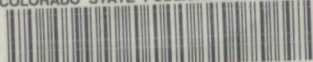


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THE PRACTICE OF PUBLIC ACCOUNTANCY IN COLORADO



Published by
THE STATE BOARD OF ACCOUNTANCY OF COLORADO
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HONORABLE THE SENATE
OF THE STATE OF COLORADO

THE PRACTICE OF PUBLIC ACCOUNTANCY IN COLORADO

MEMBERS STATE BOARD OF ACCOUNTANCY
OF COLORADO



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THE STATE BOARD OF ACCOUNTANCY OF COLORADO
JUNE 30, 1949

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RULES AND REGULATIONS OF THE STATE BOARD
OF ACCOUNTANCY OF COLORADO

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RULES AND REGULATIONS OF THE STATE BOARD OF ACCOUNTANCY OF COLORADO

QUALIFICATIONS

Who May Practice Public Accountancy

Rule 1. No person shall be permitted to practice public accountancy or hold himself out to the public as a public accountant in the State of Colorado, unless and until he shall have received from the State Board of Accountancy (hereinafter called the Board) a certificate as a Certified Public Accountant or a certificate of authority to practice as a Registered Accountant. Excepted from this rule are the holders of state-granted Certified Public Accountant certificates from other states who may be temporarily in Colorado on professional business incident to their regular practice in the states of their domicile, but with neither residence nor office in this state. (Chapter 76, Sec. 7, S. L. 1937).

Qualifications for Examination

Rule 2. In order to be qualified for examination for a certificate as a Certified Public Accountant or a certificate of authority to practice as a Registered Accountant, a candidate must:

- (a) Be a citizen of the United States or a person who has declared his intention of becoming such citizen;
- (b) Be a resident of the State of Colorado;
- (c) Be over the age of twenty-one years;
- (d) Be of good moral character;
- (e) Possess a four-year high school education or its equivalent; and
- (f) Appear, when requested by the Board, for the purpose of presenting additional evidence of his qualifications.

Qualifications for a Certified Public Accountant Certificate

Rule 3. In order to be qualified to receive from the Board a certificate as a Certified Public Accountant, an applicant, in addition to complying with the requirements of Rule 2, must:

- (a) Be over the age of twenty-three years;
- (b) Have had five years experience in public accounting as specified in Rule 12 herein. Exception—Two years experience allowance will be granted in case applicant holds a degree, with an accounting major or its equivalent, conferred by a college or university recognized by the Board for resident study therein, and which is based on a minimum of 180 quarter hours or its equivalent; and
- (c) Pass an examination prescribed by the Board.

*Qualifications for Certificate of Authority to
Practice as a Registered Accountant*

Rule 4. In order to be qualified to receive from the Board a certificate of authority to practice as a Registered Accountant, an applicant, in addition to complying with the requirements of Rule 2, must pass the examination prescribed by the Board for obtaining a Certified Public Accountant certificate. When the holder of a Registered Accountant certificate obtained by examination has completed the experience requirement set forth in Rule 3 (b), he will be entitled to receive a Certified Public Accountant certificate.

EXAMINATIONS

Mode and Time of Filing Applications

Rule 5. Each candidate must file with the Secretary of the Board a written application on an official form which will be furnished by the Secretary upon request. Applications must be filed at least thirty days prior to the date set for holding an examination and must be accompanied by a certified check, bank draft, or postal money order, drawn to the order of "State Board of Accountancy of Colorado" for the required examination fee as specified in Rule 6. The Board's action will be communicated in writing to the applicant.

Examination Fee

Rule 6. The examination fee is \$25.00. No part of the fee will be refunded in case of failure to pass the examination, but the candidate may be re-examined once within two years without additional charge. After that, each subsequent fee paid for a re-examination shall entitle a candidate to one additional re-examination, provided that a candidate may not sit at more than two examinations for any one fee in any event. The phrase "within two years" means a period during which four consecutive semi-annual examinations are held.

Documents to Accompany Application

Rule 7. Each application must be accompanied by the following documents:

(a) Evidence of high school education or its equivalent, or a transcript of college record; and

(b) Letters signed by at least three responsible persons, not related to the applicant, giving full information concerning: (1) their residence and occupation, (2) the nature and extent of their acquaintance and association with the appli-

cant, which should be sufficient in duration and intimacy to qualify them to express an informed opinion concerning him, (3) their knowledge of his moral character, ability and general standing, and (4) if he is then or has ever been in such person's employ, the length of time spent in their employ, and the duties to which the applicant was assigned during such employment.

