Section 4.1. Compliance Requirements

4.1.1. To receive a CPA license and to annually renew a CPA license, an individual must complete and report at a minimum, the CPE credit hours required under this section accrued during the applicable compliance & reporting period and on forms and by the due date prescribed by the Board.

4.1.2. All licensees must participate in a minimum of 40 CPE credit hours within each one year (twelve month) compliance period ending June. Only 20 of the 40 hours may be from carry-over hours as referred to in Section 4.1.4.

4.1.3. Effective with the triennial period beginning July 1, 2007, a minimum of three (3) CPE credit hours must be earned in a Board approved Ethics and Professional Conduct course(s) every three years. Also, effective with the triennial period beginning July 1, 2007, a minimum of one (1) CPE credit hour must be earned in Public Accountancy Law and Regulations course. No carry-over may be used to satisfy this requirement.

4.1.4. If more than 40 CPE credit hours are accumulated in a one year compliance period, the excess hours up to a maximum of 60 CPE credit hours may be carried over and applied up to 20 hours per year. However, no carry-over credit will be allowed unless obtained within 36 months prior to the beginning of the current compliance period.

4.1.5. An initial applicant for a license shall be exempt from earning CPE credit hours during the compliance period in which he completes the examination and exempt from the Ethics, Professional Conduct, Public Accountancy Law and Regulations CPE requirement for the remaining of that triennial compliance period. However, any CPE hours earned during that time may be carried forward subject to Section 4.1.4. In addition, the individual must satisfy the reporting requirements described in Section 4.2. even if the CPE credit hours is zero.

4.1.6. An individual who has applied and been granted by the Board the use of "CPA (retired)" or "Certified Public Accountant (retired)" as described in Section 2.5., *Retirement Status or Permanent Disability*, is exempt from the CPE requirements described in this Section.

4.1.7. Rescinded.

4.1.8. A former licensee whose license registration has been canceled for failure to register or canceled voluntarily who makes application for reinstatement must pay the required fees and penalties and must accrue the minimum CPE credit hours missed as a result of not being registered, subject to a maximum of 200 CPE credit hours including the Ethics, Professional Conduct, Public Accountancy Law and Regulations CPE requirement applicable to the compliance period(s), in lieu of resitting for the CPA examination, and in accordance with Section 2.4., *Reinstatement of a License*. A former licensee whose license has been revoked or suspended may make application for reinstatement in accordance with the provision of the Trial Board order and shall pay the required fees and penalties and shall accrue the minimum CPE credit hours missed unless otherwise provided per the order.

4.1.9. The Board may in its discretion make exceptions to the CPE credit hour requirements set out in this Section if:

(a) a licensee's primary employment is not in Mississippi but is in a State whose CPE requirements are substantially equivalent to Mississippi's requirements as determined by the Board and the individual is a licensee in that State of primary employment and reports those CPE credit hours as required per Section 4.2. with a sworn statement to the Board that the CPE requirements for that jurisdiction have been met. Except the individual must comply with the Ethics, Professional Conduct, Public Accountancy Law and Regulations CPE requirement unless his State of primary employment has an ethics CPE requirement and he complies with that requirement;

(b) a licensee shows reasons of health, certified by a medical doctor, that prevent compliance with the CPE requirement. A licensee must petition the Board for the exemption and provide documentation that clearly establishes the period of disability and the resulting physical limitations;

(c) a licensee is on extended active military duty during the period for which the exemption is requested, and files a copy of orders to active military duty with the Board;

(d) a licensee shows other good cause and reasons which prevent compliance that is acceptable to the Board.

(e) an individual is practicing certified public accounting or holding-out as a CPA in this state pursuant to the practice privileges afforded under Section 73-33-17 of the Mississippi Code of 1972, as amended, and relevant statutory provisions pertaining thereto. However, the individual qualifying for the practice privilege shall be in compliance with the laws and rules regarding continuing professional education of their principal place of business wherein they shall be licensed and in good standing.

Section 4.2. Records and Reporting

4.2.1. Maintenance of Records and Control: Each licensee is individually responsible and must maintain records of all CPE in which he has participated showing:

(a) Sponsoring organization,

(b) Location of course,

(c) Title, description of content, and outline (or equivalent),

(d) Instructor(s) with qualifications,

(e) Date(s) attended,

(f) Contact hours (actual time) by category, and

(g) Number of credit hours claimed.

Credit will be allowed in the renewal period in which the course is completed.

