



Tel: 312-856-9100
Fax: 312-856-1379
www.bdo.com

330 North Wabash, Suite 3200
Chicago, IL 60611

September 30, 2017

Via e-mail: sjolicoeur@aicpa.org

Ms. Suzanne Jolicoeur
Senior Manager
State Regulatory Outreach
AICPA
220 Leigh Farm Road
Durham, North Carolina 27707

Re: Exposure of Proposed Language to Section 14 of the Uniform Accountancy Act to Allow For the Use of Management Accounting Designations

Dear Ms. Jolicoeur,

BDO USA, LLP appreciates the opportunity to provide comments on the proposed new language for the Uniform Accountancy Act (the UAA or Act) that explicitly allows for the use of management accounting designations in both public accounting and in other ways if it meets certain important criteria. We understand that there has recently been disagreement about what may or may not be prohibited under Section 14 of the UAA as it relates to the use of management accounting designations by non-CPAs, including examples such as Chartered Global Management Accountants (CGMA) and Certified Management Accountants, given the provisions in Section 14(g) and 14(h) of the Act, which state:

Section 14(g)

No person or firm not holding a valid certificate, permit or registration issued under Sections 6, 7, or 8 of this Act shall assume or use the title "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant," or any other title or designation likely to be confused with the titles "certified public accountant" or "public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," or similar abbreviation likely to be confused with the abbreviations "CPA" or "PA." The title "Enrolled Agent" or "EA" may only be used by individuals so designated by the Internal Revenue Service.

Section 14(h)

- (1) Non-licensees may not use language in any statement relating to the financial affairs of a person or entity which is conventionally used by licensees in reports on financial statements or any attest service as defined herein. In this regard, the Board shall issue safe harbor language non-licensees may use in connection with such financial information.



Ms. Suzanne Jolicoeur
American Institute of Certified Public Accountants
Page 2 of 3

- (2) No person or firm not holding a valid certificate, permit or registration issued under Sections 6, 7, or 8 of this Act shall assume or use any title or designation that includes the words "accountant," "auditor," or "accounting," in connection with any other language (including the language of a report) that implies that such person or firm holds such a certificate, permit, or registration or has special competence as an accountant or auditor, provided, however, that this subsection does not prohibit any officer, partner, member, manager or employee of any firm or organization from affixing that person's own signature to any statement in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that the person holds therein nor prohibit any act of a public official or employee in the performance of the person's duties as such.

Our specific comments are presented after each of the proposed new subsections within Section 14(q).

Proposed Section (q)(1)

Notwithstanding any other provision of law to the contrary an individual may use an accounting designation that includes the word "management" conferred by a bona fide nationally recognized accounting organization such as the American Institute of CPAs, the Chartered Institute of Management Accountants or the Institute of Management Accountants, provided the designation does not purport to confer the right to perform audit, attest or compilation services as defined by any state or foreign jurisdiction.

We believe the phrase, 'use an accounting designation that includes the word "management"' should be further developed since, as proposed, the wording seems to contradict UAA Section 14(g), which implies that the use of the word 'accountant' in any title may likely to be confused with the titles 'certified public accountant' or 'public accountant.'

Proposed Section (q)(2)

An individual using an accounting designation in accordance with the provisions in Section 14(q)(1), who does not also maintain a license or practice privilege shall not:

- (A) offer or render audit, attest or compilation services for the public, except under the supervision of a licensee operating within a CPA firm that holds a permit issued in this state or another state
- (B) offer or render tax services to the public, while using such a designation, except within a CPA firm that holds a permit issued in this state or another state
- (C) establish, participate in, or promote a business that markets itself by reference to a designation in 14(q)(1) and is not also a CPA firm that holds a permit issued in this state or another state

We believe the provision in subsection (A) is appropriate; however, we recommend revising the phrase 'maintain a license' to 'maintain an active license' to clarify the meaning of the proposed section. We have no comments on subsections (B) or (C).



Ms. Suzanne Jolicoeur
American Institute of Certified Public Accountants
Page 3 of 3

Proposed Section (q)(3)

The Board may take such actions, as authorized in this Act, to prohibit the use of any accounting designation in this State that does not meet the criteria of this section.

We agree with this Proposed Section.

We appreciate your consideration of our comments, and would be pleased to discuss these with you at your convenience. Please direct any questions to Phillip Austin, National Managing Partner - Auditing, at 312-730-1273 (paustin@bdo.com), or Jan Herringer, National Assurance Partner, at 732-734-3010 (jherringer@bdo.com).

Very truly yours,

/s/ BDO USA, LLP

BDO USA, LLP