



m MINNESOTA BOARD OF ACCOUNTANCY

RULES CHANGES NOW IN EFFECT

The Board adopted at its

June 7, 2023, meeting amended proposed rules. After final approvals by the Governor's Office, the Office of Administrative Hearings, and the Secretary of State, the Notice of Adoption was published in the State Register. **The rules became effective October 9, 2023.**

The Board would like to thank those who participated in the rulemaking process. A stated purpose of the Administrative Procedures Act (Minnesota Statutes Chapter 14) is to increase public participation in the formulation of administrative rules. Approximately 40 individuals and organizations submitted comments about the Board's proposed rules. These comments offered the Board additional perspective that resulted in improvements to the proposed rules.

The recent rule changes make clarifications and improvements throughout Minnesota Rules, Chapter 1105. The most significant impacts relate to status changes, applications (individuals and firms), and continuing professional education (CPE). Information and forms on the Board's website and online services are updated to reflect the revised rules.

This document contains information on and resources related to the rule changes; **however, it is your responsibility as a licensee to understand and comply with all rules and statutes governing your license.** These are publicly accessible in their official version on the website of the Office of the Revisor, a link to which is available on the Board's website: <https://boa.state.mn.us/rules>. This document is neither a comprehensive review nor a legal interpretation of the rules.

Highlights:

- Documents incorporated by reference have been updated to recent editions.
- Licensees must notify the Board of a legal name change within 30 days, the same timeframe as that for change of address or employer.
- Obsolete language that implied the Board still administers the CPA exam was removed. These changes have no practical effect on applicants.
- Applicants for a license, registration or permit must provide all required documentation within six months of application to the Board, or the application expires. **For more on this and other application-related changes, see the following pages.**
- CPE requirements have been standardized across all reactivation, application, renewal, and status change requests. **For more on this and other CPE-related changes, see the following pages.**
- If a firm/sole proprietor firm allows their CPA or RAP firm permit to expire for more than two years, they must reapply for a permit. **For more on this and other firm-related rule changes, see the following pages.**
- Retired status individuals can request reactivation administratively by using the Status Change to Active Request Form (previously, the Board had to issue an Order to Reinstate).
- Firms must prepare and retain not only audit documentation but all attestation services documentation in accordance with the provisions in Minnesota Rules 1105.7850 (2023).
- The Revisor removed archaic language and corrected the use of passive voice throughout the chapter.



The Board made several modifications to CPE-related rules that both simplify and clarify reporting requirements for

- renewal and status change;
- return to Active licensure after a significant license lapse; and
- retired status, for which no rules had yet been made since its introduction into Statute in 2018.

These are discussed to the right.

Below are other changes:

- The Board has incorporated by reference the *2019 Statement on CPE Standards* (Standards). This document is substantially similar to its 2016 edition, with the most notable change for licensees being the addition of “Content Review” as a type of “Writing” credit. “Content Review” is a formal process generally undertaken by editors or peer reviewers (of articles for publication). Consult the Standards for more information.
- The same self-study course cannot be taken twice within a single CPE reporting year for credit.
- Unless the requirement is related to a Board Order, the maximum number of CPE hours required is 120 (meeting the type and delivery requirements in rule) and the maximum CPE noncompliance fees applicable is the cumulative applicable total for the most recent three years.

CPE RULES REFERENCE TOOLS

- [2019 Statement on CPE Standards](#)
- [2019 NASBA Fields of Study](#)
- [Board rules regarding CPE](#)
- [CPE Requirements Infographic](#)
- [CPE Reporting Table and Summary \(Graphical Presentation\)](#)
- [FAQs about CPE](#)

To Request a Status Change

See next page for details on CPE reporting required for status change.

FROM ACTIVE TO INACTIVE

- This request must be made at the time you renew in the fall.
- You must be current with your Active status CPE reporting requirements.
- Use Online Renewal to record your CPE and make your renewal/status change request.
- If you cannot use the online system or have supporting documentation you need to send to the Board office, complete the paper renewal form.

