

Accountancy FAQs

EXAMINATION QUESTIONS

Q: *What examination do I need to pass to obtain a Hawaii CPA license?*

A: The licensing examination is the Uniform CPA Examination of the American Institute of Certified Public Accountants (“AICPA”). Passing this examination will fulfill the education requirement for a Hawaii CPA license; however, there are education and experience requirements as well. These are discussed below.

More information on the examination can also be found on the AICPA’s website at www.aicpa.org/becomeacpa/cpaexam.html.

Q: *How do I apply for the Uniform CPA Examination as a Hawaii candidate and what are the requirements to take it?*

A: All inquiries regarding the CPA exam should be directed to CPA Examination Services of the National Association of State Boards of Accountancy (“NASBA”). Call 1-800-CPA EXAM (1-800-272-3926) or 1-615-880-4200 to obtain an application and review the requirements to take the exam. The email address is cpaexam@nasba.org. More information is available from NASBA’s website at www.nasba.org/exam.

Generally, the requirements to sit for the examination are a baccalaureate degree from a regionally or nationally accredited four-year institution of higher learning (university or college) and eighteen (18) semester hours of upper division accounting or auditing coursework. These requirements are also available for review on the Board’s application and information forms which are available for downloading from this website.

Q: *Is Hawaii residency required to take the examination as a Hawaii candidate?*

A: No. There are no residency requirements in order to take the Uniform CPA exam as a Hawaii candidate.

Q: *Where and when is the Uniform CPA Examination administered?*

A: Prometric is the national testing administrator for the examination. The testing site is at 1132 Bishop Street in downtown Honolulu.

The examination is given throughout the year. The first quarter testing period is January and February, with March being a non-test month. The second quarter testing period is April and May, with June being a non-test month. The third quarter testing period is July and August, with September being a non-test month. The last quarter testing period is October and November, with December being a non-test month.

Q: *Where can I obtain general information about the Uniform CPA Examination?*

A: General information about the exam is now accessible at www.cpa-exam.org; or you may wish to visit the American Institute of Certified Public Accountants' website at www.aicpa.org.

Q: *Do I have to pass all four parts of the exam at the same time?*

A: No. A candidate may gain "conditioned credit" for passing one or more sections with a passing grade of 75. The conditional credit is valid for a "rolling" 18-month period, within which the remaining sections of the examination must be passed in order for the passing score of the conditional credit to remain valid.

Q: *I expect to graduate within 120 days of the date of the exam. I will then have met the educational requirement. Can I sit for the exam?*

A: Yes, you will be admitted to the exam on the expectation that you will complete the educational requirements within 120 days after the exam. You must indicate your intention on your exam application. Your grades will not be released, nor will any

conditional credits be given unless you do meet the requirements within the 120 days and the Board receives evidence of this.

Q: *Since I first took the exam prior to December 31, 2000, what happens if I did not condition by December 31, 2000 or did not pass the remaining subjects under my "conditioned status"?*

A: You will then be required to apply as an initial candidate and must meet the 150 semester credit hour education requirement.

Q: *I received my education in a foreign country. What requirements must I meet to sit for the CPA exam?*

A: An individual with international education credentials must have these credentials (degree and/or credits) evaluated to substantiate that the degree is equivalent to a four-year baccalaureate degree from an accredited U.S. college or university, and must satisfy the 150 semester credit hour education requirement required of all candidates.

Contact NASBA's International Evaluation Services ("NIES") which is the only Board-approved evaluator. NIES is designed specifically for CPA Exam and licensure candidates, and provides academic evaluations to the Hawaii Board for consideration.

NIES can be contacted:

By phone 1.855.468.5382 (toll free);
1.615.277.9077

By fax 1.615.324.1268

By email nies@nasba.org

By mail NASBA-International Evaluation Services
150 4th Avenue, N., Suite 850
Nashville, TN 37219

Q: *What can I do if I disagree with the evaluation from NIES?*

A: The Board relies on the expertise of the evaluators at NIES for comprehensive and expert evaluation of international coursework and for stringent authentication of education. Should you disagree with the results of an evaluation, you will need to contact the evaluation service directly to file your complaint for NIES' consideration. The Board will not intervene in any disagreements, and if a disagreement exists, will rely on the final evaluation from the NIES.

Q: ***I passed the Uniform CPA Examination. Can I call myself a CPA?***

A: No. A successful exam candidate has **no status as a CPA**.

