AICPA Professional Standards, effective June15, 2024, issued by the AICPA. These materials may also be obtained at AICPA.org or AICPA, 220 Leigh Farm Road, Durham, North Carolina 27707-8110.

3. Fields of Study

   The NASBA CPE Fields of Study, effective January 1, 2024, and available at https://www.nasbaregistry.org/registry-forms--policies/fields-of-study or NASBA, 150 Fourth Ave. North, Ste. 700, Nashville, TN, 37219-2417.

4. Joint Standards

   The Joint AICPA/NASBA Statement on Standards for Continuing Professional Education (CPE) Programs jointly issued by the AICPA and NASBA, effective January 1, 2024, and available at or at https://www.nasbaregistry.org/the-standards or NASBA, 150 Fourth Ave. North, Ste. 700, Nashville, TN, 37219-2417.

5. Statements of governmental accounting standards

   The statements of governmental accounting standards issued as of the effective dates of these Rules and available at www.gasb.org or NASBA, 150 Fourth Ave. North, Ste. 700, Nashville, TN, 37219-2417.

6. FASB Accounting Standards Codification

   The FASB Accounting Standards Codification issued as of the effective date of these Rules and available at www.fasb.org or NASBA, 150 Fourth Ave. North, Ste. 700, Nashville, TN, 37219-2417.

7. Government Auditing Standards, December 2011 Revision

   The Government Auditing Standards, effective February 1, 2024, issued by the U.S. Governmental Accountability Office and available at www.gao.gov/yellowbook or U.S. Government Publishing Office, 732 North Capitol Street, NW, Washington, DC 20401-0001.

8. Securities and Exchange Commission

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## 1.5 EDUCATION REQUIREMENTS FOR EXAMINATION AND CERTIFICATION

This Rule is promulgated pursuant to sections 12-20-204, 12-100-105(1)(b), 12-100-108, 12-100-109, and 12-100-110, C.R.S.

### A. GENERAL INFORMATION

1. Conversion of quarter hours to semester hours. For purposes of these Rules, four quarter hours equals three semester hours.

2. Transcripts. The applicant's claim to college or university credits for eligibility for examination and certification must be confirmed by an official transcript of credit forwarded by the institution to the Board's office or its designee. However, the Board may accept an official transcript from the applicant if the transcript is provided in an official envelope sealed by the granting institution.

3. The Board will not issue a certificate to an applicant who has not satisfied the requirements of Rule 1.5(E).

4. The Board or its designee will not consider or review an incomplete application.

5. Any application that is not complete within one year of the receipt date will expire and be destroyed. The applicant must submit a new application along with all required information and fees.

6. “College or university” for purposes of these Rules means an institution of higher education that:

a. Requires a high school diploma or equivalent as a condition of entry;

b. Delivers postsecondary education; and

c. Offers a degree that would be recognized by, or coursework that would be accepted for transfer by, an Accredited Baccalaureate Granting College as defined in Rule 1.5(B).

### B. COLLEGE OR UNIVERSITY ACCREDITATION

1. “Accredited Baccalaureate Granting College” for the purposes of these Rules means a college or university: (1) that is deemed accredited under sections 12-100-103(1) and 12-100-108(1), C.R.S., that offers a Baccalaureate Degree or higher degree.

2. Baccalaureate Degree. The Board may deem a Baccalaureate Degree or higher degree obtained from a non-accredited college or university as conferred by an Accredited Baccalaureate Granting College if the applicant demonstrates that the degree would be unconditionally accepted into a graduate program at an Accredited Baccalaureate Granting College.

3. Coursework. The Board may deem coursework obtained from a non-accredited college or university as obtained from an Accredited Baccalaureate Granting College if the applicant demonstrates that the coursework would be acceptable for credit towards a Baccalaureate Degree or higher degree at an Accredited Baccalaureate Granting College.

4. The Board may require that an applicant submit the transcript to a generally recognized academic credential evaluation service for assistance in evaluating whether:

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5. The Board will not accept an evaluation described in paragraph (4) of this Rule 1.5(B) unless it is prepared by NIES or an evaluation service that is a member of NACES, AICE, or another similar organization approved by the Board, or any other entity approved by the Board. The Board is not required to accept the results of an evaluation from any source.