FROM INACTIVE TO ACTIVE

- If you need your status change to take place immediately:
 - Submit to the Board a completed Status Change to Active Request Form
 - Submit 120 hours of qualifying CPE earned no more than three years from the date the Board received your status change application.
 - Your Inactive license cannot be expired more than one year. If it is, you must first get your Inactive license current before requesting change to Active.
- If you want your status changed on January 1 of the coming year:
 - Make this request when you renew in the fall, using the paper renewal form. Follow the instructions for “Inactive Changing to Active.”
 - Submit 120 hours of qualifying CPE for the rolling three-year period associated with the renewal.
 - Your Inactive license cannot be expired more than one year. If it is, you must first get your Inactive license current before requesting change to Active.

FROM EXEMPT OR RETIRED TO ACTIVE

- Submit to the Board a completed Status Change to Active Request Form.
- Submit 120 hours of qualifying CPE earned no more than three years from the date the Board received your status change application.

FROM ACTIVE OR INACTIVE TO EXEMPT

- While there is no status change fee for exempt, if your license (Active or Inactive) has already expired, late filing fees will apply.
- If you hold an Active license and it is after the June 30 CPE earning deadline, you must be compliant with the 1- and 3-year reporting requirements you incurred while holding that Active license.
- Submit to the Board a completed Exempt Election Form.

FROM ACTIVE, INACTIVE, OR EXEMPT TO RETIRED

- If you hold an Active license and it is after the June 30 CPE earning deadline, you must be compliant with the 1- and 3-year reporting requirements you incurred while holding that Active license.
- You must also meet the following requirements:
 - 55 years of age or older;
 - an Active or Inactive licensee in good standing (this also means your license cannot be expired more than a year) or hold Exempt status; and
 - retired in all jurisdictions from the practice of public accounting.
- Submit to the Board a completed Retired Request Form.

RELATED STATUS CHANGE REQUIREMENTS

CPE Compliance at the Time of Status Change

Leaving Active Status for Retired, Exempt, or Inactive Status On or After July 1*:

If you held an Active license after June 30 of a CPE reporting year then you have incurred a CPE reporting obligation (Minnesota Rules 1105.3200, item D). An exception is new licensees who have not yet held their license for a first full CPE reporting year. To request status change to another status (Inactive, Exempt, or Retired), you are first required to be in good standing with that prior obligation: You must earn and report the required CPE and pay any fees.

FOR EXAMPLE

- It is July 1, 2024, and you plan to change to Retired or Exempt status on December 31, 2024: You must report CPE that will make you compliant with the 1- and 3-year CPE reporting requirements. If you did not earn all CPE needed to meet the requirements, you will need to earn carryback and pay the late earning CPE noncompliance fee. You must submit the Retired or Exempt status form and be in compliance with the other requirements associated with the requested status.
- It is January 1, 2024, and you did not yet renew for 2024 and now plan to change to Retired, Exempt, or Inactive status: You must report CPE that will make you compliant with the 1- and 3-year CPE reporting requirements. You will owe the CPE late reporting noncompliance fee or will, if you did not earn all CPE needed to meet the requirements, need to earn carryback and pay the late earning CPE noncompliance fee. You must submit the appropriate form and pay the \$50 late filing fee. If applying for an Inactive license you also owe the \$25 Inactive licensee fee.

* The CPE requirement for status change to Exempt or Retired from Active does not apply to those whose final CPE reporting year prior to status change would be FY23.

Leaving Active Status for Retired, Exempt, or Inactive Status Prior to June 30:

An Active licensee seeking status change to Exempt or Retired whose license is in good standing and who has not yet incurred the CPE obligation (the current CPE period has not concluded as it is not yet July 1) may request status change to Exempt or Retire without reporting any additional CPE. You cannot, however, request immediate change to Inactive status after renewing Active for the same renewal year.

FOR EXAMPLE

- You renewed as Active for 2024. It is now after January 1, 2024 but not yet July 1, 2024, and you wish to change to Retired or Exempt status: You have no CPE obligation. Submit the Retired or Exempt status form and be in compliance with the other requirements associated with the requested status (see form). There is no status change fee.
- It is June 30, 2024, and you did not yet renew for 2024 and now plan to change to Retired, Exempt or Inactive status: This is the same situation the second bullet at right (“It is January 1...”). You owe CPE, CPE noncompliance fees, and late filing fees. If applying for an Inactive license, you also owe the \$25 Inactive licensee fee.
- You renewed as Active for 2024. It is now after January 1, 2024 but not yet July 1, 2024, and you wish to change to Inactive status: **You cannot change to Inactive status except at the time of renewal** (Minnesota Rules 1105.3000, item F). You will need to wait for 2025 renewals. You will incur the CPE obligation for CPE reporting year FY24 (July 1, 2023-June 30, 2024).