Q: ***How do I transfer my exam grades to another state?***

A: You need to submit a written request for transfer/verification of exam grades to the Board, along with a \$15 verification fee. Your check or money order should be made payable to *Commerce and Consumer Affairs*, and must be U.S. funds only, drawn on a U.S. bank or financial institution. Please provide the address where the verification/transfer of grades should be mailed.

LICENSING QUESTIONS

Q: ***When and how do I apply for a Hawaii CPA license?***

A: After passing the Uniform CPA Examination and meeting the educational and experience requirements, you may submit an application to the Board office. License application forms and instructions are available on the Board's website at cca.hawaii.gov/pvl/boards/accountancy or by calling the Licensing Branch of the Professional and Vocational Licensing Division at 808.586.3000.

Q: ***What are the educational requirements to obtain a CPA license?***

A: A baccalaureate or higher degree and 150 semester hours (or 225 quarter hours) of college education, which must include 24 semester hours in upper division or graduate level accounting or auditing courses and 24 semester hours in upper division or graduate level accounting or business-related courses.

License applicants who passed the CPA Examination before December 31, 2000, or were conditioned before December 31, 2000 and subsequently passed before the conditional credits expired, may continue to meet the educational requirements of a baccalaureate degree and 30 semester hours of upper division or graduate level business-related courses (in addition to the baccalaureate degree), or 30 months of experience with a public accounting firm (in addition to the work experience required to fulfill the experience requirement for licensure), and 18 semester hours of upper division or graduate level accounting courses (which may have been earned while obtaining the baccalaureate degree).

Q: *What are the work experience requirements to obtain a CPA license?*

A: 1500 chargeable hours in the performance of audits involving U.S. generally accepted accounting principles and auditing standards earned while in public accounting practice; or 2 years of professional experience in public accounting practice, private, industry, government, or education.

Experience must be earned while employed on a full-time basis (35 or more hours per week), and must be supervised by a licensed CPA.

Q: *May I combine two different categories of experience, say 750 chargeable hours in the performance of audits with 1 year of professional experience?*

A: No. However, if the chargeable audit hours can be verified as having been earned in 1 year, that year could be added to the 1 year of professional experience for the total of 2 years.

Q: *Can I claim experience that was earned many years before applying for a CPA license?*

A: Yes. Qualifying experience, once earned, may be counted toward the experience requirement for licensure. The law does not differentiate between "recent" experience and any other experience.

Q: *Must the verifying CPA hold a Hawaii CPA license?*

A: No. However, in order to sign the applicant's experience verification, the verifying CPA must have held a CPA license in one of the 55 U.S. jurisdictions during the period of supervision of the applicant.

Q: *Do I have to work at one organization for the entire period of experience?*

A: No. Applicants may use experience from one or several organizations to fulfill the experience requirement.

Q: *Can my experience in a private company be accepted as qualifying experience?*

A: Yes. Your 2 years of professional experience in private, industry, government, or education must have been earned while employed on a full-time basis (35 or more hours per week), and must have been supervised by a licensed CPA. Your experience will be evaluated by the Board in order to be deemed equivalent to experience gained in a public accounting practice.

Q: *Can my experience from a firm outside of the U.S. be used to satisfy the experience requirements?*

A: Yes, so long as your work was performed in accordance with U.S. accounting principles and auditing standards.

Q: *Does Hawaii reciprocate licenses from other states or jurisdictions?*

A: No, licensees from other states or jurisdictions must qualify and apply for Hawaii CPA licensure. However, if you have held your out-of-state CPA license for the past 10 years and were in active practice for the past 5 of those years, you may be eligible for a waiver of the examination and educational requirements for a Hawaii CPA license.

Q: ***Does Hawaii have a residency requirement for CPA licensure?***

A: No, you do not have to be a Hawaii resident, however, you must be a U.S. citizen, U.S. national, or alien authorized to work in the U.S. in order to be granted a CPA license.

Q: ***Once I have submitted my application, how long does it normally take for the Board to issue an initial license?***

A: Completed applications are deliberated upon at each Board meeting. Please refer to the schedule of meetings on this website for the dates. If your application is approved, you will receive your license card approximately 2-3 weeks after the meeting. Your wall certificate should be mailed to you approximately 4-6 weeks after the meeting. Click here for the schedule of Board meetings
cca.hawaii.gov/pvl/boards/accountancy/meeting_schedule/.

Q: ***How long is my CPA license valid, and how do I renew?***

A: All CPA licenses expire on December 31 of each odd-numbered year. Renewal forms are mailed to the address of record at least 1½ months prior to the expiration date, so it is important to notify the Board immediately when you change your address so that forms and information can be mailed to you at the correct address.

