

HAWAII STATE BOARD OF PUBLIC ACCOUNTANCY

Certified Public Account – Permit-to-Practice

Continuing Professional Education Requirement for Initial and Renewal of Permit-to-Practice

The following section lists the requirements for a Permit-to-Practice (PTP) in order to practice public accountancy, specifically, the continuing professional education (CPE) hours:

§16-71-33 Basic requirements of study hours. (a) For a permit to practice public accountancy covering each biennium, an individual applicant shall file, together with the application and payment of a fee for a permit to practice, an attestation as to the completion of at least eighty hours in continuing professional education programs. The eighty hours shall have been earned by the applicant within a twenty-four-month period, and within twenty-four months prior to the date of the application for a permit to practice, **with a minimum of twenty hours earned within each calendar year.**

(b) The applicant shall include within the eighty hours of continuing professional education programs, at least four hours of continuing professional education in the subject area of ethics or professional conduct; provided that these hours may also be used to simultaneously fulfill the requirements to renew the license of a certified public accountant or public accountant under section 16-71-2.

(c) The continuing professional education requirement of eighty hours may be prorated only for the permit obtained for the biennium period immediately following an individual's first permit to practice. The proration schedule shall be ten hours for each three-month period of the biennium. The number of hours required shall be determined by the date on which the individual's first permit to practice was approved.

(d) An applicant whose first permit was approved in the first three months of the biennium shall earn eighty hours to obtain the subsequent permit; an applicant whose first permit was approved in the second three months of the biennium shall earn seventy hours to obtain the subsequent permit; and the total hours required shall decrease by ten hours for each three month period to a minimum of ten hours for an applicant whose first permit was approved in the last three months of the biennium period.

The section above was amended effective November 27, 2021 to include the highlighted language, **“with a minimum of twenty hours earned within each calendar year.”**

What does this mean?

This means that when you submit your application for a PTP, you must've have completed the required hours, i.e. 80, 70, 60, etc. (*see subsection (d) above*), of which at least 20 hours must have been earned in a calendar year.

Does this apply to the renewal of my PTP?

Yes.

Do I have to submit copies of my completion certificate?

You must submit an attestation of a completion of at least eighty (80) hours in continuing professional education (“CPE”) programs in pursuant to Hawaii Administrative Rules (HAR) (§16-71-33 (a)), however, the Board may request that you submit your completion certificates for further verification especially when restoring your PTP.

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Will the Board accept CPE hours completed outside of the the 24 month period prior to the date of the PTP application?

No, the eighty hours shall have been earned within twenty-four months prior to the date of the application for a permit to practice, including the date of your PTP restoration application.

Do I have to complete an ethics or professional conduct course in order to obtain my PTP and to renew?

Yes, four (4) hours of the CPE must include ethics or professional conduct pursuant to section §16-71-34 (b), Hawaii Administrative Rules.

Can I take the same course in the same year for additional credit?

No, no credit will be allowed for repeated courses in any single year.

What type of activity can be considered for CPE and what constitutes one (1) CPE hour?

Please refer to the following chart:

QUALIFYING HOURS

Minimum of fifty (50) minutes constitute one continuing professional education hour (HAR §16-71-34)			
Qualifying Hours	CPE Hours	HAR Section	Comment
One-day program, other than a university or college course, of not less than six hours	8 CPE	HAR §16-71-34 (1)	
One hour of attendance in a group program, other than a university or college course	1 CPE	HAR §16-71-34 (2)	
Individual Self-study program certified by approved sponsor	1 CPE	HAR §16-71-34 (3)	
An academic credit hour for a semester earned from an accredited university or college	15 CPE	HAR §16-71-34 (4)	
An academic credit hour for a quarter earned from an accredited university or college	10 CPE	HAR §16-71-34 (5)	
Noncredit university or college classroom hour	1 CPE	HAR §16-71-34 (6)	
Each hour of university or college classroom work as a teacher, instructor, or lecturer	1 CPE	HAR §16-71-34 (7)	Total cumulative hours with this method shall not exceed forty credit hours
Each hour spent at a group program, other than a university or college course, as a lecturer, discussion leader, or speaker	1 CPE	HAR §16-71-34 (8)	<ul style="list-style-type: none"> • If the attendees of the group program shall be able to earn CPE • Total cumulative hours shall not exceed 40 credit hours

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Fifty percent of each hour spent as a reviewer at a formally sponsored inter-office or inter-firm quality review program	See Comment	HAR §16-71-34 (9)	Credit shall not exceed twenty CPE hours
Authoring articles and publishing books	See Comment	HAR §16-71-34 (10)	<ul style="list-style-type: none"> • Publications must have contributed to professional competence of licensee • Shall not exceed twenty CPE in any biennium. • Self-declaration basis
Passing the American Institute of Certified Public Accountants examination for the two years following the date the applicant is notified of passing the examination.	80 CPE	HAR §16-71-34 (11)	If an applicant has not taken credit in the two years following notification, the applicant shall be allowed to take credit for 40 hours CPE during the third year following the notification.

Does the Board recognize proration of the CPE hours?

Yes, proration of continuing professional education requirement of eighty hours may be prorated only for the permit obtained for the biennium period immediately following an individual's first permit to practice.

- First permit approved in the first three months of the biennium shall earn eighty (80) hours to obtain subsequent permit (HAR §16-71-33 (c))
- First permit approved in the second three months of the biennium shall earn seventy (70) hours to obtain subsequent permit.
- Total hours required shall decrease by ten hours for each three-month period to a minimum of ten hours for an applicant whose first permit was approved in the last three months of the biennium period.

Can I carryover my CPE hours?

Yes, carryover hours are hours in excess of the minimum requirement. The maximum carryover is 40 hours. Carryover hours may be applied to the total number of CPE hours required for the next biennium.

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Does the Board approve CPE providers?

Yes, CPE hours must be from CPE sponsor approved by the Hawaii Board, or by the National Association of State Boards of Accountancy (NASBA) Registry, or by another state board of accountancy.

For a list and more information including Chapter 466, Hawaii Revised Statutes and Chapter 71, Hawaii Administration and a list of CPE sponsors specifically approved by the Hawaii Board of Public Accountancy, please visit the Board's web page at: cca.hawaii.gov/pvl/boards/accountancy