

CHAPTER 3-01-02 DEFINITIONS

Section

3-01-02-01 Definitions

3-01-02-02 Use of Words "Accountant" and "Accounting"

3-01-02-01. Definitions.

Unless specifically stated otherwise, the following definitions are applicable throughout this title:

1. "Accountant" means either a certified public accountant (CPA) or a licensed public accountant (LPA), except as provided in section 3-01-02-02.
2. "Accounting concentration" means twenty-four semester credits or equivalent of accounting courses, plus twenty-four semester credits or equivalent of other business courses. Principles of accounting or equivalent courses do not count toward the required accounting or business courses. Internship credits do not count toward the required accounting courses and may account for no more than three semester credits or equivalent of other business courses.
3. "AICPA" means the American institute of certified public accountants.
4. "Bookkeeping" means the maintaining of financial records and preparation of tax returns. Bookkeeping does not include the preparation of any financial statement or similar such documents on which language similar to that utilized by certified public accountants or licensed public accountants is placed including compilation and review language.
5. "Enterprise" means any person, persons, or entity, whether or not organized for profit, for which an accountant provides services.
6. "Financial statements" means a presentation of financial data, including any accompanying notes, intended to show financial position at a point in time or changes in financial position for a period of time in accordance with generally accepted accounting principles or another comprehensive basis of accounting. Incidental financial data included in management advisory services, reports to support recommendations to a client, and tax returns and supporting schedules are not financial statements.
7. "NASBA" means the national association of state boards of accountancy.
8. "Practice of public accounting" does not include reviews conducted under peer review programs.

The terms "public practice", "practice", "practice of public accountancy", and "practice public accounting", shall be synonymous with the term "practice of public accounting".

History: Amended effective January 1, 1987; July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2003; July 1, 2006; July 1, 2008; April 1, 2018; April 1, 2024; October 1, 2025.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03

3-01-02-02. Use of words "accountant" and "accounting".

Except as provided in subsections 2, 3, 4, 5, and 6 of the North Dakota Century Code section 43-02.2-12, a person or firm assuming or using any title, designation, acronym, or abbreviation that includes the words "accountant" or "accounting" does not imply the person or firm holds a valid certificate, license, or permit issued under North Dakota Century Code chapter 43-02.2 or has special competence as an accountant or auditor, if the words are accompanied by a suitable disclaimer. For a person the disclaimer must state the person is not a CPA or LPA. For a firm the disclaimer must state

the firm is not a CPA firm or LPA firm. The disclaimer is suitable if its location, size or volume, and form clearly informs the public.

History: Effective July 1, 2006; amended effective April 1, 2018.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-12

CHAPTER 3-01-03 ETHICS, FIRM OWNERSHIP, AND FIRM REVIEW

Section

3-01-03-01	Code of Ethics
3-01-03-02	Firm Ownership
3-01-03-03	Firm Review

3-01-03-01. Code of ethics.

Licensees must observe the code of professional conduct of the American institute of certified public accountants, with references to "member" being understood to apply to licensees. Licensees must also observe the codes of conduct of the general accounting office, the securities and exchange commission, and any other bodies, whenever they are relevant and applicable based on services performed by the licensee.

History: Effective July 1, 2008; amended effective April 1, 2018; April 1, 2024.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03

3-01-03-02. Firm ownership.

A minority of the ownership of a firm practicing public accountancy within this state may be held by noncertified public accountants or nonlicensed public accountants, but each such owner:

1. Must be ~~an individual~~
 - a. An individual; or
 - b. A qualified plan as described and defined in sections 401(a) and 4975(e)(7) of the Internal Revenue Code [26 U.S.C. 401(a) and 4975(e)(7)], including an employee stock ownership plan.
2. Must not serve as the principal executive officer of the firm;
3. Must not exercise authority over the performance of audit, review, compilation, or other attest services; and
4. Must not aid in the unauthorized practice of public accounting, or knowingly misrepresent facts, or commit any act discreditable to the accounting profession.

When any owner of a firm practicing public accounting within this state is convicted of a felony or other crime involving fraud or dishonesty, or is disciplined by a regulatory agency, that person's ownership in the firm must be fully divested within six months thereafter, if so directed by the board.

In the event of death or incapacity of a firm's sole owner, the firm may continue to operate under the owner's name and credential, for up to one year. The board may require firm supervision.

History: Effective July 1, 2008; amended effective April 1, 2018; April 1, 2024; October 1, 2025.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-06; 43-02.2-06.1

3-01-03-03. Firm review.

Firms practicing public accounting are required to undergo a practice review conforming to the standards of the AICPA peer review program, or a program deemed comparable by the board. The board will not require such review more frequently than every three years, except in the case of quality concerns or the lack of timely review progress. A copy of the review report and letter of acceptance, plus any letters of comment and response issued, are to be submitted to the board when directed. When the review

process reveals substantive quality concerns, the board may take various actions against the firm, such as requiring specific continuing education, preissuance report review, accelerated practice review, practice restrictions, and other measures.