Examination Subjects and Requirements

Rule 8. Each candidate will be examined in accounting theory, accounting practice, including governmental accounting in either theory or practice, auditing and commercial law. Each subject will be graded separately and each applicant, in order to pass, must obtain a grade of at least 75 in each subject. A candidate receiving a grade of less than 75 in three subjects will be deemed to have failed in all subjects.

Conditions and Re-examination

Rule 9. A candidate who receives a passing grade in at least two of the above-mentioned subjects but fails in one or two of such subjects will be conditioned. A candidate receiving a condition may be re-examined upon compliance with Rule 10 in the conditioned subject or subjects at any or all of the three consecutive examinations following the examination in which the condition occurred, provided the required fees are paid.

Rule 10. Any candidate who has taken two examinations and has failed to pass all subjects shall, before being accepted for further examinations, furnish evidence satisfactory to the Board that he has made further diligent study in the failed subject or subjects.

Conduct of Examinations

Rule 11.

(a) The answers to the questions on each examination paper must be completed in writing, on blanks furnished by the Board, and within the time limit stated on the questions.

(b) Before commencing the examination, each applicant will write his name and address upon a numbered card, seal it in an envelope, and deliver the sealed envelope to the examiner in charge. Each sheet of paper containing answers to the examination questions shall have written thereon the applicant's number, but not his name, initials, or other means of identification.

(c) All answers to examination questions are the property of the Board, and none will be returned to any applicant.

(d) Reference by any candidate during the examination to books or other matter or the exchange of information with other persons shall be considered misconduct sufficient to bar the candidate from further participation in the examination.

EXPERIENCE IN PUBLIC ACCOUNTING

Rule 12. For the purpose of applying Rule 3 (b), experience in public accounting is construed to mean that the applicant must have been regularly engaged on his own account during the usual business hours as an independent public accountant, or have been employed by an independent public accountant as a staff auditor or assistant to a staff auditor during the experience period claimed. Accounting or auditing experience with private or public enterprises or organizations will not be considered as experience in public accounting. The experience in public accounting may be obtained within or without the State of Colorado.

CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES BY RECIPROcity

Rule 13. The Board is empowered, in its discretion, to issue to a Certified Public Accountant of another state, District of Columbia, Territory of the United States or foreign country a certificate entitling the holder to practice as a Certified Public Accountant in Colorado, upon being satisfied as to the following facts, viz:

(a) That the applicant is a citizen of the United States or a person who has declared his intention of becoming such citizen;

(b) That the applicant is a resident of the State of Colorado, over the age of twenty-three years, and of good moral character;

(c) That the applicant obtained his original certificate as the result of a regular written examination held within said other jurisdiction;

(d) That the standards and requirements of the said other jurisdiction issuing the original certificate are substantially equivalent to those in Colorado;

(e) That the applicant bona fide intends, if granted such reciprocal certificate, to practice as a Certified Public Accountant in the State of Colorado; and

(f) That the jurisdiction issuing the original certificate extends similar privileges to Certified Public Accountants of Colorado.

Rule 14. A fee of \$25.00 is required for a reciprocal certificate to a holder of a Certified Public Accountant certificate issued by another state, District of Columbia, or Territory of the United States, and a fee of \$50.00 to a holder of a certificate issued by a foreign country. Fees must accompany the application. Applications for reciprocity certificates must be made on blanks furnished by the Board, which will be supplied upon request to the Secretary. They must be accompanied by documents evidencing the applicant's character, education, and professional training and experience.

ANNUAL REGISTRATION FEE

Rule 15. Failure to pay, in December of each year, the annual registration fees as provided by Section 14 of the 1937 Act shall be deemed sufficient cause for the suspension of the right to practice as a Certified Public Accountant, a Registered Accountant, or as a firm.

REGISTRATION OF PARTNERSHIPS

Rule 16. It shall be the duty of all Certified Public Accountants and Registered Accountants doing business as a partnership, association, or in any other manner as a firm, to submit to the Board the names of the partners or owners comprising the firm, and the Board shall be advised of any changes in composition or name thereof.

STANDARDS OF PROFESSIONAL CONDUCT

Rule 17. Holders of certificates as Certified Public Accountants or certificates of authority to practice as Registered Accountants shall comply with the Standards of Professional Conduct promulgated by the Board.

