

IMPORTANT ANNOUNCEMENT
CONCERNING THE
EDUCATIONAL REQUIREMENTS
FOR THE
CPA EXAMINATION

Amendments to Hawaii Revised Statutes §466-5.5 were approved by the Governor on June 6, 2002. Act 135, SLH 2002, now allows a candidate with a bachelor's degree (which requires approximately 120 hours of college education) to sit for the CPA examination; and retains the 150-hour education requirement to obtain a license as a certified public accountant in the State of Hawaii. Thus, Act 135 makes the educational requirements to sit for the examination revert back to what they were prior to December 31, 2000.

QUALIFICATIONS TO TAKE THE UNIFORM CPA EXAMINATION:

- Baccalaureate degree in accounting conferred by a college or university acceptable to the Board; or
- Baccalaureate degree with a major in a subject other than in accounting, plus eighteen (18) semester hours of upper division or graduate level accounting or auditing subjects, conferred by a college or university acceptable to the Board; or
- Baccalaureate degree or its equivalent in accounting, conferred by a college or university outside of the U.S., and submission of a letter of acceptance from an accredited U.S. college or university to its advanced degree program, or an educational equivalency report prepared by an evaluator approved by the Board.
- If necessary, a statement from a college official indicating that the applicant will graduate within one hundred twenty (120) days after the examination.

FOR COMPLETE INFORMATION ON THE REQUIREMENTS TO TAKE THE CPA EXAMINATION, CHECK THE BOARD'S WEBSITE:

www.hawaii.gov/dcca/pvl/areas_accountancy.html

or *CALL THE BOARD'S OFFICE AT:* (808) 586-2696

FOR APPLICATION FORMS AND INFORMATION ON REGISTRATION, CHECK THE CPA EXAMINATION SERVICES (CPAES) WEBSITE:

www.nasba.org/nasbaweb.nsf/exam

or *CALL CPAES AT:* (800) 272-3926 or (615) 880-4268

CPA REQUIREMENTS - EXAMINATION, CERTIFICATE AND PERMIT TO PRACTICE

BOARD'S LAWS AND RULES

Copies of the Accountancy laws, Chapter 466, Hawaii Revised Statutes, and Chapter 71, Hawaii Administrative Rules are available by submitting a written request to: *Board of Public Accountancy, Commerce & Consumer Affairs, P.O. Box 3469, Honolulu, HI 96801.*

The laws and rules are also posted on our website at www.hawaii.gov/dcca/areas/pvl. Click on "Accountancy".

MAILING ADDRESS

BOARD OF PUBLIC ACCOUNTANCY
DCCA, PVL Licensing Branch
P.O. Box 3469
Honolulu, HI 96801

or

Deliver to office location at:

335 Merchant St., Room 301
Honolulu, HI 96813
Phone: (808) 586-3000

EXAMINATION

EDUCATION

Possess a baccalaureate degree and 18 semester (27 quarter) hours of upper division or graduate level courses in accounting or auditing.

Requirement must be met prior to the candidate's 1st exam or at the latest 120 days following the 1st exam.

Foreign School Graduates may sit for the examination by first submitting a letter of acceptance from an accredited U.S. college/university's advanced degree program, or have their credentials evaluated by an approved educational evaluation service. Contact CPA Examination Services at the address and telephone number below for details.

RESCHEDULING OF EXAM

The examination can be rescheduled:

- o at no charge if the applicant notifies the testing service at least 30 days prior to the examination date;
- o with the payment of a non-refundable fee if the applicant notifies the testing service 5 to 30 days prior to the examination date;
- o with the payment of a non-refundable fee if the applicant notifies the testing service within 5 days of the examination date.

The failure to appear for the examination shall result in the forfeiture of all fees charged.

CONDITIONAL CREDIT

An applicant may take the required sections of the examination individually and in any order. Credit for any section passed will be valid for 18 months from the actual date the applicant took that section, without having to maintain a minimum score on any failed section(s), and without regard to whether the applicant has taken other sections.

- o An applicant must pass all 4 sections of the examination within a rolling 18-month period, which begins on the date that the first section passed is taken;
- o An applicant cannot retake a failed section in the same examination window;
- o In the event all 4 sections of the examination are not passed within the rolling 18-month period, credit for any section(s) passed will expire and that section(s) must be retaken.