Status Change to Active When Currently Retired, Exempt, or Inactive Status

All applicants for reactivation (status change to Active) must document 120 hours of CPE complying with Minnesota Rules, part 1105.3000-3100, earned no more than three years from the date the Board receives your status change application.

Qualifying CPE that you previously reported to the Board as well as any new CPE needed to meet requirements may be used; however, the applicant has the obligation to submit the detail as requested on the application form for all CPE being reported. Certificates of completion are **not** required unless the Board explicitly requests them from you.

Complete the CPE reporting forms; **do not submit your own spreadsheets or lists**. Incorrectly completed applications/forms will be returned.





CPA LICENSE/ RAP REGISTRATION

The basic requirements for licensure as a CPA or registration as a RAP have not fundamentally changed, but aspects of the process have.

Application Expiration

The expiration date for an incomplete initial CPA license or RAP registration is now **six months**. The CPA Online Application system and PDF instructions and RAP PDF application/instructions and make it simple to know what is required for licensure/registration. Prepare, complete your requirements, and **then** submit your application and fee, followed by your documentation. If your application expires before all materials are received, you must reapply. Note, however, that materials received for which there is no application are not held.

AICPA Ethics Exam Expiration

The AICPA Ethics Exam for CPA licensure must be taken and successfully passed no later than six months prior to your application. It can also be taken up to the point of your application expiration (so, in total, with a one-year time frame). The Board encourages you to

- not wait until the last minute, as the Board must be in receipt of the score result before your application expires; and
- follow up with AICPA and confirm your results were sent to Minnesota (boa@state.mn.us). While your score **should** be sent to Minnesota automatically if you select us as your jurisdiction with AICPA, the Board has heard from other applicants that being proactive may be necessary.

Who Can Verify Your Experience

It is **no longer required** that the verifying CPA be licensed in the same jurisdiction as where you worked/your employer's office was located. The issue is whether the verifier holds a license and is personally familiar with your work.

Specifically, to serve as your verifying CPA, the CPA must have first-hand knowledge of your work experience **and**, as of the signature date on the experience form,

- (1) if licensed in Minnesota, hold a [valid certificate](#) (unexpired Active license) or an unexpired Inactive license; or
- (2) if licensed in a state other than Minnesota, hold an unexpired license in that state.



FIRM PERMITS, RENEWALS, NOTICES

The basic requirements for a permit have not change, but aspects of the process and notification requirements have.

Application Expiration

The expiration date for an incomplete firm permit is now **six months**. The applications and instructions are readily available on the Board's website. Prepare, complete your requirements, and **then** submit your application and fee, followed by your documentation. If your application expires before all materials are received, you must reapply. Note, however, that materials received for which there is no application are not held.

Permit Expiration

If you do not renew your firm permit for more than two years, the Board will terminate it (administrative dissolution). If you later need a firm permit, you will need to reapply using the initial firm application (not a firm renewal form).

If your firm is registered/required by business type to be registered with the Office of the Secretary of State (OSS), you must keep that registration current. The Board has no authority to incorporate, etc., a firm. Therefore, it can't permit as a CPA firm any such entity that is not registered with the OSS. If you do not get current with the OSS within six months (the OSS requires you to do so within three months), the Board will terminate the firm permit.

Notifications to Board

The newly adopted rules have the following modifications to notifications that firms must make to the Board within 30 days of their occurrence:

- the termination of the firm, including:
- a dissolution;
- a merger; or
- in the case of a foreign firm:
 - the firm no longer practices or holds out in this state; or
 - the firm meets the requirements of Minnesota Statutes, section 326A.05, subdivision 1, paragraphs (b) and (c), and no longer seeks a renewal of the firm's permit;
- a change in a partner or owner in charge of each branch office in this state.

See the full rule part to ensure you are aware of notification requirements already in Minnesota Rules 1105.4100.