Adopted by the State Board of Accountancy of Colorado on May 7, 1949 to be effective May 21, 1949.

STANDARDS OF PROFESSIONAL CONDUCT FOR CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED ACCOUNTANTS OF COLORADO

1. No Certified Public Accountant or Registered Accountant shall allow any person to practice in his name as a Certified Public Accountant or Registered Accountant unless he is in partnership with him or in his employ on a salary, except as permitted by law.
2. No Certified Public Accountant or Registered Accountant shall, directly or indirectly, allow any brokerage commission or other participation by the laity in the fees or profits of his professional work in connection with the procurement of any professional engagement or retainer.
3. No Certified Public Accountant or Registered Accountant shall, directly or indirectly, accept or agree to accept, any part of the fees or profits of the laity, or any commercial brokerage, bonus, or commission whatsoever for any business turned over to others as an incident to services for a client.
4. No Certified Public Accountant or Registered Accountant shall render a report including exhibits, statements, schedules or other form of accountancy work which have not been verified entirely under the supervision of himself, a member of his firm, one of his staff, a Certified Public Accountant or Registered Accountant of Colorado; provided that the foregoing does not apply to exhibits, statements and schedules prepared by technicians in other specialized fields or by non-resident accountants where the identity of the authors be fully disclosed in such report.
5. No Certified Public Accountant or Registered Accountant shall render or offer to render professional services, the fee for which shall be contingent upon his findings and the result thereof, except that in cases before government bodies whose rules permit contingent fees, fees may be accepted within the limits of said rules.
6. No Certified Public Accountant or Registered Accountant shall divulge the business confidence of his client or of another member of the profession in whose employ he is, or with whom he may be associated or in consultation.
7. No Certified Public Accountant or Registered Accountant shall willfully repress, omit, or cover up any material fact, or in any way willfully make false, incomplete, or misleading reports. His work must be fearless and a full and fair exponent of facts.
8. No Certified Public Accountant or Registered Accountant shall advertise his or her professional attainments or service

through the mails, in the public prints, by circular letters or by any other method except that a Certified Public Accountant or Registered Accountant may cause to be published in the public prints what is technically known as a card. A card is hereby defined as an advertisement of the name, professional designation, class of service, and address of the advertiser without any further qualifying words or letters, or in the case of announcement of change of address or personnel of firm, the plain statement of the fact for the publication of which the announcement purports to be made.

9. No Certified Public Accountant or Registered Accountant shall permit his name to be used in conjunction with estimates of earnings contingent upon future transactions, in a manner which might lead any reasonable person to believe that the accountant could vouch for the accuracy of the forecast.

10. No Certified Public Accountant or Registered Accountant shall certify financial statements of any enterprise of which he is a director, or salaried employee, or in which he is himself the actual or beneficial owner of a substantial financial interest or if he is committed to acquire such an interest, without disclosing such relationship or such interest in the body of his report.

Adopted September 16, 1938: Effective sixty days thereafter.

UNREPEALED PROVISIONS OF THE 1907 ACCOUNTANCY ACT
PROVISIONS OF THE 1907 ACCOUNTANCY ACT WHICH
HAVE NOT BEEN REPEALED BY THE 1937 ACT

SECTION 1. Within thirty days after the passage of this Act, the Governor shall appoint three persons to constitute a STATE BOARD OF ACCOUNTANCY. The members of said Board shall be persons skilled in the knowledge and practice of accounting and actively engaged as professional accountants within the State of Colorado.

SECTION 2. The members of such Board shall hold office for three years or until their successors are appointed and have qualified, except that of the members first appointed under this act, one shall hold office for one year, one for two years and one for three years. The term of office of each to be designated by the Governor in his appointment. Upon the expiration of each of said terms a member shall be appointed by the Governor for the term of three years, and after the thirty-first day of December, 1907, the members of said Board shall be appointed from among the holders of certificates issued under this Act.

SECTION 3. The Board shall determine the qualifications of persons applying for certificates under this Act, and make rules for the examination of applicants and the issue of certificates herein provided for.

SECTION 5. The treasurer shall give bond to the State in such sum as may be determined by the Board.

SECTION 6. The Board shall keep a complete record of all its proceedings and shall annually submit a full report to the Governor.