WAIVER OF ENTIRE EXAM

The examination shall be waived if a candidate:

1. Holds a valid certificate which was issued under the laws of another state, OR
2. Does not hold a certificate but passed the Uniform CPA exam in its entirety in another state.

APPLICATION

CPA Examination Services (a division of the National Association of State Boards of Accountancy) has been contracted by the board to administer the CPA exam. All inquiries regarding the exam, and requests for application forms, should be directed to the following:

CPA Examination Services
Hawaii Coordinator
150 Fourth Avenue, North
Nashville TN 37219-2417

Phone: (800) 272-3926
(615) 880-4200

8:00 a.m. – 4:30 p.m. Central Time

website: www.nasba.org/nasbaweb.nsf/exam

CERTIFICATE

Candidates must be at least 18 years of age and must have passed the Uniform CPA Examination.

EDUCATION

- 150 semester (225 quarter) hours of college education, within which an applicant shall have:
 - A baccalaureate or higher degree conferred by a college or university acceptable to the Board; and
 - An accounting concentration (see attached Board Policy Regarding Educational Requirements, effective June 21, 2001, amended June 7, 2002).
- Applicants who passed the Uniform CPA Examination before December 31, 2000, or held conditional credits before December 31, 2000 and subsequently passed the examination before the conditional credits expired, may continue to meet the following education requirements:
 - A baccalaureate degree; and
 - 30 semester (45 quarter) hours of upper division or graduate level business-related^{1/} subjects (in addition to the baccalaureate degree); OR
30 months of experience with a public accounting firm (this experience may **not** also be credited toward the experience requirement); and
 - 18 semester (27 quarter) hours of upper division or graduate level accounting or auditing subjects (which may have been earned while obtaining the baccalaureate degree).

You may be eligible for an exemption from the education requirements if the following conditions are met:

- You hold, and have continued to hold, a valid comparable CPA certificate, registration, or license from another state for at least 10 years preceding the date of this application for a Hawaii CPA certificate; and
- You have been in the active practice of public accountancy for at least 5 years preceding the date of this application for a Hawaii CPA certificate.

Submit a completed Form CPA-05, *Verification of License and/or Exam Scores*, together with a signed statement from the Board of Accountancy of your state of licensure verifying that you meet the above-cited conditions.

Note: If you passed the Uniform CPA Examination in May 1998 or later as a Hawaii candidate, and you are applying for CPA licensure within 5 years of passing the exam, you need not submit your educational transcripts with your license application. The transcripts that you submitted to CPA Examination Services in order to qualify to take the exam should have been forwarded to the Board once you passed the examination.

EXPERIENCE

- 1,500 chargeable hours in performance of audits involving generally accepted accounting principles and auditing standards earned while in public accounting practice; OR
- Two (2) years of professional experience in public accounting practice, private, industry, government, or education.

IMPORTANT NOTICE: This experience requirement is **in addition** to the 30-month experience option that satisfies the 30 semester hours of additional study requirement for applicants who passed the Uniform CPA Exam before December 31, 2000, or held conditional credits before December 31, 2000, and subsequently passed the exam before the conditional credits expired.

Your experience must have been earned while you were employed on a full-time basis (35 or more hours per week). A letter from your employer or supervisor verifying the duration and scope of your experience must be attached to your license application. There is no form or sample letter included with this application; your employer or supervisor is requested to draft and sign the letter in his/her style and format.

In the letter, your employer or supervisor should provide specific starting and ending dates of your employment, the total number of chargeable audit hours worked (if you are choosing to fulfill the experience requirement for licensure as a CPA with 1,500 chargeable hours in the performance of audits), a detailed description of your duties and responsibilities, the CPA license number of the employer or supervisor who is signing the letter, and the state or jurisdiction where your employer or supervisor is licensed as a CPA or was licensed as a CPA during the time that you were under your employer's or supervisor's supervision.

The letter must also state whether the experience that you have gained fulfills the 1,500 chargeable audit hours option or the 2 years of professional experience option. Please be sure to have the letter signed by your former or present employer or supervisor who holds or had held a CPA license in Hawaii, or in another state or jurisdiction, during the time of your employment or supervision.

