

ancy consisting of five members. Each member of the Board shall be a person skilled in the knowledge and practice of accountancy, a college graduate in accounting if any be available, a citizen of the United States and a resident of the Territory of Alaska for at least two years prior to date of appointment. Two members of the Board shall be persons who are now practicing Public Accounting in Alaska and who are Certified Public Accountants under the laws of Alaska. The remaining three members shall be persons who are not now certified as Certified Public Accountants but who are eligible for licensing as public accountants hereunder.

**Membership
on Board.**

Section 3. APPOINTMENTS TO BOARD: TERMS OF OFFICE: VACANCIES: The first five members of the Board shall be appointed by the Governor of Alaska within one month after the date on which this Act becomes effective. Of the members so appointed, two shall hold office for the period of six years from and after April 1, 1949, two for four years after said date, and one for two years after said date, and until their successors shall have been appointed and qualified. Each second year the Governor, with the advice and consent of the Legislature shall appoint one or two members whichever the case may be for a term of six years and until his successor shall have been appointed.

Vacancies.

A vacancy on the Board shall be filled by the Governor by appointment for the unexpired term.

Organization.

Section 4. ORGANIZATION OF BOARD: BOND OF OFFICERS: PAY AND PER DIEM OF MEMBERS: MEETINGS OF BOARD: RECORD AND REPORT. The Board shall meet and organize during the third week of May following the effective date of this Act. During said meeting the Board shall elect one of its members President, one Secretary, and one Treasurer. Thereafter the Board shall meet for a period not to exceed one week each year. The President of the Board shall set the time

and place for such meeting. However, during the time the Legislature shall be in session the Board shall hold its annual meeting in Juneau. The members of the Board shall serve without pay, but will be given per diem for the time actually away from their place of residence, and the travel expenses shall be paid to the members who have to travel to get to the place of meeting. The Secretary and the Treasurer of the Board shall give bond to the Territory in such sum and with such sureties as the Board shall direct, which bond shall be executed in duplicate, one for filing with the Board, and the other with the Territorial Treasurer. The Board shall keep a record of all its proceedings and shall report annually to the Governor. Each biennium the officers of the Board shall cause to be printed and bound a report and register containing the activities and budget of the Board and the register shall contain the names of all persons doing business as public accountants within the Territory, such report and register to be given to the members of the Legislature.

Bond required.

Biennial report.

Section 5. LICENSE FEE. An annual license fee of fifty dollars (\$50.00) shall be paid to the Treasurer of the Board by each practicing Certified Public Accountant, and an annual license fee of twenty-five dollars (\$25.00) shall be paid to the Treasurer of the Board by each practicing non-certified Public Accountant and failure to make payment of this license fee on or before the last day of February each year shall be sufficient reason to cancel the delinquent holder's certificate. The Treasurer of the Board shall issue suitable receipts to the payers of such fees. All fees collected under this Act shall be deposited with the Territorial Treasurer to be covered into a special fund to be known as the Territorial Accountancy Fund.

Annual license fee.

Section 6. PUBLIC ACCOUNTANT, DEFINITION. A person shall be deemed to be in practice as a public accountant, within the meaning and intent of this Act:

Public accountant defined.

(1) 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 public accountant for compensation; or

(2) Who maintains an office for the transaction of business as a public accountant, or who, except as an employee of a public accountant, practices accounting, as distinguished from bookkeeping, for more than one employer; or

(3) 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

(4) 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 purpose; or

(5) 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.

(6) 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 (1) to (5) of this Section, shall be deemed to be in practice as a public accountant.

(7) Nothing contained in this Act shall prevent the employment by a certified public accountant, or by a pub-

lic Accountant, or by a firm or corporation, furnishing public accounting services as principal, of persons to serve as accountants in various capacities, as needed; provided, that such persons work under the control and supervision of certified public accountants or accountants with certificates of authority as hereinafter provided, that such employees shall not issue any statements or reports over their own names except such office reports to their employer as are customary and that such employees are not in any manner held out to the public as public accountants as described in this Act.

(8) 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, and preparing audits or reports, provided such audits or reports are not used or issued by the employers as having been prepared by a public accountant.

Section 7. CERTIFICATES TO NON-CERTIFIED PUBLIC ACCOUNTANTS.

(1) The Board shall issue a certificate of authority to practice as a public accountant to each individual who applies before July 1, 1949, who presents evidence of good moral character satisfactory to the Board, and (a) Who furnishes satisfactory evidence he was maintaining an office in the Territory for the practice of public accounting on his own account at the date of the effective date of this Act; or (b) Who can prove to the Board that he is a graduate of a recognized institution of higher learning with a major in accounting.

Requirements
for public
accountants.