SECTION 11. The members of the Board to be appointed under the provisions of this Act shall be paid for the time actually expended in the pursuance of the duties imposed upon them by this Act, an amount not exceeding Ten Dollars (\$10.00) per day, and they shall also be entitled to necessary traveling expenses.

SECTION 17. Nothing herein contained shall be construed to restrict or limit the power or authority of any State, County, or Municipal officer or appointee engaged in or upon the examination of the accounts of any public officer, his employees or appointees.

THE COLORADO ACCOUNTANCY ACT OF 1937

THE COLORADO ACCOUNTANCY ACT, CHAPTER 76—SESSION LAWS OF 1937—APPROVED JUNE 1, 1937

TO SPECIFY THE QUALIFICATIONS OF CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED ACCOUNTANTS; TO REGULATE THE SERVICES PERFORMED AND THE REPORTS ISSUED BY THEM; PROVIDING FOR THE COLLECTION AND DISPOSITION OF FEES; PROVIDING FOR THE ADMINISTRATION HEREOF; AMENDING OR REPEALING ALL ACTS OR PARTS OF ACTS IN CONFLICT HEREWITH, AND PROVIDING PENALTIES FOR THE VIOLATION OF THIS ACT.

Be It Enacted by the General Assembly of the State of Colorado:

Section 1. The administration of this Act shall be vested in the State Board of Accountancy. The members of said board shall be persons skilled in the knowledge and practice of accounting and actively engaged as certified public accountants within the State of Colorado.

Section 2. A majority of the board shall constitute a quorum and the affirmative or negative vote of two members thereof shall be considered as the action of said board, except in actions relative to the suspension or revocation of a certificate issued to a registered accountant under section 11 of this Act. In all such considerations, the unanimous vote of the board, including the vote of the person appointed by the Governor as provided for under section 17, subdivision (C), of this Act, shall be necessary.

Section 3. In addition to other duties provided hereafter, it shall be the general duty of this board to foster the standard of education pertaining to the science and art of accountancy, not only in its relationship to the interest of individual and organized business enterprises but in its relationship to the welfare of government, both general and local. This board shall endeavor, both within and without the profession of accountancy to bring about a better understanding or relationship of the science of accounting to the problems of public welfare.

Section 4. The board being charged with the administration of this act shall have power to design and use a seal, compel the attendance of witnesses, administer oaths, take testimony and receive proofs concerning all matters within its jurisdiction. It shall formulate rules for its guidance, not inconsistent with the provisions of this act and print the same for distribution. It

may prescribe and publish reasonable standards of professional conduct and reasonable rules defining unethical practice for registered accountants. No such standard or rule relating to professional conduct or unethical practice shall be adopted until the board has held a public hearing with reference thereto, notice of which shall be mailed at least sixty days before such hearing to every holder of a certificate issued under the provisions of this act. No such rule or standard shall become effective until sixty days after its adoption by the board. Any person who shall have appeared at said public hearing and filed written protest against any proposed standard or rule may, upon the adoption of such standard or rule, obtain a review thereof by a court of competent jurisdiction in which proceeding the court shall pass upon and determine the reasonableness and the lawfulness of such standard or rule. Thereafter every person practicing as a certified public accountant and/or a registered accountant in the state shall be governed and controlled by the rules and standards prescribed by the board.

Any rule, standard or code of ethics shall apply with equal force to all persons holding certificates under this act. No rule of ethics shall be promulgated which will work to the disadvantage of any one group and in favor of another.

Section 5. All certificates issued under the provisions of this act shall be signed by at least two members of the board. The board shall record its proceedings, list all certificates issued and revoked and shall maintain such other records as may be necessary or desirable and all records shall be open to the inspection of the public at the office of the secretary of the board.

Section 6. The board may make all needful rules and regulations regarding the conduct of the examinations or their character or scope, the method and time of filing applications for examination and their form and contents and all other rules and regulations necessary to carry into effect the purposes of this act, except as hereinafter provided.

