CHAPTER 3 – DEFINITION OF TERMS

001 As used herein, unless the context otherwise requires:

001.01 "Act" shall mean the Public Accountancy Act, Chapter 1, Article 1, Reissue Revised Statutes, Nebraska.

001.02 "Attest, "Attesting," and "Attestation," when used with reference to financial information or the practice of public accountancy, mean to issue, or the issuance of, opinions, reports or other forms of language which express a conclusion as to the reliability of any financial information when such opinions, reports, or other forms of language are accompanied by or include any name, title, or wording that indicates that the person or firm issuing them is an accountant or auditor or has expert knowledge in accounting or auditing. "Attest," "attesting," and "attestation" include forms of language which disclaim an audit opinion when such forms of language are conventionally understood to imply any positive assurance as to the reliability of the financial information referenced and to the expertise of the person or firm uttering such language or to any other forms of language which are conventionally understood to imply such assurance or such expertise.

001.03 "Board" means the Nebraska Board of Public Accountancy established under Section 1-107 of the Act.

001.04 "Certificate" means the certificate of "certified public accountant" issued pursuant to Section 1-114 of the Act or corresponding provisions of prior law, or a corresponding certificate issued under the law of any other state, which signifies having met the educational requirements, the successful completion of the Uniform CPA Examination, and an examination in professional ethics.

001.05 "Client" shall mean any person or entity who retains a permit holder for the performance of professional services.

001.06 "Financial statements" shall mean presentation of financial data, including accompanying notes, derived from accounting records and intended to communicate an entity's economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a comprehensive basis of accounting. Financial statements include, but are not limited to, balance sheets, statements of income, statements of retained earnings, statements of cash flows, statements of changes in owner's equity, statements of assets and liabilities that do not include owners' equity accounts, statements of revenue and expenses, statements of cash receipts and disbursements, summary of operations and statements of operations by product lines. Financial statements may be prepared on either a historical or prospective basis. For purposes hereof, incidental financial data included in management advisory services reports to support recommendations to a client, and tax returns and supporting schedules do not constitute financial statements. The statement, affidavit, or signature of preparers required on tax returns neither constitutes an opinion on financial statements nor requires a disclaimer of such opinion.

001.07 "Firm" shall mean a proprietorship, partnership, Limited Liability Company, or Professional Corporation ~~or association~~ engaged in the practice of public accounting.

001.08 "He," "his," and "him" mean, where applicable, the corresponding feminine and neutral pronouns also.

001.09 "Holding out to the public as a permit holder" As that term is used in these rules and in the definition of the practice of public accountancy, it means any representation that a person holds a permit to practice made in connection with an offer to perform or the performance of services to the public. Any such representation is presumed to invite the public to rely upon the professional skills implied by the permit in connection with services offered to be ~~preformed~~ performed. For purposes of this definition and these rules, a representation shall be deemed to include any oral, electronic, or written communication conveying that a licensee holds a permit, including the use of titles or legends displayed in letterheads, business cards, office doors, advertisements, websites or other electronic means, and all other listings. Holding out to the public does not include:

00l.09A the display of the original of a certificate, unless a currently valid permit to practice is also displayed; or

00l.09B any representation by a faculty member in an educational institution that such faculty member holds a certificate or permit, when the purposes of such representation reasonably relates to his functioning in the capacity of faculty member; or

00l.09C any representation in a book, article, or other publication or in any promotional advertising for such book, article or other publication that the author holds a certificate or permit, provided that such book, article, or other publication does not offer the performance of services or the sale
of any products (other than the book, article, or publication itself) of any kind.

01.10 "Home office" is the location specified by the client as the address where the attestation service is directed.

01.~~10~~11 "In good standing" shall mean that a certificate holder possesses a certificate which is considered by the appropriate licensing agency to be current in payment of fees and unrevoked at the time of application for a license or at the time of renewal.

001.~~11~~12 "Interpretations of the Rules of Professional Conduct" shall mean pronouncements issued by the Board to provide guidelines as to the scope and application of the Rules of Professional Conduct.

001.~~12~~13 "Issuer" shall mean individuals, partnerships, professional corporations ~~or associations~~, Limited Liability Companies, or other such entities.

00l.~~13~~14 "Licensee" shall mean the holder of a CPA certificate, active permit, or inactive registration issued by the Board.

001.~~14~~15 "Office" shall mean each place of business of a practice unit which constitutes a separate geographical location where the practice unit engages in the practice of public accountancy.

001.~~15~~16 "Permit holder" or "holder of a permit" shall mean any person or firm holding a permit to practice public accountancy ~~either as a public accountant or~~ as a certified public accountant in the State of Nebraska.

001.~~16~~17 "Permit to practice" means the license issued under the Sections of the Public Accountancy Act, to either a person or a firm.

001.~~17~~18 "Practice of public accountancy" shall mean the performance or offering to perform by a person holding himself out to the public as a permit holder, for a client or potential client, of one or more kinds of services involving:

00l.~~17~~18A the use of accounting or auditing skills, including the issuance of reports on financial statements which state or imply any level of assurance as to the reliability of any financial statements associated with such assurances;

00l.~~l7~~18B management, advisory, financial, or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

001.~~18~~19 "Practice privilege" shall mean privilege of a certified public accountant licensed in another state to practice public accountancy or hold out as a certified public accountant in Nebraska in accordance with Section 1-123 of the Act.

00l.~~18~~20 "Practice unit" shall mean all Certified Public Accountants ~~or Public Accountants~~ practicing public accountancy in Nebraska as a sole proprietor, or in a partnership or professional corporations or Limited Liability Company ~~associations~~ and in whose name financial reports are issued. Certified Public Accountants ~~or Public Accountants~~ not in full-time public practice, but who provide accounting services to the public on a part-time basis, are included in this definition.

00l.~~19~~21 "Principal place of business" means the office location designated by the practice privilege CPA licensee as his primary location for the practice of public accountancy.

001.~~20~~22 "Professional services" means any services performed or offered to be performed by a permit-holder for a client in the course of the practice of public accountancy.

001.~~21~~23 "Report" shall mean ~~financial statements and~~ the practice unit~~s~~'s accompanying cover letter of financial statements that are prepared ~~thereon prepared~~ in accordance with current professional technical standards. ~~issued by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, and the Government Accounting Standards Board.~~

001.~~22~~24 "State" means any state, territory or insular possession of the United States, or the District of Columbia~~;~~ except that "this State" means the State of Nebraska.

Applicable Laws
Statutory Authority: Section 1-108, R.R.S. 1943