

MOBILITY GUIDELINE IN NEBRASKA

The purpose of this guideline is to assist out of state CPA firms to determine if licensure is required under mobility while conducting an attest engagement in Nebraska.

Nebraska uses the "client named business" - for example: if a non-Nebraska company owns businesses in several states but they specifically request that the Alliance NEBRASKA business (branch) be audited, then yes Nebraska licensure required, as well as, the CPA.

Important definitions in the Public Accountancy Act and Board regulations:

PAA Section 1-122 (4) Any person who exercises the practice privilege afforded under this section and who, for any entity with its home office in this state, performs attestation services, may only do so through a firm or an affiliated entity which holds a permit issued under section 1-136.

Rule Chapter 3.001.10 "Home office" is the location specified by the client as the address where the attestation service is directed.

Some states will only require the firm to be licensed in the business's "home" (office) state - even though you may have to audit a branch office in another state. Nebraska might require your firm to be licensed and a CPA partner if the firm is conducting an attest engagement in Nebraska.

Example #1 HUD audits: the company based in Michigan owns a nursing home in McCook NE and they specifically want that individual home audited. The CPA firm and a CPA within the firm must be licensed in NE since the attest work is directed to the home in Nebraska.

Example #2: If the parent company is out of state, and they request an audit of the company pension plan and one branch is in Nebraska, licensure is not required because the attest work is being completed for the parent company and not directed to the branch in Nebraska - not an audit of the entity in Nebraska but an audit for the entire pension plan based in another state.

Often times government audits are more complicated for licensure. Per PAA 1-125.01 (3) If the entity is also governed by an agency that requires "in state" licensure, the firm must be licensed. for example: The NE Public Service Commission requires - in their law/rules - that the auditor of grain elevators must be a Nebraska licensed CPA even though the business and the CPA firm are based or licensed in another state.

NE Banking and Finance regularly checks to determine if the person is licensed in NE (doing bank audits) because their law/rules require NE licensed CPAs.

If you determine your CPA firm requires licensure and/or you need further clarification, do not hesitate to contact the Board office at (402) 471-3595 or at Jo.Lowe@Nebraska.gov.