History: Effective July 1, 2008; amended effective April 1, 2018; April 1, 2024.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-06

CHAPTER 3-02-02 FEES

Section	
3-02-02-01	Examination Fees
3-02-02-02	Fee for Certificate Without Examination
3-02-02-03	Licensed Public Accountants' Fees [Repealed]
3-02-02-04	Certificate and License Annual Renewal Fees
3-02-02-04.1	Fee for Annual Firm Permit
3-02-02-05	Retired or Inactive Accountants
3-02-02-06	Change of Address Notification
3-02-02-07	Return of Suspended, Revoked, or Nonrenewal CPA Certificate or LPA License
3-02-02-08	Reinstatement Fee

3-02-02-01. Examination fees.

The following examination fees have been established by the board for the certified public accountants examination:

1. An application fee not to exceed two hundred dollars.
2. Applicants will also be required to pay testing-related fees as required by the national testing program, either to the board or a third party designated by the board. Unused testing fees may not be returned to the applicant, except in unusual situations approved by the board.

History: Amended effective July 1, 1981; July 1, 1985; July 1, 1987; July 1, 1991; March 1, 1995; September 1, 2001; December 1, 2003; July 1, 2005; April 1, 2018; April 1, 2024.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-04

3-02-02-02. Fee for certificate without examination.

The fee for the issuance of a certificate when the board has waived the examination shall not exceed two hundred dollars. The fee to transfer examination grades shall not exceed two hundred dollars.

History: Amended effective March 1, 1995; September 1, 1997; July 1, 1999; September 1, 2001; July 1, 2008; April 1, 2018.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-04

3-02-02-03. Licensed public accountants' fees.

Repealed effective July 1, 1991.

3-02-02-04. Certificate and license annual renewal fees.

The annual renewal fee for every CPA and LPA shall be set by the board but not to exceed two hundred dollars. A CPA or LPA who registers and pays the annual renewal fee by July first will be considered licensed during the period July first through June thirtieth. A CPA or LPA who fails to register or pay the renewal fee by June thirtieth shall pay a late filing fee not to exceed one hundred dollars in addition to the regular annual fee. If not paid by July thirty-first, the certificate is deemed involuntarily relinquished and not renewed, and subject to return as specified in section 3-02-02-07, and subject to the reinstatement requirements of section 3-02-02-08. Individuals registered under the substantial equivalency provisions shall be required to file an annual renewal form and pay the annual renewal fee, plus the late filing fee if applicable.

History: Amended effective August 1, 1981; October 1, 1982; July 1, 1987; June 1, 1988; July 1, 1991; March 1, 1995; September 1, 1997; October 1, 1999; December 1, 2000; December 1, 2003; July 1, 2008; April 1, 2018; January 1, 2020; April 1, 2024.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-04, 43-02.2-07

3-02-02-04.1. Fee for annual firm permit.

The annual fee for a firm permit may not exceed two hundred dollars. A late filing fee not to exceed one hundred dollars shall also be paid by a firm that fails to register or pay the annual firm permit fee by June thirtieth. If not renewed by July thirty-first, the permit is deemed involuntarily relinquished and not renewed, and subject to the reinstatement requirements of section 3-02-02-08. A firm shall register and pay a firm permit fee before commencing any activity that requires such a permit. Failure to register and pay the appropriate firm permit fees may result in the board proceeding to revoke, suspend, or refuse to renew the certificates and licenses of each of the firm's partners, officers, directors, shareholders, or owners.

History: Effective June 1, 1988; amended effective March 1, 1995; September 1, 1997; October 1, 1999; December 1, 2000; December 1, 2003; July 1, 2008; April 1, 2018; April 1, 2024.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-06, 43-02.2-07

3-02-02-05. Retired or inactive accountants.

Upon written request, retired status is available for a CPA or LPA who is no longer employed because of disability or retirement, who is at least sixty years of age or twenty years of active licensure, and who performs no accounting, auditing, management, or financial advisory, consulting, bookkeeping, or tax services. The certificate to practice as a CPA or license to practice as an LPA shall be designated retired and shall remain as such without payment of the annual fees required by this chapter. A retired certificate holder or licenseholder may not practice in this state but may use the title "certified public accountant, retired" or "licensed public accountant, retired" or the abbreviation "CPA, retired" or "LPA, retired", as applicable. A retired certificate holder or licenseholder must adhere to the code of ethics set forth in section 3-01-03-01 but is not required to comply with continuing education regulations set forth in article 3-03.

~~Upon written request, inactive~~ Inactive status is available for a CPA or LPA who performs no compensated accounting, auditing, management, or financial advisory, consulting, bookkeeping, or tax services. The certificate to practice as a CPA or license to practice as an LPA shall be designated inactive. An inactive certificate holder or licenseholder may not practice in this state but may use the title "certified public accountant, inactive" or "licensed public accountant, inactive" or the abbreviation, "CPA, inactive" or "LPA, inactive" as applicable. An inactive certificate holder or licenseholder shall pay the annual fees required by this chapter, and adhere to the code of ethics set forth in section 3-01-03-01 but is not required to comply with continuing education requirements set forth in article 3-03.

