

Draft New Rule on Flexible Continuing Education Cycles

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For many years the Iowa Accountancy Examining Board has struggled with licensees who fail to fully satisfy continuing education requirements by the December 31 preceding the July 1 renewal date. Currently, once the December 31 date has passed, licensees have no opportunity to “cure the default” other than to renew inactive and then apply to change to active status by providing evidence of 120 hours of continuing education within the three years prior to the application to change status. Once reactivated, the licensee is treated as a new licensee for purposes of demonstrating continuing education in future renewals. This is a time-intensive administrative drain on resources and also a source of unfairness. Those licensees who do not know about the change of status option are often exposed to disciplinary actions if they attempt to renew in active status.

Prior attempts to alter the requirements so that the renewal date and continuing education date are on the same cycle have failed. Many CPAs, in particular, prefer the December 31 deadline for continuing education. Renewal dates and continuing education dates, however, vary by state. Persons licensed in multiple states may need to adjust course schedules to satisfy multiple requirements. Out of state Iowa licensees do not face this issue if they satisfy the continuing education requirements of the state in which they reside, because Iowa will deem such licensees to be in compliance with Iowa’s requirements, but not all states are as accommodating as Iowa on this point.

The following rule is intended as a starting point for discussion to resolve this dilemma. The draft rule affords licensees the ability to self-select the cycle that best meets their needs, while assuring that all applicants for renewal must satisfy the same 120 hour requirement on three-year rolling cycles. The proposal should not require technological adjustment for online renewals, other than adding a question so that license renewal applicants must declare which cycle the applicant has selected. Verification of compliance will continue to be checked on a random audit basis. Licensee compliance will be assessed when audited in accordance with the licensee’s self-selected declaration.

This proposal has the benefit of not altering in any way the historical schedules of Iowa CPAs. Course offerings and schedules may continue to accommodate the traditional December 31 deadline. Licensees who cannot satisfy the December 31 deadline, however, will now have a lawful, expressly authorized path to be eligible for renewal by satisfying the 120 hour requirement within the three years preceding a timely renewal application (generally between May 15 and June 30 of each year).

193A—10.11(272C.2, 542.6(3), 542.8(9)(b)) Alternative continuing education cycles authorized.

10.11(1) Purpose. For a variety of reasons, some CPAs and LPAs wish to satisfy continuing education requirements on a three-year cycle ending on a date other than December 31. By way of illustration, some licensees prefer to take courses on particular substantive topics that are not always offered at the same time each year. Some licensees may wish to schedule continuing education to comply with the requirements of multiple jurisdictions which may not be consistent with each other. This subrule is intended to authorize a more flexible time frame within which continuing education may be satisfied. This subrule does not alter any other requirement of this chapter.

10.11(2) Alternative cycle. Starting with the 2013 renewal cycle, a CPA or LPA may self-select June 30 as the date by which continuing education requirements must be satisfied to be eligible to renew. Online and paper renewal forms will require the renewal applicant to declare whether the continuing education was satisfied within the three-year period preceding December 31 or the three-year period preceding June 30. When declaring a June 30 date licensees must be cautious to assure the continuing education is fully completed on or prior to the date the renewal application is submitted. Licensees who renew with penalty during the 30-day grace period following June 30 must declare either December 31 or June 30 and may not extend the deadline beyond June 30.

10.11(3) Declaration may vary by renewal cycle. A CPA or LPA applying to renew a certificate or license may declare a continuing education deadline of December 31 in one renewal cycle and a continuing education deadline of June 30 in a subsequent renewal cycle, and vice versa. Licensees shall be expected to maintain continuing education records in a manner that complies with the self-selected declaration in any particular renewal cycle.