4.2.2. Each licensee shall retain CPE records for a minimum of five (5) years after the end of the applicable one year and the triennial compliance period(s).

4.2.3. The Board, at its discretion, may verify the CPE information submitted by licensees through examination of such records and may require other information it deems necessary to determine the compliance with the CPE requirements, acceptability of a program for the purpose of the continuing professional education requirements or for administration of these rules.

4.2.4. A licensee must report CPE credit hours on the Board prescribed reporting form and by the required due date even if the number reported is zero. A blank reporting form will be interpreted as zero CPE credit hours.

4.2.5. A licensee who fails to complete and return the CPE reporting form and fails to report the minimum required CPE credit hours for the applicable reporting period will be subject to disciplinary action under Section 4.5. (relating to *Disciplinary Actions Relating to CPE).*

Section 4.3. Qualifying Programs

4.3.1. The overriding consideration in determining whether a specific program qualifies as acceptable continuing education is that it must be a formal program of learning which contributes directly to the professional competence of an individual licensee.

4.3.2. The intent of this regulation is that each licensee shall obtain sufficient CPE to assure professional competence in his or her field of employment or practice area, such as attest work and/or compilation of financial statements as defined by these Board rules and to satisfy the CPE requirements of other regulatory authorities and peer review.

4.3.3. Rescinded.

4.3.4. The responsibility for ascertaining and substantiating that a particular course or other program for which credit is claimed is acceptable and meets these continuing professional education requirements rests solely upon the licensee.

4.3.5. Personal development courses or classes are not approved by the Board as acceptable continuing professional education.

4.3.6. Subject to the condition that the subject matter meets the requirements of this Section and the activities maintain or improve the individual licensee's professional competence, the following programs also qualify for CPE credit hours:

(a) Formal correspondence or other individual self-study programs. The Board will only acept self-study programs from CPE sponsors that are approved by the Quality Assurance Services (QAS) program of the National Association of State Boards of Accountancy (NASBA). A licensee claiming credit hours for such courses will be required to obtain evidence of

satisfactory completion of the course from the sponsor. Credit will be allowed in a compliance period in which the course is completed with a successful final examination. The amount of credit will be based on a 50-minute CPE credit hour and is subject to approval by the Board.

Independent study is not allowed. Such as, quizzers or programs requiring only the reading of reference materials, professional literature, or publications whether or not followed by a test are not allowable as CPE credit. Studying for examinations not established as formal programs of study and meeting these requirements are not allowable as CPE credit.

(b) Published articles and books. CPE credit hours may be claimed for published articles and books authored directly by the licensee provided they contribute to the professional competence of the licensee. The request should be accompanied by a copy of the article(s) or book(s) and an explanation of the circumstances and the number of hours requested. The amount of credit so awarded will be determined by the Board. Editing or reviewing another's publication is not allowable as CPE credit.

(c) University or college credit courses. Each semester hour credit shall equal fifteen (15) CPE credit hours toward the requirement. Each quarter hour credit shall equal ten (10) CPE credit hours.

(d) University or college non-credit short courses. Each classroom hour will equal one qualifying hour.

(e) Formal organized in-firm education programs. Portions of such meetings devoted to administrative and firm matters cannot be included.

(f) Programs in other recognized organizations (accounting, industrial, professional, etc.).

(g) Lecturer, instructor or discussion leader. The credit to be granted for service as a lecturer, instructor or discussion leader of an acceptable formal program will be equal to the licensee's preparation time up to twice the number of actual classroom hours of the lecture or session. However, no additional credit will be allowed for repetition of the same program.

(h) Continuing legal education. A CPA who has a current license to practice as an attorney and is practicing as an attorney, not in public accounting, may include toward the Board's annual CPE requirement programs qualified and earned for CLE (continuing legal education).

4.3.7. The Board will not approve any program that does not offer sufficient evidence that the work has actually been accomplished.

4.3.8. Rescinded.

Section 4.4. Program Sponsors and Presentation Standards

4.4.1. CPE programs requiring class or meeting attendance must be conducted by persons whose background, training, education and experience qualify them as capable instructors, discussion leaders or lecturers on the subject matter of the particular programs. Instructors should be qualified both with respect to program content and teaching methods used. The instructor is a key ingredient in the learning process in any group program; therefore it is imperative that sponsors exercise great care in selecting qualified instructors for all group programs. Sponsors should evaluate the performance of instructors at the conclusion as described herein.

4.4.2. (a) Program sponsors must base learning activities on relevant learning objectives and outcomes that clearly articulate the knowledge, skills and abilities that can be achieved by participants in the learning activities.

