



July 1, 1964

Mr. E. H. Berry, President
Missouri State Board of Accountancy
217 State Capitol
P. O. Box 613
Jefferson City, Missouri 65102

Dear Mr. Berry:

Your letter of March 20, 1964, inquires whether employees of accounting firms, working as certified public accountants but not partners should be required to obtain annual permits to practice accountancy.

Section 326.210, RSMo 1959, requires an annual permit as a prerequisite to practicing public accountancy in this state during the applicable year. Thus, if anyone is practicing public accountancy within the meaning of our statutes, he must obtain an annual permit.

As to who is deemed to be practicing public accountancy, Section 326.010, RSMo 1959, states:

"A person shall be deemed to be in practice as a public accountant, within the meaning and intent of this chapter:

"(1) Who holds himself out to the public, in any manner, as one who is 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

"(3) Who offers to prospective clients to perform for compensation, or who does perform in 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 are to be exhibited to or circulated among third persons for any purpose;"

An exception is made in the cases of persons "who may be employed by one or more persons, firms or corporations for the purpose of keeping books, making trial balances or statements or preparing reports, provided such reports are not used or issued by the employer or employers as having been prepared by a public accountant".

No exception is made in the case of an employee of an accounting firm issuing reports which are represented as having been prepared by public accountants.

Further, Section 326.030 provides that no person shall represent himself as, permit himself to be styled or known as, or use or assume the title of a certified public accountant or of a public accountant, nor add or suffix, nor permit the addition or suffixing to his name or business appellation the initials CPA or any such designation or any letters, initials or words indicating or giving reasonable ground to understand that he is a certified public accountant or public accountant, unless such person is properly registered.

It follows that unless a given employee comes within the above exception, he is required to pay the annual fee and obtain the annual permit if he does any of the acts enumerated in Section 326.010 as constituting the practice of public accountancy or if

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he represents himself or permits himself to be represented as contemplated by Section 326.030. In short, a person does not become exempt from the operation of Chapter 326 simply by accepting employment in an accounting firm.

Very truly yours,

THOMAS F. EAGLETON
Attorney General

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