

Board Rules and Rules of Professional Conduct

1CSR1.17.2. Accounting Corporations

a. One or more licensees may organize and become shareholders of an accounting corporation subject to the requirements of this Section.

b. No accounting corporation shall exist or transact business as an accounting corporation without the prior authorization of the Board. An applicant for authorization shall complete an application form, furnish all other documents and information requested by the Board, and pay the fee set forth in Section 18 of this Rule.

c. The Board shall not authorize the organization of an accounting corporation unless, in addition to the other requirements set forth in this Rule, the applicants comply with the following requirements:

1. The sole purpose and business of the corporation shall be to furnish to the public, services not inconsistent with the Act or this Rule: Provided, That the corporation may invest its funds in a manner not incompatible with the practice of public accounting;

2. The principal officer of the corporation and any officer or director having authority over the practice of public accounting by the corporation shall be an individual licensed under W. Va. Code §30-9-1 et seq.;

3. At least one shareholder of the corporation is certified or registered in this state;

4. The accounting corporation is domiciled in this State;

5. A simple majority of the ownership of any accounting corporation is by individuals licensed under W. Va. Code §30-9-1 et seq.;

6. The remaining percentage of ownership may be held by non-licensee owners who are active participants in the accounting corporation;

A. Non-licensee owners are considered active participants in the accounting corporation if they are employed by the accounting corporation for at least 20 hours per week and are otherwise legally authorized to provide compatible professional services.

B. Non-licensee owners shall possess no direct control or have personal supervision of the practice or personnel who act on behalf of the corporation in giving assurance in a report or otherwise.

7. Each resident manager in charge of an office of the corporation in this State and each shareholder or director personally engaged within this State in the practice of public accounting shall be certified or registered in this State; and

8. When not inconsistent with this Section, the organization and procedures of accounting corporations shall conform to the requirements of W.Va. Code §31-1-1, et seq.

d. When the Board determines that an accounting corporation meets the requirements of this Rule and W. Va. Code §30-9-30, the Board shall notify the Secretary of State that a certification of authorization has been issued to the person or persons making application for the accounting corporation.

e. Upon receipt of the certificate of authorization required by subdivision 17.1.d. of this Rule, an accounting corporation shall promptly file in the office of the Secretary of State a certified copy of the certificate of authorization.

f. The person or persons making application for the accounting corporation shall send a copy of the certification of authorization to the Secretary of State's office.

g. An accounting corporation shall not transact business until it has received (i) a certificate of incorporation from the Secretary of State and (ii) filed a certified copy of the certificate of incorporation with the Board.

h. The Secretary of State, upon receipt of a certificate of authorization shall attach the Certificate of Authorization to the corporation's application and, upon compliance with the applicable provisions of chapter thirty of the West Virginia Code, the Secretary of State may issue to the incorporators a certificate of incorporation for the accounting corporation. Once the accounting corporation receives the certificate of incorporation from the Secretary of State's Office it may begin offering professional services to the public.