History: Effective October 1, 1982; amended effective July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2000; April 1, 2018; April 1, 2024; October 1, 2025.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-04(16)

3-02-02-06. Change of address notification.

CPAs, LPAs, and permitholders are required to notify the board of address changes within thirty days of such change.

History: Effective October 1, 1982; amended effective July 1, 1991; March 1, 1995.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-04, 43-02.2-05, 43-02.2-06, 43-02.2-07, 43-02.2-09

3-02-02-07. Return of suspended, revoked, or nonrenewed CPA certificate or LPA license.

Should a certificate holder's certificate be suspended or revoked or not renewed, or a licenseholder's license be suspended or revoked or not renewed, the certificate holder or licenseholder shall return the certificate or license to the North Dakota state board of accountancy within thirty days after receipt of notice of said suspension, revocation, or nonrenewal. The certificate or license returned under this section must be the original document issued by the board.

A CPA or LPA who voluntarily relinquishes the certificate or license shall return the original certificate or license to the board within thirty days after notifying the board of the intent to relinquish.

History: Effective June 1, 1988; amended effective July 1, 1991; March 1, 1995; April 1, 2018.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-09

3-02-02-08. Reinstatement fee.

A CPA, LPA, or permitholder whose certificate, license, or permit is suspended, relinquished, not renewed, or revoked, is required to pay a reinstatement fee not to exceed two hundred dollars in addition to the annual fee, as provided in sections 3-02-02-04 and 3-02-02-04.1, and must also satisfy the board that all current requirements to hold a certificate or license or permit in good standing have been met. Application for reinstatement shall be in writing, showing good cause for the reinstatement; such application may be submitted at any time. If the board rules against the applicant, the applicant shall have the right to request a hearing on the application, in accordance with North Dakota Century Code chapter 28-32.

History: Effective June 1, 1988; amended effective July 1, 1991; March 1, 1995; July 1, 2008; April 1, 2018; April 1, 2024.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-11

ARTICLE 3-03 CONTINUING EDUCATION

Chapter

3-03-01	Basic Requirements
3-03-02	Qualified Programs
3-03-03	General Information

CHAPTER 3-03-01 BASIC REQUIREMENTS

Section

3-03-01-01	Credit-Hours Required
3-03-01-02	How Credits Determined
3-03-01-03	Effective Date [Repealed]
3-03-01-04	Exceptions

3-03-01-01. Credit-hours required.

Continuing education reports are due from all CPAs and LPAs, except those on retired or inactive status, before July first of each year and any credit-hours submitted must be for the previous July first through June thirtieth.

At the end of each continuing education reporting year, each CPA and LPA, while holding out to the public as a licensee in this state must have completed one hundred twenty credit-hours of acceptable continuing education in the immediate preceding three reporting years, including six credit-hours of professional ethics content, and a minimum of twenty credit-hours each year.

At the end of the first full continuing education reporting year following receipt of an initial original certificate, an accountant must meet the applicable per year minimum, and must meet the applicable three-year minimum, including ethics content, two years thereafter.

History: Amended effective August 1, 1984; October 1, 1984; July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2000; December 1, 2003; April 1, 2018; January 1, 2020; April 1, 2024.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-04

3-03-01-02. How credits determined.

1. Continuing education programs are measured in one-fifth-hour increments, with one-fifth hour of credit awarded for each full ten minutes of instruction.
2. Only class hours or self-study equivalents, and not preparation hours, are to be counted.
3. Service as a lecturer or discussion leader will receive credit to the extent that it contributes to the individual's professional competence, to a total credit limit equal to twice the program's credit allowance for enrolled participants. Repetitious presentations are not to be counted.
4. Courses taken for university or college credit may receive continuing education credit at the rate of fifteen credit-hours per semester hour of institutional credit, or ten credit-hours per quarter hour of institutional credit.
5. A CPA or LPA teaching a specific university or college level accounting course for the first time may be granted credit for preparation and instruction to the extent that it contributes to the individual's professional competence, up to a limit of twice the continuing education course credit available for CPAs or LPAs taking the course. No credit is available for repetitious teaching of the course or for subsequent teaching of courses with similar content.

History: Amended effective July 1, 1987; July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2003; April 1, 2018.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-04

3-03-01-03. Effective date.

Repealed effective April 1, 2024.

3-03-01-04. Exceptions.

The board will consider exceptions to the continuing education requirements for reasons including military service, ~~foreign residency~~, retirement, and circumstances beyond the accountant's reasonable control. Nonresident accountants are exempt from the requirements of article 3-03 if they verify that they meet the continuing education requirements of their jurisdictions of residence, provided the board considers those continuing education requirements to be substantially equivalent to those of this state. Nonresident accountants practicing public accountancy in North Dakota must meet the public practice continuing education requirements of their jurisdictions of residence.

History: Amended effective March 1, 1995; September 1, 1997; October 1, 1999; December 1, 2000; April 1, 2024; October 1, 2025.

General Authority: NDCC 43-02.2-03

Law Implemented: NDCC 43-02.2-03, 43-02.2-04.1