Q: ***What should I do if I don't receive a renewal form?***

A: If you have not received a renewal form by the end of November (of each odd-numbered year), you should contact the Licensing

Branch at (808) 586-3000 to obtain a form. Failure in receiving a renewal form does not relieve you of the responsibility of timely renewal of your license.

Q: *Is there a continuing professional education ("CPE") requirement to renew a CPA license?*

A: Yes, you must have earned 4 hours of CPE in ethics or professional conduct in order to renew a CPA license.

Q: *How do I request a license verification?*

A: You need to submit a written request for verification of licensure to the Board, along with a \$15 verification fee. Your check or money order should be made payable to *Commerce and Consumer Affairs*, and must be U.S. funds only, drawn on a U.S. bank or financial institution. Please provide the address where the verification should be mailed.

PERMIT TO PRACTICE and CPE QUESTIONS

Q: *Do I need more than my CPA license to practice public accountancy in Hawaii?*

A: Yes, in addition to being licensed you must obtain an individual permit to practice by submitting an application and certificates of completion which verify that you earned at least 80 hours of continuing professional education (CPE) during the 24 months prior to the date of permit application. Of those 80 CPE credits, 4 must be CPE in ethics or professional conduct.

Q: *I passed the Uniform CPA Examination recently. Can I use this to fulfill (in whole or partially) my CPE requirements?*

A: Yes. If you were notified that you passed the exam within 2 years of the date of your permit application, you may claim 80 CPE hours. If you were notified within 3 years of the date of your application, you may claim 40 hours.

Q: *I'm a CPA working in industry (or government, education, etc.). Do I need to have a permit to practice in addition to my CPA license?*

A: No, only CPAs practicing public accountancy are required to obtain a permit to practice. However, you may elect to obtain a permit to practice.

Q: *I'm in a graduate degree program at an accredited college/university. How do I count these credits as CPE?*

A: Each graduate or undergraduate program semester credit which you earn counts for 15 CPE hours, as long as the subject matter of your studies qualifies for CPE credit. However, these credits may not have been used toward qualifying for your CPA license.

Q: *I teach seminars on qualifying subject matter. How do I calculate CPE credits for preparation time?*

A: The Board does not allow CPE credit for preparation time.

Q: *Will I receive CPE credit for published articles or books?*

A: Yes. Articles and books on qualifying subject matter may earn credit, with proof of publication, for a maximum of 20 CPE hours per biennium.

Q: *I work for a CPA firm that provides in-house training. How can I make sure these programs qualify for CPE credit?*

A: The firm must be registered as a CPE sponsor with the Board, unless it is participating in the NASBA National Registry, or is approved as a CPE provider by another state board of accountancy.

Q: *How do I know if my CPE will be approved?*

A: Contact the sponsor for information on whether they have registered with the Board, any other board of accountancy of another state, or with the NASBA National Registry. You can verify that a sponsor appears on the National Registry by checking NASBA's website at nasbaregistry.org. Sponsors that need not register include recognized accounting and auditing associations and accredited colleges and universities.

Q: *How do carryover CPE credits work?*

A: The Board allows a maximum of 40 CPE hours (earned in excess of the 80 hour requirement) to be carried over to the next biennium period.

Q: *When is the deadline to submit my permit to practice application?*

A: Your permit application must be submitted at least 30 days prior to the date you intend to begin practice.

Q: *How long is my permit to practice valid, and how do I renew?*

A: All permits, like CPA licenses, expire on December 31 of each odd-numbered year. Biennial application forms are available from this website, or from the Board office. Click here for a permit to practice application.

Q: *If I obtained my permit to practice in the middle of the last biennium, do I still need to earn 80 hours of CPE for the upcoming biennium?*

A: No. The Board will prorate the requirement according to the time remaining. Generally, you will need 10 hours of CPE for each full quarter remaining in the reporting period. The reporting period is from January 1st of even-numbered years to December 31st of odd-numbered years. See the chart on the Permit to Practice application for specific information.

Q: *What happens if I'm late renewing my permit to practice?*

A: Your permit expires on December 31st of each odd-numbered year. If you do not renew your permit before then, you may no longer practice public accountancy until both your CPA license and permit to practice have been properly renewed.

QUESTIONS ON THE FIRM PERMIT TO PRACTICE

Q: *Are all CPA firms and PA firms required to hold a firm permit to practice?*

A: Yes, all firms actively engaged in the practice of public accountancy in the State of Hawaii must obtain a permit to practice.

