

Vermont Board of Accountancy

Mobility and What it Means to You!

(See also the Board's Administrative Rules effective August 7, 2009)

Legislation effective July 1, 2009 changes many aspects of practicing as a Certified Public Accountant in the State of Vermont. The legislation amends the educational requirements to become a CPA in the State (effective July 1, 2014), as well as creates a "practice privilege" for CPA's and CPA firms licensed in other substantially equivalent states. Practice privileges allow certain CPAs and certain CPA firms to practice in Vermont without obtaining licensure in Vermont, (Title 1 V.S.A. § 74c). CPA's and CPA firms **that qualify** for practice privileges are not required to provide notice or to pay a fee prior to practicing in Vermont in person or by mail, telephone or other electronic means if providing certain services. Certain services provided will require a firm license to be obtained.

There is an exception to practice privileges. If an out-of-state CPA that qualifies for practice privileges intends to prepare audited financial statements or other engagements to be performed in accordance with the AICPA Statements on Auditing Standards, or any examination of prospective financial statements to be performed in accordance with the AICPA Statements on Standards for Attestation Engagements or any engagement to be performed in accordance with the Public Company Accounting Oversight Board's Auditing Standards (PCAOB) they must do so ONLY through a firm licensed in Vermont. (Title 1 V.S.A. § 74c)

Individual Requirements

You must be able to answer yes to all questions below to qualify individually for practice privileges:

- I hold a current license as a certified public accountant issued by a US Jurisdiction other than Vermont; and
- My principal place of business is in a US Jurisdiction other than Vermont; and
- The National Association of State Boards of Accountancy has verified that the state **that is my principal place of business** has examination, education and experience requirements for certification/licensure that are substantially equivalent to the Uniform Accountancy Act. You can verify if your state is a substantially equivalent state by going to www.nasba.org and click on Mobility; **or**

I have obtained from NASBA's Qualification National Appraisal Service (www.nasba.org), verification that my education, examination, and experience qualifications are substantially equivalent or exceed the requirements for certification/licensure by the Uniform Accountancy Act.

If you meet all requirements in the **Individual Requirements** (above) you may practice public accountancy in Vermont without notifying the Board, but you must also be aware of the **following conditions of your privilege to practice in Vermont**.

Individual Practice Privilege Requirement

Title 1 V.S.A. § 74c (b), An individual licensee of another state exercising the privileges afforded under this section and the firm that employs that licensee, as a condition of the exercise of this privilege, shall consent to the following:

- (1) personal and subject matter jurisdiction and the disciplinary authority of the board;
- (2) compliance with this chapter and the board's administrative rules and any other laws governing the practice of the profession in this state under the jurisdiction of the board;
- (3) cease offering or rendering professional services in this state individually and on behalf of a firm in the event the license issued by the state of the licensee's principal place of business is no longer valid or is otherwise conditioned or restricted;
- (4) the appointment of the state board or licensing authority, which issued its license, as the agent upon whom process may be served in any action or proceeding by the board against the licensee; and
- (5) perform only those services within the scope of practice authorized by the state of the licensee's principal place of business.

Firms That Must Register

If your firm answers yes to any of the following, you must obtain a firm permit in accordance with Title 1 V.S.A. § 74.

- (a) A firm shall be required to obtain registration pursuant to this section if the firm:
 - (1) has an office established or maintained in this state for the practice of public accounting;

- (2) has an office established or maintained in this state that uses the title "CPA" or "CPA firm"; or
 - (3) does not have an office in this state but performs services described in subdivision 13(1)(A)(i), (iii), or (iv) of this title ("Attest Services" section below) for a client with a home office in this state.
- (b) A firm that does not have an office in this state may perform those services set forth in subdivision 13(1)(A)(ii) or (3) of this title ("Attest Services" section below) for a client with a home office in this state may otherwise practice public accounting as authorized under this chapter, and may use the title "CPA" or "CPA firm" without a registration issued only if the firm:
- (1) meets the qualifications set forth in subsections (c) and (d) of this section;
 - (2) meets the requirements of section 75c of this title (See "Peer Reviews" section below); and
 - (3) performs services through an individual with practice privileges set forth under section 74c of this title.
- (c) An applicant for initial registration or renewal under this section shall be required to show that, notwithstanding any other provision of law, a simple majority of the ownership of the firm, in terms of equity, creditor and voting rights of all partners, officers, members, shareholders or managers, belongs to holders of a certificate who are licensed in some state, and such partners, officers, members, shareholders or managers, whose principal place of business is in this state, and who perform professional services in this state, hold a valid license issued under this chapter. Although firms may include nonlicensee owners, the firm and its ownership must comply with the rules adopted by the board.
- (d) Any CPA or RPA firm as defined in this chapter may include nonlicensee owners, provided that:
- (1) The firm designates a licensee of this state or, in the case of a firm which is required to have a registration pursuant to subsection (a) of this section, a licensee who meets the requirements set forth in section 74c of this title who is responsible for the proper registration of the firm, and identifies that individual to the board.
 - (2) All nonlicensee owners are active individual participants in the CPA or RPA firm or affiliated entities.
 - (3) The firm complies with other requirements as the board may impose by rule.
- (e) Any individual licensee who is responsible for supervising attest services and signs or authorizes someone to sign the accountant's report on financial statements on behalf of the firm, shall meet the experience and competency requirements set out in the professional standards for such services.

- (f) Any individual exercising practice privileges pursuant to section 74c of this title, and who is responsible for supervising attest services and signs or authorizes someone to sign the accountant's report on financial statements on behalf of the firm, shall meet the experience and competency requirements set forth in the professional standards for those services.
- (g) Each office in this state shall be under the supervision of a public accountant who is licensed in this state.

Peer Reviews

Title 1 V.S.A. § 75 (c) The board may by rule require, on either a uniform or a random basis, as a condition to renewal of firm registrations under section 74 of this title, that applicants undergo peer reviews conducted no more frequently than once every three years in such manner and producing such satisfactory result as the board may specify, provided, however, that any such requirement:

- (1) shall be adopted reasonably in advance of the time when it is first required to be met; and
- (2) shall include a reasonable provision for compliance by an applicant's showing that the applicant has undergone a satisfactory peer review performed for other purposes which was substantially equivalent to peer reviews generally required pursuant to this section, and completion of such review was within the three years immediately preceding the renewal period.

Attest Services

Title 1 V.S.A. § 13 (1)(A) defines "Attest services" as providing the following financial statement services:

- (i) any audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS);
- (ii) any review of a financial statement or compilation of a financial statement to be performed in accordance with the Statement on Standards for Accounting and Review Services (SSARS);
- (iii) any examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE); or
- (iv) any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board (PCAOB).

Title 1 V.S.A. § 13 (3) defines compilation services:

"Compilation" means providing a service to be performed in accordance with Statements on Standards for Accounting and Review Services (SSARS) that is presented in the form of financial statements or information that represents management or owners without expressing any type of assurance on the statements.

CPA's Certified In Vermont Practicing in a State Other than the State of Vermont.

Title 1 V.S.A. § 74c (e) A licensee of this state offering or rendering services or using its title in another jurisdiction shall be subject to disciplinary action in this state for acts of unprofessional conduct committed in another jurisdiction that would otherwise subject the licensee to discipline in this state. The board has the authority to investigate complaints made by persons of another state.

As a licensee of Vermont wishing to practice in another state you will need to acquire confirmation that the state you wish to practice in is a substantially equivalent state and has mobility practice privileges. To ascertain this you may go to www.nasba.org, click on the word Mobility and click on the state in which you wish to practice in and there will be information on that particular state's requirements.