

Overview of CPA Firm Renewal & CPE

Department of Financial and Professional Regulation of
the State of Illinois, Division of Professional Regulation

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Number of Licenses

- Licensed CPAs – 25,151
- Registered CPA – 18,922
- CPA Firm – 1,299

*As of May 2018

Topics Covered

- General Renewal Tips
- Renewal for CPA Firms
 - Fees & Payment
 - Renewal Form & Instructions
 - Peer Review
- CPE Overview

General Renewal Tips

- Online renewal is available for individual CPA licenses this renewal cycle.
- Emails will be sent approximately 4 months before expiration of license. No paper reminders will be sent.
- Ensure all information is accurate, including email.
- Renewals for CPA Firms not signed and/or incomplete will be returned.
- Renew early and on time.
 - The renewal deadline for individual CPA licenses is 09/30/2018
 - The renewal deadline for CPA Firms is 11/30/2018

General Renewal Tips

- Late renewals are not retroactively corrected.
- PSCs will not require individual licenses for each office
 - Umbrella license must list each individual CPA licensee and their location
- P.A. 100-0419 allows for CPA Firm Mobility 225 ILCS 450/5.2(a-5)
 - CPA Firms with principal place of business not in Illinois are not required to obtain a license from the Department if it complies with the requirements outlined in Sections 14.4 and 16 of the Act through substantial equivalency

Fees & Payment

Fees

- \$120
- Fees are non-refundable

Payment: Online Renewal

- Credit Cards
- Electronic Check
 - Routing and Account number

Payment: Check/Money Order

- Mail renewal form and correct fee in the envelope provided
- Payable to the Department of Financial and Professional Regulation
- Only checks drawn on United States Banks with a 9 digit routing number within the Federal Reserve are accepted
- Mailed renewals typically require four to six weeks to process
- Placement of a stop payment on a check results in a \$50 fine

DO NOT SEND CASH!

Renewal Form

Change of Address (Online)

- For individual CPA licenses, information can be changed online
- CPA firms can only change email and phone number

Change of Address

- Make any name or address changes
- Name changes must be accompanied by documentary proof (i.e. amended articles of incorporation filed with Illinois Secretary of State)

Certification

- Signature & Daytime Phone Number
- Certification:
 - No false/fraudulent information
 - Fees are non refundable & check is correct
 - all statements are true, correct and complete

Supplemental Renewal Form

- 68 Ill. Admin. Code 1420.30
- Firms shall submit any change in members residing in Illinois
- Verification that the firm continues to meet the requirements of Section 14.4 of the Act

Supplemental Renewal Form – Section 14.4

- 225 ILCS 450/14.4 - Qualifications for licensure as a CPA firm.
- A majority of the ownership of the firm belongs to persons licensed or registered in some state.
 - All partners, officers, shareholders, or members, whose principal place of business is in this State and who have overall responsibility for accountancy activities in this must hold a valid license as a licensed CPA issued by this State.
 - Doesn't apply to members acting under mobility

Supplemental Renewal Form

- Form must be returned even if no changes
- Form may be used on an ongoing basis, not just at renewal

Members

- All listed members must be active to renew the CPA firm license
- If any active members fail to renew, the CPA firm license may be impacted

Peer Review

Peer Review

- “condition for granting a renewal license to firms and sole practitioners who provide services requiring a license under this Act” 225 ILCS 450/16(e)
- Applies to all renewals on or after July 1, 2015
- Doesn't apply for first renewal if newly licensed

Renewal Questions

- 1. Has your firm provided licensed services within the two years preceding the expiration of the firm license?
- 2. If yes, has your firm satisfactorily completed a peer review within 3 years preceding the expiration date of the firm license?

Peer Review

- Illinois law requires that the peer review questions be answered
- CPA Firm is subject to peer review requirement if the following are met within the 2 years immediately preceding expiration date of firm license:
 - firm provided licensed services (audits or reviews of historical/prospective financial statements) **AND**
 - Issued reports under the firm/assumed name

Failure to Complete Peer Review?

- Non-renewal of the CPA Firm license
- May also result in further discipline

Continuing Professional Education

How many CPE credit hours are required for renewal?

- A licensed CPA must complete 120 CPE credit hours per every three year renewal period.
- Of the 120 hours, at least 4 hours shall be courses covering the subject of professional ethics.
- A registered CPA is exempt from CPE requirements.
- P.A. 100-0419 will allow for full CPE reciprocity for the 2021 renewal cycle

During what time period must CPE be completed?

- All CPE must be completed in the three years preceding expiration of the license.
- For example, the upcoming renewal, all CPE must have been completed between October 1, 2015 and September 30, 2018.

This is my first time renewing my license as a CPA, do I need to complete 120 hours of CPE prior to the renewal deadline?

- No, a renewal applicant shall not be required to comply with CPE requirements for the first renewal of a license as a CPA.

I completed CPE in another state, will I be able to use it in Illinois?

- Courses sponsored or approved by other states or other state CPA societies shall be considered approved, as set forth in 68 Ill. Admin. Code 1420.70(a).
- Out of state CPE that is not approved by another state or another state's CPA society requires the licensee to complete an application seeking approval of the CPE and pay a fee.
- Applications are reviewed and approved by Division staff

How is CPE measured?

- CPE is measured by program length, with one 50 minute period equal to one CPE credit.
- One-half CPE credits (equal to 25 minutes) are permitted after the first credit has been earned in a given CPE course.
- CPE that is part of the curriculum of a university, college or other educational institution shall be awarded CPE course credit at the rate of 15 credit hours for each semester hour, or 10 credit hours for each quarter hour, of school credit awarded.

How do I know if a CPE sponsor is approved or licensed?

- The following are recognized CPE sponsors:
 - 1. The American Institute of Certified Public Accountants (AICPA)
 - 2. The Illinois CPA Society/Foundation (ICPAS/F)
 - 3. A university or college approved by its governing body to award accounting degrees

How do I know if a CPE sponsor is approved or licensed?

- 4. The National Association of State Boards of Accountancy (NASBA)
- 5. Members of NASBA's National Registry of CPE Sponsors
- 6. Members of NASBA's Quality Assurance Service Program
- 7. All licensed CPE Sponsors. You can verify that a CPE Sponsor is licensed at www.idfpr.com's License Lookup

Do I need to provide copies of CPE certificates of attendance for renewal?

- Each licensee is responsible for maintaining records of completion of CPE and shall be prepared to produce the records if requested by the Department.

**Illinois Department of
Financial & Professional
Regulation**

WWW.IDFPR.COM

**Professional Licensing:
1-800-560-6420**