Note: If your experience was gained in the private, government, or academic sectors, and not at a CPA firm, it is crucial that the description of your duties and responsibilities be as comprehensive and inclusive as possible, so that the Board has the information required for it to determine whether your experience is equivalent to experience gained at a CPA firm.

^{1/} "Business-related" subjects include: accounting and auditing; taxation; management services; computer science; economics; business law; functional fields of business (finance, production, marketing, personnel relations, and business management), and other business-related subjects as approved by the Board.

COMPETENCE CERTIFICATES

Applicants shall submit three (3) *Certificate of Competence* forms which have been completed by people who are not related to you and will attest to your competence, trustworthiness and fairness.

FEES

*If a certificate will be issued to you in an EVEN-NUMBERED year, pay\$165
(Application-\$25^{2/}, Certificate-\$50, Compliance Resolution Fund-\$70,
1/2 Renewal-\$20)*
*If a certificate will be issued to you in an ODD-NUMBERED year, pay.....\$110^{3/}
(Application-\$25^{2/}, Certificate -\$50, Compliance Resolution Fund-\$35)*

Make check payable to: *COMMERCE & CONSUMER AFFAIRS.*

Note: *One of the numerous legal requirements that you must meet in order for your new license to issue is the payment of fees as set forth in this application. You may be sent a license certificate before the check you sent us for your required fees clears your bank. If your check is returned to us unpaid, you will have failed to pay the required licensing fee and your license will not be valid, and you may not do business under that license. Also, a \$15.00 service fee will be charged for checks which are returned by the bank.*

If for any reason you are denied the license you are applying for, you may be entitled to a hearing as provided by Title 16, Chapter 201, Hawaii Administrative Rules, and/or Chapter 91, Hawaii Revised Statutes. Your written request for a hearing must be directed to the agency that denied your application, and must be made within 60 days of notification that your application for a license has been denied.

APPLICATION

Submit an *Application for Certificate-CPA* (Form CPA-04), with applicable fees and supporting documents for education and experience.

BIENNIAL RENEWAL

Licenses shall renew certificates and permits to practice on or before **December 31 of each odd-numbered year.** There is no grace period for renewal. Practicing public accountancy without a current license and a current permit to practice shall constitute unlicensed activity.

PERMIT TO PRACTICE

A PA or CPA certificate or license indicates that the licensee has met the minimum education and experience requirements.

To **practice** as a PA or CPA the licensee:

- 1. Shall hold a current Hawaii PA or CPA certificate, and
- 2. Shall obtain a current "*Permit to Practice.*"

APPLICATION

Licensee shall submit an "*Application for 20_____ - 20_____ Permit to Practice*" at least 30 days before the date on which the permit will become effective.

FEES

Licensee shall attach to the application the appropriate fee:

If you will practice as a sole practitioner, partner or principal of a corporation, pay \$125
If you will practice as a staff member of one of the above, pay..... \$ 55

Make checks payable to: *COMMERCE & CONSUMER AFFAIRS. Note: A \$15.00 service fee will be charged for checks which are returned by the bank.*

CONTINUING PROFESSIONAL EDUCATION

Licenses applying for permits after allowing their permits to lapse or applying for the first time shall obtain 80 hours of continuing professional education (CPE).

Licenses renewing their Permit to Practice shall certify on the application form that 80 hours of CPE were earned during the 24 months prior to the date of application. Licenses **renewing** their permit for the **first** time may apply on a prorated basis (10 CPE per quarter) dependent on the effective date of the initial permit. All CPE credits must have the Board's approval.

CPE DEFICIENCY

Licenses applying for permit renewal who fail to have 80 CPE hours by the December 31 deadline shall not be permitted to practice until the deficiency is made up. Licenses who are applying for a permit for the first time and who fail to earn 80 CPE hours by the date of application shall not be permitted to practice until the deficiency is made up. Practicing public accountancy without a current license and a current permit to practice shall constitute unlicensed activity.

CPE CARRYOVER

A maximum carryover of 40 CPE hours shall be allowed.

^{2/} Application fee is not refundable.
^{3/} Subject to renewal December 31, odd-numbered years.

**CPE CREDIT
FOR PASSING
AICPA EXAM**

A licensee shall be credited with 80 hours of CPE for passing the Uniform CPA Examination, provided an application for permit to practice is filed within two (2) years of the notification date for passing the exam. Forty (40) hours of CPE will be credited for passing the Uniform CPA Examination if the application for permit is filed within three (3) years of the notification date for passing the exam. Credits for passing the exam may be used only once.