Section 7. Accountancy, definition. A person shall be deemed to be in practice as a registered accountant, within the meaning and intent of this act:

- (A) Who holds himself out to the public in any manner as one skilled in the knowledge, science and practice of accounting, and as qualified and ready to render professional service therein as a registered accountant for compensation; or
- (B) Who maintains an office for the transaction of business as a registered accountant, or who, except as an employee of a registered accountant, practices accounting, as distinguished from bookkeeping, for more than one employer; or

- (C) Who offers to prospective clients to perform for compensation or who does perform on behalf of clients for compensation, professional services that involve or require an audit or certificates of financial transactions and accounting records; or
- (D) Who prepares or certifies for clients reports of audits, balance-sheets and other financial, accounting and related schedules, exhibits, statements or reports which are to be used for publication or for credit purposes, or are to be filed with a court of law or with any other governmental agency, or for any other public purpose; or
- (E) Who, in general or as an incident to such work, renders professional assistance to clients for compensation in any or all matters relating to accounting procedure and the recording, presentation and certification of financial facts.
- (F) Every member of a partnership, and every officer and director of a corporation who, in such capacity, does any of the things enumerated in subsections (A) thru (E) of this section, shall be deemed to be in practice as a registered accountant.
- (G) Nothing contained in this act shall prevent the employment by a registered accountant of persons who serve as accountants in various capacities, as needed; provided, that such persons shall have a sufficiently technical education in accounting theory and commercial law as affecting accountancy; provided further, that such persons work under the control and direct supervision of registered accountants and that such persons shall not issue any statements or reports over their own names except such office reports to their employers as are customary, and that such employees are not in any manner held out to the public as registered accountants, as described in this act.
- (H) Nothing contained in this act shall apply to any persons who may be employed by more than one person, partnership, or corporation, for the purpose of keeping books, making trial balances or statements; provided, such reports or statements are not used or issued by the employers as having been prepared by a registered accountant.
- (I) Nothing contained in this act shall apply to holders of state-granted certified public accountant certificates from other states who may be temporarily in this state on professional business incident to their regular prac-

tice in the states of their domicile, but with neither residence nor office in this state.

- (J) Nothing contained in this act shall apply to an attorney who, in connection with his professional duties, prepares or certifies reports to be filed with a court of law, board or other governmental agency, or to be used for any public purpose, when said reports contain no balance sheet or profit and loss statement.

Section 8. Licenses:

- (A) No person may lawfully practice in this state as a certified public accountant either in his own name, or as an employee, or under an assumed name, or as an officer, member or employee of a firm, or as an officer or employee of a corporation, unless such person has been granted by the board a certificate as a certified public accountant, and unless such person, firm or corporation, jointly and severally, has complied with all of the provisions of this act, including annual registration as herein provided.
- (B) From and after July 1, 1937, no person may lawfully practice in this state as a registered accountant either in his own name, or as an employee or under an assumed name, or as an officer, employee, or member of a firm, or as an officer or employee of a corporation, unless such person has been granted by the board a certificate of authority as a registered accountant and unless such person, firm or corporation, jointly and severally, has complied with all of the provisions of this act, including annual registration as herein provided.
- (C) From and after July 1, 1937, no corporation and no officer or employee thereof may lawfully practice in this state as a registered accountant either in his name, or as an employee or under an assumed name, unless such person and corporation has been granted by this board a certificate of authority as a registered accountant and unless such person or corporation, jointly and severally, has complied with all the provisions of this act, including annual registration as herein provided.

Section 9. Qualifications for licenses as certified public accountants.

- (A) The board shall issue a certificate as a certified public accountant to all persons who become entitled thereto under sections nine (9) and ten (10) of this act.

- (B) No certificate as a certified public accountant shall be granted to any person other than a citizen of the United States, or person who has in good faith declared his intention of becoming such citizen who is a resident of the state of Colorado, who is over the age of twenty-three years and of good moral character and (except as provided in section 10) who shall have successfully passed an examination in accounting theory and practice, governmental accounting, auditing, commercial law as affecting accountancy and in such other subjects as the board may deem necessary.
- (C) Examinations shall be held by the board at least once in each year at such times and places as may be determined by it. The time and place of holding examinations shall be advertised for not less than three consecutive issues nor less than 30 days prior to the date of such examination, in at least one legal newspaper, printed and published in each city within the State of Colorado, wherein is situated a school of higher learning. Each applicant shall also be notified by mail by the secretary of the board, at the address mentioned in the application, when and where such examination will be held. Such notice shall be mailed not less than thirty days prior to the date of the next examination.
- (D) Applicants for a certificate as a certified public accountant must have completed at least a four-year high-school course of study or have received an equivalent education, the value of equivalents offered to be determined by the board. In addition said applicants must have had at least (5) years' accounting experience in public practice. The board may accept evidence of sufficient technical education in accountancy in lieu of two (2) years of public accounting experience.