Q: *How does a firm apply for and obtain a firm permit to practice?*

A: The application form is available from the Board's website at cca.hawaii.gov/pvl/boards/accountancy, or from the Professional and Vocational Licensing Division's Licensing Branch located at 335 Merchant Street, #301 in downtown Honolulu. You may also call the Licensing Branch at (808) 586-3000, for an application to be mailed to you.

Q: *What are the requirements for a firm permit to practice?*

A: The firm must have at least 1 CPA who is licensed in the State of Hawaii with a valid individual permit to practice. Also, the firm is required to hold a current and valid Hawaii General Excise Tax license.

QUESTIONS ON MANDATORY PEER REVIEW FOR CPA FIRMS

Q: *Are all CPA firms/PA firms required to under mandatory peer review?*

A: No, only CPA/PA firms that perform Hawaii attest engagements must comply with the peer review law. Please review the Board's peer review requirements in HRS sections 466-31 to 466-43.

Q: *What is "Hawaii attest work"?*

A: "Hawaii attest work" means attest services provided or attest reports issued by an individual or firm licensed and authorized to practice public accountancy in Hawaii or any other state, to any of the following clients: (1) An individual who is a resident of Hawaii; (2) A person, entity, firm, or trust that is domiciled within this State, or whose principal or home office is physically located within this State; (3) A subsidiary that has a physical presence in this State, and has a separate, stand-alone financial statement or report issued on that subsidiary.

Q: *What effect does mandatory peer review have upon the firm's firm permit to practice?*

A: The firm that is required to undergo mandatory peer review, must do so in the 3 years prior to renewing the firm's firm permit to practice. This requirement is effective for the renewal of a firm permit to practice for the 2018-2019 biennial period.

Q: *Where can a firm obtain further detailed information on mandatory peer review?*

A: Please review the Important Announcements that are posted on the Board's website and also review the application for a firm permit to practice. The firm should also familiarize itself with HRS sections 466-31 to 466-43 of the Board's statutes.

QUESTIONS ON APPLICATION FORMS and PAYMENT OF FEES

Q: *I've completed the application form and am ready to submit it to the Department of Commerce and Consumer Affairs. What are the fees?*

A: If you are applying for a **CPA license** in an even-numbered year, the fee is \$215. If you are applying in an odd-numbered year, it is \$139. Please make all checks payable to *Commerce &*

Consumer Affairs. Also, be sure that you answer all questions on the application and that you sign it.

If you are applying for an **individual permit to practice**, the fee for the biennium is as follows:

Sole Practitioner	\$155
Partner	\$155
Principal of public accounting corporation	\$155
Staff member of one of the above	\$ 63

If you are applying for a **firm permit to practice**, the fees are as follows:

Sole Proprietorship	
Even-numbered year	\$121
Odd-numbered year	\$ 89
Partnership/LLP/Corporation/LLC/Other	
Even-numbered year	\$345
Odd-numbered year	\$230

If you have any questions on fees, please refer to our website at cca.hawaii.gov/pvl/boards/accountancy, or contact the Licensing Branch at (808) 586-3000.

Q: *Where do I submit my application form?*

A: Mail all required items to:

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

Or deliver to the office location at:

King Kalakaua Building
335 Merchant Street, Room #301
Honolulu, HI 96813

COMPLAINTS

Q: *I believe that I have a legitimate complaint against a licensed certified public accountant. Who do I call?*

I went to a certified public accountant and paid money for him to do my tax returns. But I've been waiting for over a year and still haven't gotten it. He doesn't want to refund my money and keeps telling me that he's obtained extensions of time to file. I just found out that he's not licensed as a CPA like he had advertised. Who do I call to file a complaint?

A: The Regulated Industries Complaints Office ("RICO"), a statewide agency of the DCCA, is the office to contact when you have a complaint against a licensed or unlicensed certified public accountant or public accountant.

Click on to RICO's website at cca.hawaii.gov/rico/ to file a complaint online, or call the DCCA Consumer Resource Center at (808) 587-4272. To call the Consumer Resource Center from the neighbor islands, dial 274-3141 from Kauai; 984-2400 from Maui; 974-4000 from the Big Island; and 1-800-468-4644 then 74272# from Molokai or Lanai.