**C. APPROVED ACCOUNTING PROGRAM**

1. An accounting program at an Accredited Baccalaureate Granting College is deemed approved by the Board.

2. The Board may deem an accounting program at any college or university as approved for the purposes of a specific application if the applicant demonstrates that an Accredited Baccalaureate Granting College would accept coursework or a degree obtained from the college or university for credit towards a Baccalaureate Degree or higher degree, or into a graduate program.

**D. EDUCATION REQUIREMENTS FOR EXAMINATION**

A person who has a Baccalaureate Degree or or higher degree who has obtained not less than 120 credit hours of higher education, and who has fulfilled the requirements described in this Rule 1.5(D), has met the education requirements necessary to sit for the examination.

Notwithstanding the above, a person who does not have a Baccalaureate Degree has met the education requirements necessary to sit for the examination, if the individual has obtained not less than 120 credit hours of higher education and fulfilled the requirements described in this Rule 1.5(D), and demonstrates that they are currently enrolled in a degree program at a college or university that: (1) requires a minimum 150 hours for graduation; and (2) does not offer a Baccalaureate Degree, but instead confers a Masters or higher degree, or offers a Baccalaureate Degree upon completion of a combined degree program.

1. An applicant must have completed at least twenty-seven semester hours of non-duplicative accounting coursework at the undergraduate or graduate level with awarded or acceptable for credit from an accredited college or university. The transcripts must indicate an accounting program code or the applicant must otherwise demonstrate that the coursework was in accounting. The twenty-seven semester hours must include the following:

a. No more than six hours of introductory accounting courses, such as principles of accounting, accounting and tax software courses, payroll accounting, and other basic accounting courses as determined by the Board.

b. Twenty-one semester hours of accounting courses, excluding introductory accounting courses as described paragraph (a) of this Rule 1.5(D)(1), covering subject areas such as:

(1) Accounting Ethics

(2) Accounting Information Systems

(3) Accounting Research and Analysis

(4) Accounting Theory

(5) Auditing and Attestation Services

(6) Financial Accounting and Reporting of Business Organizations

(7) Financial Accounting and Reporting for Government and Not-for-Profit Entities

(8) Financial Statement Analysis

(9) Fraud Examination

(10) Internal Controls and Risk Assessment

(11) Managerial or Cost Accounting

(12) Taxation

(13) Tax Research and Analysis

(14) Forensic accounting

(15) Tax auditing

(16) Other areas as approved by the Board as documented in the Board's policies.

b. The twenty-one semester hours must include a three semester hour, or more, auditing course concentrating on U.S. GAAS. "Concentrating on U.S. GAAS" means that any course content referencing non-U.S. standards is incidental to the course.

c. No more than three (3) semester hours of internship may count towards the twenty-seven hour requirement as described in this Rule 1.5(D)(1).

2. An applicant must successfully complete at least twenty-one semester hours of non-duplicative coursework in business administration at the undergraduate or graduate level that addresses subject areas such as:

a. Behavior of Organizations, Groups, and Persons

b. Business or Accounting Communications

c. Business Ethics

d. Business Law

e. Computer Information Systems

f. Economics

g. Finance

h. Legal and Social Environment of Business

i. Management

j. Marketing

k. Quantitative Applications in Business

l. Statistics

m. Other areas as approved by the Board

3. Of the twenty-one semester hours described in this Rule 1.5(D)(2), no more than three (3) semester hours may be internship hours.

4. All coursework must address subject areas as provided in paragraph (2) of this Rule 1.5(D), but the coursework need not be taken within the business or accounting department.

6. The courses required in this Rule 1.5(D) must be taken at an Accredited Baccalaureate Granting College or: (1) such a college must accept the courses by including them in its official transcript or demonstrate to the Board that it would accept the courses for credit towards graduation; (2) the courses must be acceptable for transfer to such a college pursuant to a transfer articulation agreement approved or accepted by the Colorado Department of Higher Education or what the Board determines to be an equivalent regulatory agency of another jurisdiction; or (3) the Board may accept the findings of an academic credential evaluation provided pursuant to Rule 1.5(B).**E. EDUCATION REQUIREMENTS FOR CERTIFICATION**

An individual who has a Baccalaureate Degree or higher degree and who has fulfilled the requirements described in this Rule 1.5(E) has met the education requirements necessary for certification.