Section 10. Exceptions. The state board of accountancy may, in its discretion, waive the examination of and issue a certificate to any person possessing the qualifications mentioned in subsection (B) of section 9 who:

- (A) Is the holder of a certificate to practice as a certified public accountant issued under the laws of any other state which extends similar privileges to certified public accountants of this state, provided such certificate was issued upon due examination, and provided that the requirements of the law of such state are, in the opinion of the board, equivalent to the requirements of the law of this State;

- (B) Is the holder of a certificate of license to practice as a public accountant issued in any foreign country, provided such certificate was issued upon due examination, that the requirements regulating the issuance of such certificates are, in the opinion of the board, equivalent to the requirements of the law of this state and that such foreign country extends similar privileges to certified public accountants and registered accountants of this state.

Section 11. Certificates to registered accountants without licenses.

- (A) The board shall, without examination, issue a certificate of authority to practice as a registered accountant to each individual resident of the state of Colorado who applies before July 1, 1937, who presents evidence of good moral character satisfactory to the board; and
- (1) Who furnishes affidavits from at least three persons stating that the applicant had been retained by them as a public accountant for the purpose of preparing financial statements or periodical audits; and
 - (2) Who furnishes satisfactory evidence he was maintaining an office in the state for the practice of public accounting on his or her own account at the date of the taking effect of this act; or
 - (3) Who for three years has been an employed member of the staff of a certified public accountant or a public accountant or of a firm of certified public accountants or public accountants; or
 - (4) Who, in the opinion of the board, has had three years' experience equivalent to that specified in paragraph (3) of this subsection.
- (B) The board shall issue certificates of authority to firms, provided, that the resident partner or partners and resident manager have received certificates as certified public accountants; or that the resident manager and resident partners of such firm have received certificates of authority under the laws of this state; or that the resident manager and each partner of such firm has received either a certificate as a certified public accountant or a certificate of authority issued under the laws of this state.
- (C) The board shall issue certificates of authority to corporations to practice as registered accountants who:
- (1) Upon passage of this act are corporations legally organized under the laws of this state, with power to

practice as registered accountants within the meaning of this act; and

(2) On or before July 1, 1937, shall furnish satisfactory evidence to the board that such corporation was legally incorporated under the laws of this state at the date of taking effect of this act; and

(3) Whose manager and whose board of directors shall each have received either a certificate as a certified public accountant or a certificate of authority to practice as a registered accountant as provided in this act.

(D) Whenever the manager or any of the directors of such a corporation in the practice of public accounting shall cease or shall fail to hold certificates as certified public accountants or certificates of authority as provided in this act, the certificate of authority to the corporation shall become void and so be recorded by the board.

(E) The board shall also issue a certificate of authority to practice as a registered accountant to all persons who shall comply with the requirements of section 9 of this Act, except the provisions of subsection (D) of said section 9 requiring five years' accounting experience in public practice. The board may without further examination grant to all persons receiving a certificate of authority to practice as a registered accountant under the authority of this subsection, a certificate as a certified public accountant upon completion of the requirements for accounting experience in public practice, all as provided for in section 9, subsection (D) of this Act.

Section 12. Requirements for practice as certified public accountant or registered accountant.

(A) Any person who has received from the board a certificate of his qualifications to practice as a certified public accountant shall be styled and known as a "certified public accountant" and no other person shall assume to use such title or the abbreviation "C.P.A." or any other word, words, letters or figures to indicate that the person using the same is a certified public accountant. The term "cost accountant," "chartered accountant" and "certified accountant" and the abbreviation "C.A." are specifically prohibited to such other persons as being prima facie misleading to the public. Any person who has received from the board a certificate of authority, as herein provided, shall be styled and known as a "registered accountant" and no other person, other than a certified public accountant, shall assume to use such designation or any other word, words, letters or

figures to indicate that such person is entitled to practice as a public accountant.

- (B) No person shall practice in this state as a certified public accountant or a registered accountant, either in his name, under an assumed name or as a member of a partnership, except as provided in subsection (I) of section 7, unless he shall have been granted a certificate by the board and secured a registration card for the current year. No person shall practice in this state as a public accountant as an officer or director of a corporation engaged in the practice of public accounting, unless the corporation shall have been granted a certificate by the board and secured a registration card for the current year.
- (C) Any partnership, which is entitled to practice as certified public accountants in this State or any other state every resident member and resident manager of which is a certified public accountant of this state, after registering the partnership name with the board, may use the designation, "certified public accountants" in connection with the partnership name. Any partnership, every member and resident manager of which is a certified public accountant and/or registered accountant of this state or any other state or holds a certificate of authority under this act, after registering the partnership name with the board, may use the designation "registered accountants" in connection with the partnership name. An assumed name, in use prior to the taking effect of this act, may be used the same as a partnership name, provided the individual persons practicing in the state of Colorado as principals under that name hold certificates issued by the board and register the name with the board.