GENERAL QUESTIONS

Q: *I went to a college that has a calendar based on quarters or trimesters rather than semesters. How do quarter credits convert to semester credits? How do trimester credits convert to semester credits?*

A: One semester credit is equivalent to 1½ quarter credits; so 1 quarter credit is ⅔ of a semester credit. A trimester credit is the same as a semester credit.

Q: *I've moved. How do I notify the Board?*

A: We need a change of address notification in writing, which must include your CPA license number, old address, new address, and a signature. Mail your notification to:

Licensing Branch – Address Change
P. O. Box 3469
Honolulu, HI 96801

Q: ***I recently changed my name. How do I notify the Board?***

A: We need a change of name notification in writing, which must include your former name, your new name, type of license, license number, and a signature. You must also include evidence of the name change (e.g., a copy of the marriage license, divorce decree, court order, or other legal document which effected the change). Mail your notification to:

Licensing Branch – Name Change
P. O. Box 3469
Honolulu, HI 96801

Or you can deliver your notification to:

King Kalakaua Building
335 Merchant Street, #301
Honolulu, HI 96813

Q: ***What do I do if I want my name changed on my wall certificate?***

A: You will need to return your original wall certificate along with your written request for a new certificate and a check or money order for \$10, payable to *Commerce and Consumer Affairs*.

Your duplicate certificate will bear the signature of the current Chairperson of the Board.

Q: ***How can I obtain a listing of all CPAs and/or Public Accountants licensed in Hawaii?***

A: Please utilize the on-line service available from the Board's website. Click on On-Line Services, then on Professional & Vocational Licensing List Builder to create and purchase a list of licensee information.

Q: *How do I verify that someone is a licensed Hawaii CPA?*

A: Please utilize the on-line service available from the Board's website. Click on On-Line Services, then on Professional & Vocational Licensing Search.

QUESTIONS FROM CONSUMERS:

Q: *I believe my CPA has overcharged me. What can I do?*

A: The Board of Public Accountancy has no jurisdiction over fee disputes.

You may want to contact the Hawaii Society of Certified Public Accountants ("HSCPA"). They will forward to their Ethics Committee any potential disciplinary matter that alleges, implies, or suggests that an **HSCPA member** has or may have violated one or more of an applicable code of professional conduct. View their website here www.hscpa.org for further information.

QUESTIONS FROM LICENSEES:

Q: *I am a licensed CPA. I've been asked to verify an applicant's experience. Am I required to do this?*

A: The decision to verify an applicant's experience is a personal and business decision to be made by the licensed CPA.

Q: *I am a licensed CPA in Hawaii with a permit to practice public accounting. May I accept a commission for referring a financial product to a client, or may I pay someone a commission to obtain a client for me?*

A: No, you cannot pay a commission to obtain a client, nor accept a commission for a referral to a client of products or services of others.

Q: *I am a licensed CPA in Hawaii with a permit to practice public accounting. Can I offer to perform or perform professional services for a fee which is contingent upon the findings or results of those services?*

A: No, you are prohibited from that activity. However, this prohibition does not apply to: (1) professional services involving federal, state, or other taxes in which the findings are those of the tax authorities; and (2) professional services for which the fees are to be fixed by courts or other public authorities.

Q: *My CPA license has lapsed. Can I put "retired CPA" on my résumé?*

A: No. If you allowed your license to lapse, you have no legal usage of the CPA title. You may not put "retired CPA" on your résumé.

Q: *I allowed my CPA license to lapse. Can I put "Member, Hawaii Society of CPAs" on my résumé?*

A: You may put the words "Member, Hawaii Society of CPAs" on your résumé, provided the information is factual and is not provided in a misleading manner. For example, you may not put the words "Member, Hawaii Society of CPAs" by your name in the manner of a title. Also, you may not use the words "Member, Hawaii Society of CPAs" on your business card. However, you may place the information within your résumé as a statement of a fact.

Q: *How can I become a member of the AICPA?*

A: Although membership in the AICPA is not required and is outside the jurisdiction of the Board, to apply for membership with the American Institute of Certified Public Accountants, contact the AICPA at:

AICPA
Harborside Financial Center
201 Plaza #3
Jersey City, NY 07311-3881
1-800-862-4272
201-938-3000
www.aicpa.org

Q: *How can I become a member of the HSCPA?*

A: Although membership in the HSCPA is not required and is outside the jurisdiction of the Board, to apply for membership with the Hawaii Society of Certified Public Accountants, contact the HSPCA at:

HSCPA
P. O. Box 1754
Honolulu, HI 96806
808-537-9475
www.hscpa.org