1. An Applicant must have successfully completed a total of 150 semester hours of non-duplicative coursework at the undergraduate or graduate level.

2. The Applicant must have completed at least thirty-three semester hours of nonduplicative accounting coursework at the undergraduate or graduate level with awarded or acceptable for credit from an accredited college or university. The transcripts must indicate an accounting program code or the applicant must otherwise demonstrate that the coursework was in accounting. The thirty-three semester hours must include the following:

a. No more than six semester hours of introductory accounting courses, such as principles of accounting, accounting and tax software courses, payroll accounting, and other basic accounting courses as determined by the Board.

b. The twenty-seven semester hours of accounting courses excluding introductory accounting courses as described in paragraph (b) of this Rule 1.5(E)(2) and covering the subject areas described in Rule 1.5(D)(1)(a);

c. Of the twenty-seven semester hours required in paragraph (b), a three semester hour course concentrating on U.S. GAAS, must be included. “Concentrating on U.S. GAAS” means that any course content referencing non-U.S. standards is incidental to the course.

3. The applicant must have successfully completed at least twenty-seven semester hours of non-duplicative coursework in business administration at the undergraduate or graduate level, which must include:

a. Of the twenty-seven semester hours, no more than nine semester hours can be in any single subject area. But semester hours in excess of the nine-hour maximum may count toward the total 150 semester hour requirement.

b. All coursework must address subject areas as provided in Rule 1.5(D)(2), but the coursework need not be taken within the business or accounting department.

4. The courses required in this Rule 1.5(E) must be taken at an Accredited Baccalaureate Granting College or: (1) such a college must accept the courses by including them in its official transcript or demonstrate to the Board that it would accept the courses for credit towards graduation; (2) the courses must be acceptable for transfer to such a college pursuant to a transfer articulation agreement approved or accepted by the Colorado Department of Higher Education or what the Board determines to be an equivalent regulatory agency of another jurisdiction; or (3) the Board may accept the findings of an academic credential evaluation provided pursuant to Rule 1.5(B).

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**1.7 EXPERIENCE REQUIREMENTS FOR CERTIFICATION**

The following requirements apply to applicants who seek to qualify for certification pursuant to sections 12-100-107 and 12-100-108, C.R.S.

**A. GENERAL EXPERIENCE AND VERIFICATION REQUIREMENTS**

1. An applicant has satisfied the experience requirement necessary to be issued a certificate upon completion of 1,800 qualifying work hours verified by one or more verifiers as defined in Rule 1.7(A)(5).

a. The work hours must be obtained within the five years immediately preceding the date the application is received by the Board or its designee.

b. The work hours may include any combination of full-time and part-time work. Academic internship hours may be included for both experience and under Rule 1.5 for education credit.

c. Except as provided in Rule 1.7(A)(4), the work hours must be obtained while employed by one or more employers.

d. The work hours must be obtained over a period of not less than one year and not more than three years.**…**

**1.8 REQUIREMENTS FOR CERTIFICATION**

This Rule is promulgated pursuant to sections 12-20-204, 12-100-105(1)(b), 12-100-108, and 12-100-111, C.R.S.

**A. GENERAL PROVISIONS…**

**B. GENERAL CERTIFICATION REQUIREMENTS**

1. An applicant has met the requirements necessary for certification if he has:

a. Met the minimum education requirements as described in Rule 1.5;

b. Taken and passed the Uniform CPA Examination;

c. Taken the AICPA Ethics course and passed the AICPA Ethics Examination with a score of ninety percent or better within two years immediately preceding the application receipt date; and

d. Met the experience requirements described in Rule 1.7.