**BOARD'S
ADDRESS**

Mail all required items to:

Board of Public Accountancy
DCCA, PVL Licensing Branch
P.O. Box 3469
Honolulu, HI 96801

or

Deliver to office location at:

335 Merchant St., Room 301
Honolulu, HI 96813
Phone: (808) 586-3000

BOARD OF PUBLIC ACCOUNTANCY
BOARD POLICY REGARDING EDUCATIONAL REQUIREMENTS
(Effective June 21, 2001; Amended June 7, 2002; Amended March 2, 2007)

An applicant subject to the one hundred fifty (150) semester hour educational requirement provided in §466-5.5 HRS, shall have:

- (1) A baccalaureate or higher degree conferred by an educational institution accredited by a regional or national accrediting agency or association approved by the Board, or evidence that the baccalaureate or comparable degree qualifies the applicant for acceptance for an advanced degree at an educational institution accredited by a regional or national accrediting agency or association approved by the Board; and
- (2) One hundred fifty (150) semester hours of college education from an educational institution accredited by a regional or national accrediting agency or association approved by the Board, which shall, at minimum, include:
 - (a) Twenty-four (24) semester hours in upper division or graduate level accounting courses including, without limitation, courses in financial accounting, auditing, taxation, and managerial accounting; and
 - (b) Twenty-four (24) semester hours in upper division or graduate level accounting or non-accounting business-related courses including, without limitation, courses in economics; legal and social environment of business; business law; marketing; finance; organizational, group, and individual behavior; quantitative applications in business; communication skills; business ethics; globalization; total-quality management; computer science; human relations; or other business-type courses.

For purposes of this policy:

- (1) "Educational institution" means a four-year degree-granting college, school, or university;
- (2) "National accrediting agency or association" includes, without limitation, the American Assembly of Collegiate Schools of Business, and other similar agencies and associations approved by the Board;
- (3) "Regional accrediting agency or association" includes, without limitation, the Western Association of Schools and Colleges, and other similar agencies and associations approved by the Board;
- (4) "Upper division courses" means courses usually taken at the junior or senior undergraduate level; and
- (5) To be acceptable, the educational institution shall be accredited in accordance with this policy at the time the applicant is granted the degree.

IMPORTANT NOTICE

BOARD OF PUBLIC ACCOUNTANCY

New License Requirement

Effective June 17, 2003 and pursuant to Hawaii Revised Statutes section 436B-10 and federal law, it is the policy of the State of Hawaii ("**State**") Board of Public Accountancy ("**Board**") that, in addition to meeting the education, experience, and examination requirements for licensure, an applicant for a Hawaii public accountant's license is required to be either **a United States citizen, a United States national, or an alien authorized to work in the United States.**

This means that, even if an applicant meets the education, experience, and examination requirements for licensure, that applicant shall not be issued a license if that applicant is not a U.S. citizen, a U.S. national, or an alien authorized to work in the U.S.

However, the Board will issue the applicant a **conditional approval** that signifies that the applicant has met the education, experience, and examination requirements for licensure; provided that this conditional approval shall **not** be considered a license to engage in the profession and shall **not** authorize the applicant to work in our State. To obtain authorization to work in our State, the applicant shall be required to contact the U.S. Citizenship and Immigration Services ("**USCIS**"). In addition, federal law [45 U.S.C. 666 (a)(13)(A)] requires that once an applicant is authorized by the USCIS to work in the U.S., the applicant must supply his/her Social Security Number ("**SSN**") so that states can use this information for child support enforcement purposes.

Once the applicant submits evidence to the Board that the USCIS has authorized the applicant to work in the U.S. (without conditions or other encumbrances), **provides a SSN**, and meets all of the licensing requirements in effect at that time (including, but not limited to, the requirement that the applicant has not been convicted of any crime that is directly related to the profession), the applicant shall be issued a full and unrestricted license.

This conditional approval shall be valid for two (2) years. An applicant must obtain the appropriate USCIS authorization within this two (2) year period in order to have a license issued. If the applicant is unable to meet this deadline, the applicant may be required to reapply for licensure and meet all of the requirements in effect at that time.