(b) Programs sponsors should develop and execute learning activities in a manner consistent with the prerequisite education, experience, and/or advance preparation of participants.

(c) Program sponsors must use activities, materials and delivery systems that are current, technically accurate, and efficiently designed.

(d) Program sponsors must assure instructional methods employed are appropriate for the learning activities. Learning activities should be presented in manner consistent with the descriptive and technical materials provided.

(e) Programs sponsors must assure learning activities are reviewed by qualified persons other than those who developed them to make certain that the program is technically accurate and current and addresses the stated learning objectives. These reviews must occur before the first presentation of these materials and again afer each significant revision of the CPE programs.

(f) Program sponsors must inform participants in advance of objectives, prerequisites, experience level, content, advance preparation, teaching methods, and recommended continuing professional education credit hours, as described in Section 4.4.6. This should be accomplished through brochures or other announcements.

(g) Program sponsors must provide participants with documentation of participation, which includes:

(1) CPE program sponsor name and contact information.

(2) Participant's name.

(3) Course title.

(4) Course field of study.

(5) Date offered or completed.

(6) Location (if applicable).

(7) Type of instructional delivery method used.

(8) Amount of CPE credit recommended.

(9) Verification of program sponsor representative.

(h) Program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation, as well as provide a mechanism for participants to assess whether learning objectives were met.

4.4.3. To facilitate participants' expectations that programs will increase professional competence, program sponsors should encourage participation only by individuals with appropriate education and/or experience. The term "education and/or experience" in the standard also implies that participants will be expected to complete any advance preparation. An essential step in encouraging advance preparation is timely distribution of program materials.

4.4.4. Program sponsors must retain adequate documentation for a minimum of five years after the date of the presentation or initial offering to support their compliance with these standards and their reports that may be required of participants. As a part of this documentation, a record of attendance shall be made and maintained. The records of attendance should reflect the CPE credit hours earned by each participant, including those who arrive late or leave early. All documentation shall be open to Board inspection on request of the Board. These records should include, but are not limited to:

(a) Location of course,

(b) Title, description of content, and outline (or equivalent),

(c) Date(s),

(d) Instructor(s) with biography,

(e) Number of credit hours, and

(f) Evaluation of program as described below.

4.4.5. Rescinded.

4.4.6. Calculations of Hours of Credit. The following standards will be used to measure the hours of credit to be given for acceptable continuing professional education:

(a) For purposes of CPE credit hours, 50 minutes of continuous participation in a group program shall constitute one CPE credit hour. The shortest recognized program must consist of one hour.

(b) For continuous programs, conferences and conventions, when individual segments are less than 50 minutes, the sum of the segments will be considered equal to one total program. For example - five 30-minute presentations would equal 150 minutes and should be counted as three contact hours.

(c) Only class hours, actual hours of attendance, or equivalent (and not student hours devoted to preparation) will be counted.

(d) A participant who is not present for an entire program may claim credit only for the actual time he attended.

(e) Self-study programs must be pretested to determine average completion time. The amount of credit will be based on a 50-minute CPE credit hour and is subject to approval by the Board.

4.4.7. Program sponsors are responsible for compliance with all applicable standards and other CPE requirements. Any course or program offered or held out as a CPE program is subject to Board audit and monitoring to assure it meets these standards.

Section 4.5. Disciplinary Actions Relating to CPE

4.5.1. A licensee who fails to comply with the provisions of Section 4.2. of this title (relating to CPE records and reporting) or Section 4.1. of this title (relating to CPE attendance) may be subject to disciplinary action under the Mississippi Code of 1972, Section 73-33-11, for violation of the *Rules of Professional Conduct.*

4.5.2. A licensee shall retain documents or other evidence supporting CPE credit hours claimed for the five most recent full reporting periods to the date the credit hours are reported to the Board, and shall submit the supporting evidence to the Board if such data is requested.

4.5.3. The Board may, as deemed appropriate, audit, CPE data supplied by a licensee and request that all evidence supporting CPE credit hours claimed be provided to the Board within a reasonable period of time as prescribed by the Board.

4.5.4. Evidence of falsification, fraud, or deceit in the CPE information or documentation supplied will necessitate disciplinary action as authorized in the Mississippi Code of 1972, Section 73-33-11.

4.5.5. Denial of a License. The Board shall not issue or renew a license to an individual who has not completed the required CPE credit hours unless an exemption has been granted by the Board.

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