
FIRM REGISTRATION, FIRM OR PROFESSIONAL NAMES & FIRM OWNERSHIP FAQ_s

The Board has observed that certain firms are not properly registered with the Board; are using firm names that do not comply with Kansas law; or may have an ownership structure that does not comply with Kansas law.

FIRM REGISTRATION, FIRM OR PROFESSIONAL NAMES & FIRM OWNERSHIP FAQS

A firm is defined in [K.S.A. 1-321\(k\)](#) as:

(1) An individual who operates as a sole practitioner and who issues reports subject to Peer Review; or

(2) Any business organization including, but not limited to, a general partnership, limited liability partnership, general corporation, professional corporation or limited liability company.

Following are FAQs concerning firms:

MUST I REGISTER MY FIRM?

a. A firm with an office in Kansas or that performs or offers to perform attest services for a client in Kansas must register with the Board. CPA firms that neither have an office in Kansas nor perform or offer to perform attest services for a Kansas client (attest services are defined in [K.S.A. 1-321\(d\)](#)) are not required to register with the Board, provided that the firm otherwise qualifies for exemption from registration pursuant to [K.S.A. 1-308\(c\)](#).

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b. An individual functioning as a sole practitioner that issues reports subject to peer review, is a firm and must register as such with the Board if he or she has an office in Kansas, performs or offers to perform attest services for a Kansas client or is not otherwise exempt from registration pursuant to [K.S.A. 1-308\(c\)](#).

MUST I REGISTER MY FIRM?

c. A CPA who owns an entity through which he or she provides services to the public as a CPA, i.e. an LLP, LLC, general corporation, professional corporation (association) or partnership, must register that firm with the Board as required by [K.S.A. 1-308](#), regardless of whether or not the entity name includes the CPA's name, or constitutes a fictitious name. Before registering with the Secretary of State, a firm should first register with the Board of Accountancy to ensure that the name of the firm complies with state law.

MUST I REGISTER MY FIRM?

d. A fictitious firm or professional name is a name that contains anything other than the name or names of one or more present or former owners, partners, members, or shareholders. For instance, “Smith Accounting” is considered to be a fictitious professional name, and as such, should be registered with the Board. Likewise, “Smith Accounting, LLC” is considered to be a fictitious firm name, and as such, should be registered with the Board.



HOW OFTEN DO I RENEW MY FIRM REGISTRATION?

Annually by December 31.





ARE THERE ANY RESTRICTIONS ON THE CONTENT AND USE OF A FIRM/PROFESSIONAL NAME?

Yes. A CPA is not permitted to practice certified public accountancy utilizing or advertising a firm or professional name that is misleading as to the legal form of the firm, the persons who are partners, officers, members, managers or shareholders of the firm or any other matter. See [K.S.A. 1-316](#). Although the Board permits the use of fictitious firm or professional names, the content and use of such names are subject to limitations as further described in [K.S.A. 1-316](#) and [K.A.R. 74-5-406](#). Without limitation, a firm name may not contain the name of an individual who is neither a present nor a former partner, member, or shareholder of the firm or its predecessor.



ARE NON-CPAS ALLOWED TO HAVE AN OWNERSHIP IN THE FIRM?

Kansas law permits ownership of a firm by a non-CPA, provided that the ownership structure of the firm complies with [K.S.A. 1-308](#), including without limitation, the following requirements:

1. The majority of the firm ownership in terms of equity capital and voting rights must be held by holders of valid licenses to practice as a CPA in some state.



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2. Non-CPAs holding firm ownership must be of good moral character and must be natural persons actively participating in the business of the firm, or actively participating in the business of entities, such as partnerships, corporations or other business associations, that are affiliated with the firm.



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3. Non-CPAs may not have their name in the firm name.

FOR MORE INFORMATION

If you still have concerns on firm registration, firm names and firm ownership, please contact the Board office.



Phone: 785-296-2162

Email: ksboa@ks.gov

Web: www.ksboa.org

<http://www.ksboa.org/contactus.htm>