Section 13. Annual registration card. The board shall in December of each year, upon application made by any holder of an unrevoked Colorado certificate as a certified public accountant or an unrevoked Colorado certificate of authority as provided for in this act, issue a registration card, which card shall be good until December thirty-first of the next succeeding year, unless the said certificate shall sooner be revoked. A registration card shall also be issued to any partnership or corporation, upon application, which has complied with the provisions of this act. Interim registrations shall be issued to individuals, partnerships and corporations who have complied with the provisions of this act within the year.

Section 14. Fees.

- (A) Any person making an application for examination or certificate shall accompany such application with a United States money order or a certified check endorsed to the state board of accountancy in the sum of twenty-five dollars (\$25.00) for application filed under Section 9 or under subsection (A) of section 10, or under subsection (E) of Section 11, and in the sum of fifty dollars (\$50.00) for application filed under subsection (B) of section 10. Should such application be rejected by the state board of accountancy such check or money order shall be returned to the applicant, but immediately upon approval of the application such check or money order shall be deposited in the treasury of the board in the manner provided by law.
- (B) Every applicant who shall be unsuccessful in any subject or subjects in the initial examination shall have the privilege of one re-examination in that subject or subjects without payment of an additional fee, if application for such re-examination be made within two years from the date of the first examination.
- (C) All persons to whom an annual registration card is issued shall pay an annual fee of five dollars (\$5.00) therefor. All partnerships or corporations to whom an annual registration card is issued shall pay an annual fee of ten dollars (\$10.00). Interim registrations shall be at the full rates as above specified.
- (D) All fees collected under this act, in excess of the operating and administration expenses hereof, shall be credited to the general fund.

Section 15. Disclosure of interest.

- (A) A certificate of an accountant must disclose interest in corporation, associations, co-partnership or individual proprietorship reported on:
 - (1) Whenever any person shall, as a certified public accountant, or registered accountant, sign or certify any report, schedule or statement relative to the affairs of any corporation, association or co-partnership, in which such person is financially interested or by which such person is regularly engaged as an officer or employee, such signature or certification shall be accompanied by a specific statement setting forth the fact that such person is financially interested in, or is an officer or regular employee of such corporation, association or co-partnership. If such person is both financially

interested and an officer or regular employee, the statement shall cover both such financial interest and employment. In the case of a corporation holding a certificate of authority signing or certifying as above, the interest of any of its stockholders shall be disclosed.

(2) The board may make and enforce all necessary rules and regulations relative to the foregoing provisions and may determine upon the particular phraseology necessary to carry into effect the provisions thereof.

(3) Any person who shall violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than fifty dollars (\$50.00) nor more than two hundred dollars (\$200.00).

(B) It shall be the duty of the respective district attorneys to prosecute all violations of the provisions of this act.

Section 16. Penalties. Any person shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than five hundred dollars (\$500.00) for each offense, or by imprisonment in the county jail for not more than one year, or by both such fine and imprisonment;

(A) Who shall use any other term than certified public accountant or the abbreviation C.P.A. or who shall use any term other than registered accountant or the abbreviation R.A. to indicate that he is a public accountant with a specially granted title; or

(B) Who shall, when practicing under an assumed name, or as a member of a partnership, other than one which is registered under section 12 as composed of certified public accountants, or as an officer of a corporation, announce, either in writing or by printing, that the assumed name, partnership or corporation is practicing as a certified public accountant or certified public accountants; or

(C) Who shall, as a member of a partnership, announce either in writing or by printing that the partnership is practicing as "registered accountants" unless the partnership is registered as such under section 12; or

(D) Who shall, as an officer of a corporation, permit it to practice as a registered accountant unless it is registered with the board and holds an unrevoked certificate of authority from the board; or