(2) The Board shall issue certificates of authority to practice as a public accountant to other persons after July 1, 1949, who present evidence of good moral character satisfactory to the Board and, (a) Who can prove to the Board that he is a high school graduate, a citizen

Certificates after
examination.

of the United States, a resident of the Territory for not less than one year prior to date of application, twenty-two years of age or older, and who can pass an examination in the science of accounting as prescribed by the Board.

Scope of
examination.

(3) Persons applying for admittance to practice under subsection (2) above will be given an examination by the Board at times and places to be fixed by the Board. In no case shall this examination be as intensive or as extensive as the examination given to persons applying for certificates as Certified Public Accountants. Examinations given by the Board shall be graded by at least three members of the Board. To pass this examination the applicant must obtain a grade of seventy-five percent (75%) or better. The Board shall notify the applicant within three weeks of the date the examination was taken of the result thereof. If the applicant passes the examination and upon payment of the license fee as provided in Section 5 of this Act he shall be given a certificate and registration card and shall be authorized on receipt thereof to commence practice.

Grade required.

Accountant
Licensed
certificates.

(4) Persons who are admitted to practice as public accountants under subsection (1) or (2) of this Section shall be given a certificate "Licensed Accountant". Such persons shall be authorized to use the title, "Licensed Accountant" and shall be authorized to use a seal as prescribed by the Board. If the person so desires and upon payment of ten dollars (\$10.00) the Board shall issue to such person a certificate with the person's name engraved thereon stating that he has a certificate "Licensed Accountant". This certificate shall be signed by the President and Secretary of the Board, with the Seal of said Board affixed thereto.

Practice by
non-residents.

(5) Persons or firms not resident in the Territory of Alaska as required hereunder who desire to practice accountancy as defined herein within Alaska, either as

a "Licensed Accountant" or as a "Certified Public Accountant", shall submit evidence satisfactory to the Board that such person or firm is duly licensed in a state or territory of the United States and shall further submit evidence of qualifications satisfactory to the Board, and upon receipt of an annual license fee of Two Hundred and Fifty Dollars (\$250.00) the Board shall issue a "Non-Resident Accountant's License".

Section 8. DISCLOSURE OF INTEREST IN CORPORATION REPORTED ON.

(1) A certificate of an accountant must disclose interest in corporation reported on:

(a) Whenever any person shall, as a certified public accountant, or public 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.

Statement of
interest in
corporation.

(b) 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.

Section 9. 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 for each offense:

**Penalties and
what constitutes
violations.**

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

(2) Who shall, when practicing under an assumed name, or as a member of a partnership, other than one which is registered 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

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

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

(5) 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

(6) Who holds himself out to the public as a public accountant or who assumes to practice as a public accountant unless he has received a certificate of authority from the Board; or

(7) Who shall practice as a certified public accountant or as a public accountant after his certificate has been revoked; or

(8) 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 public accountant unless a registration card has been secured for the current year; or

(9) Who shall sell, buy, or 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

(10) Who shall attempt to practice as a certified public accountant or as a public accountant under guise of a certificate not issued by this Board, or under cover of a certificate obtained illegally or fraudulently; or

(11) Who shall certify to any false or fraudulent report, certificate, exhibit, schedule or statement; or

(12) Who shall attempt by any subterfuge to evade the provisions of this Act while practicing as a public accountant; or

(13) 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 public accountant when the person who prepared the same was not such certified public accountant or public accountant; or

(14) Who shall violate any of the provisions of this Act or rules or regulations promulgated thereunder.

Section 10. REQUIREMENT TO SHOW BOND. All persons authorized to practice as Certified or non-Certi-

**Bond require-
ments.**

fied Public Accountants shall produce and give bond to the Board, in such sum and with such sureties as the Board shall deem proper and necessary, and proceeds realized from forfeiture of such bond, are to be apportioned to the aggrieved clients of the accountant as their financial interests may appear.

Repeals.

Section 11. REPEALING SECTION. Sections 35-2-1, 35-2-2, 35-2-3, 35-2-7, 35-2-10 and 35-2-11 ACLA 1949 are hereby repealed.

Savings clause.

Section 12. SAVINGS CLAUSE. Rules, regulations and standards pertaining to Certified Public Accountants promulgated by the old Board of Accountancy are to remain in effect except as hereafter modified or amended by the new Board, and existing provisions of law applicable to the Board of Accountancy and accountants which are not repealed by this Act shall be applicable hereunder.

**Severability
clause.**

Section 13. SEVERABILITY CLAUSE. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the remainder of the Act and such application to other persons or circumstances shall not be affected thereby.

Effective date.

Section 14. EFFECTIVE DATE. This Act shall be in full force and effect as of April 1, 1949 following its passage and approval.

Approved March 24, 1949.