2. The applicant must complete two hours of CR&R within six months after the date the Board grants the initial certificate. CR&R completed within the six months immediately preceding the date the Board grants the initial certificate will satisfy this requirement.

a. CR&R completed within the six months immediately preceding the date the Board grants the initial certificate will satisfy this requirement. CR&R that is not completed within the six months preceding or after that date will not satisfy this requirement, but it may count towards general CPE credit, if it otherwise satisfies the requirements of Rule 1.9(G).

b. CR&R courses completed under this requirement may satisfy the CR&R requirement under paragraph (2)(b) of Rule 1.9(G).

c. CR&R completed pursuant to this subsection (B)(2) of this Rule may be counted toward general CPE requirements.

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**1.14 PRACTICE PRIVILEGE/MOBILITY**

This Rule is promulgated pursuant to sections 12-20-204, 12-100-105(1)(b), and 12-100-117(2), C.R.S.

**A. SCOPE OF THE PRACTICE PRIVILEGE**

A licensee who qualifies for the Practice Privilege under Rule 1.14(B) may provide Professional Services in this state and shall be deemed to have all the privileges of a certificate holder or registrant without the need to obtain a Colorado certificate or firm registration. No notice or other submission shall be required of any such licensee. Such licensee is subject to the provisions of section 12-100-117(2)(c), C.R.S., and these Rules.

**B. REQUIREMENTS**

1. Individual Practice Privilege requirements.

a. An individual shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of a certificate holder without the need to obtain a certificate under section 12-100-107, C.R.S., if

(1) The individual's principal place of business is not in this state. For purposes of this Rule 1.14, "Principal Place of Business" is presumed to be the location designated by the individual, but the presumption will be overcome if: (1) the individual establishes residency in this state; and (2) the individual provides or offers professional services to his employer or to a client or potential client located in this state. Provided further that if the individual submits an application for a Colorado certificate within sixty days of establishing residency in this state, the individual may continue to have all the privileges of a certificate holder until such time as a Colorado certificate is granted or denied; and

(2) The individual holds an active certificate or license issued by any state that NASBA's national qualification appraisal service has verified to be substantially equivalent to the CPA licensure requirements of the AICPA/*NASBA Uniform Accountancy Act* (UAA); or

(3) The individual holds an active certificate or license issued by any state that NASBA's national qualification appraisal service has not verified to be substantially

equivalent with the CPA licensure requirements of the UAA, but such individual obtains from NASBA's national qualification appraisal service verification that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the UAA. Any individual who has passed the examination and holds an active certificate or license issued by any other state prior to January 1, 2012, shall be exempt from the education requirements in the UAA

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**Editor's Notes**

**History**

Rules 1.1, 1.2, 1.5 eff. 05/30/2007. Rule 1.7 repealed eff. 05/30/2007.
Rules 3.7(A)(5), 4.1(E) eff. 07/30/2007.
Chapter 5,rules 7.6, 7.14 eff. 07/31/2008.
Chapters 1, 9 eff. 01/01/2009.
Chapters 5, 6 eff. 01/01/2010.
Chapter 4 emer. rule eff. 07/01/2010.
Entire rule eff. 10/30/2010.
Entire rule eff. 07/01/2013.
Entire rule eff. 11/14/2018.
Rules 3.6 A.3, 6.1 D, 6.11 A, 6.11 D, 6.12, 7.2 eff. 03/17/2019.
Rules 1.2 D.1, 1.2 E.2, 1.5 A.5, 1.11 C.1, 1.11 D.4-5, 1.11 E eff. 03/02/2021.
Rule 1.6 B.1.b eff. 11/14/2021.
Entire rule eff. 06/30/2022.
Rule 1.16 emer. rule eff. 09/21/2022.
Rules 1.8 E.1, 1.8 E.1.a, 1.8 E.3 eff. 09/30/2022.
Rule 1.16 eff. 11/14/2022.
Rules 1.6, 1.6 F eff. 12/30/2023. Rule 1.16 repealed eff. 12/30/2023.
Rules 1.4 B.7, 1.4 C, 1.5 D, 1.5 E.2, 1.7 A.1.b, 1.8 C, 1.9 K.3.a.(1) eff. 12/15/2024.

**Annotations**

Rules 1.16 B. and 1.16 C. (adopted 09/21/2022) were not extended by Senate Bill 23-102 and therefore expired 05/15/2023.