- (E) Who holds himself out to the public as a certified public accountant or who assumes to practice as a certified public accountant unless he has received a certificate as such from the board; or
- (F) Who holds himself out to the public as a registered accountant or who assumes to practice as a registered accountant unless he has received a certificate of authority from the board; or
- (G) Who shall practice as a certified public accountant or as a registered accountant after his certificate has been revoked; or
- (H) Who shall as an individual, or, as a member of a partnership or as an officer or director of a corporation, practice or permit the partnership or corporation to practice as a certified public accountant or as a registered accountant unless a registration card has been secured for the current year; or
- (I) Who shall sell, buy, give or obtain an alleged certificate as a certified public accountant, or a certificate of authority, or a registration card in any other manner than is provided for by this act; or
- (J) Who shall attempt to practice as a certified public accountant or as a registered accountant under guise of a certificate not issued by this board, or under cover of a certificate obtained illegally or fraudulently; or
- (K) Who wilfully shall certify to any false or fraudulent report, certificate, exhibit, schedule or statement; or
- (L) Who shall attempt by any subterfuge to evade the provisions of this act while practicing as a registered accountant; or
- (M) Who shall, as an individual, or as a member of a partnership or as an officer of a corporation, permit to be announced by printed or written statement that any report, certificate, exhibit, schedule or statement has been prepared by or under supervision of a certified public accountant or by or under supervision of a registered accountant when the person who prepared the same was not such certified public accountant or registered accountant.

Section 17. Revocation of certificates and registration cards.

- (A) The board may, on its own motion, make investigation and conduct hearings and may on its own motion or upon complaint in writing, duly signed and verified by the complainant, revoke or suspend for a definite period

any certificate or registration card or officially censure the holder thereof, if it finds that he has violated the provisions of this act or any duly promulgated standard or rule of practice.

- (B) In the case of a corporation or a partnership, it shall be sufficient cause for the revocation or suspension of the certificate or registration card of such partnership or corporation, or for censure of it, if it be found that any officer, director or member thereof has been guilty of such act or omission as would be cause for revoking or suspending a certificate or card to such person as an individual or for censuring him.
- (C) A copy of the complaint shall be served upon the person complained against by personal service or by mailing same to his last known business address and in case the complaint is against a person, who is an officer, director, member or employee of a corporation or partnership, a copy of the complaint shall also be served upon such corporation or partnership. The person so served shall file his answer thereto with the board within twenty days after such service. The board shall thereupon set the matter for hearing as promptly as possible and within thirty days after the date of filing of the answer. Prior to any hearing involving the suspension or revocation of a certificate issued to a registered accountant under section 11 of this Act, the Governor of the State of Colorado shall appoint a person actively engaged in public practice within the State of Colorado as a registered accountant under the provisions of this Act, who shall be present at such hearing and shall exercise the same voting rights and receive the same compensation as the members of said State Board of Accountancy. The defendant and, if there be a complainant other than the board, the complainant may appear at such hearing in person or by attorney or agent.
- (D) No order revoking or suspending a certificate or card or censuring the holder thereof shall be made until after a public hearing or hearings held before the board or any member thereof. Such hearing or hearings shall be held at such places as may be designated by the board. The testimony presented and proceedings had at such hearing shall be taken in shorthand and preserved with the records of the board. The board shall, as soon thereafter as possible, make its findings and determination thereon.

- (E) The action of the board in revoking or suspending a certificate or card or censuring a holder thereof shall be subject to review by a court of competent jurisdiction and should the decision of the board be reversed, all costs shall be paid by said board.
- (F) The display of a card, sign, advertisement, a directory listing, or the issuance of a letterhead bearing the name of an individual, corporation or partnership as a practitioner of public accounting as defined in section 7 shall be prima facie evidence in any hearing or prosecution against such person, that the person whose name is so carried therein is responsible for the same and announcing thereby to practice public accounting. In any hearing or prosecution under this act, the proof of a single act prohibited by law shall be sufficient without proving a general course of conduct.

Section 18. Nothing contained in this act shall be construed to be a revocation or suspension of any certificates heretofore granted by the State Board of Accountancy to various individuals authorizing them to practice as certified public accountants within the State of Colorado; provided, however, that the holders of all such certificates shall enjoy and be subject to all rights, privileges and penalties provided for by law.

Section 19. All acts or parts of acts in conflict herewith are hereby repealed.

Section 20. If any section, subsection, sentence, clause or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. The legislature hereby declares that it would have passed the act and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Section 21. It is hereby declared that this act is necessary for the immediate preservation of the public peace, health and safety.

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