

**CHAPTER 29****NEW JERSEY STATE BOARD OF ACCOUNTANCY****Authority**

N.J.S.A. 45:2B-6(g) and 45:2B-17.

**Source and Effective Date**

R.1995 d.268, effective May 1, 1995.  
See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 29, New Jersey State Board of Accountancy, expires May 1, 2000.

**Chapter Historical Note**

Chapter 29, New Jersey State Board of Accountancy, was originally filed and became effective prior to September 1, 1969. Pursuant to Executive Order No. 66 (1978), Chapter 29 was readopted as R.1990 d.318, effective May 23, 1990. See: 22 N.J.R. 1042(a), 22 N.J.R. 1940(d). Chapter 29 was readopted as R.1995 d.268, effective May 1, 1995. See: Source and Effective Date.

See subchapter and section annotations for specific rulemaking activity.

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**SUBCHAPTER 1. GENERAL RULES AND REGULATIONS****Subchapter Historical Note**

All provisions of this subchapter were filed and became effective prior to September 1, 1969. Amendments were filed and became effective July 21, 1978 as R.1978 d.243. See: 10 N.J.R. 165(b), 10 N.J.R. 352(c). Further amendments were filed and became effective November 15, 1982 as R.1982 d.405. See: 14 N.J.R. 749(b), 14 N.J.R. 1309(a). Further amendments were filed and became effective June 20, 1983 as R.1983 d.211. See: 14 N.J.R. 1279(a), 15 N.J.R. 1035(c). Further amendments became effective June 29, 1984 as R.1984 d.311. See: 16 N.J.R. 1025(a), 16 N.J.R. 2003(b). This subchapter expired July 21, 1983 and a new subchapter was adopted pursuant to Executive Order No. 66(1978) as R.1985 d.287. See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a). See chapter and section levels for further amendments.

**13:29-1.1 Establishing name of Board**

The Board shall be known as the New Jersey State Board of Accountancy, and shall maintain an office in the State of New Jersey for the regular transaction of its business.

New Rule, R.1985 d.287, effective June 3, 1985.  
See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

### 13:29-1.2 Meetings

(a) The Board shall hold an annual meeting, in each year, in the month of April for the purpose of electing officers, from among its members, each for the term of one year, or until a qualified successor has been duly elected.

(b) Regular monthly meetings will be held in accordance with a published schedule of meetings. Special meetings may be held at the request of any Board member.

New Rule, R.1985 d.287, effective June 3, 1985.  
See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

### 13:29-1.3 Applications; applicant qualifications

(a) Application forms for original examination, reexamination and for a certificate by endorsement will be furnished by the Board upon request.

(b) Applications for examination shall be received by the office of the Executive Secretary of the Board on or before February 1 for the May examinations, and on or before August 1 for the November examinations.

(c) Every applicant who becomes eligible to sit for the examinations, or has met the requirements for a certificate, and is eligible to receive a certificate, shall be a bona fide resident of the State of New Jersey, or shall maintain an office for the practice of public accounting in the State of New Jersey, or shall be in the employ of a Certified Public Accountant, or firm of Certified Public Accountants, having an established office and performing services within the State of New Jersey. Such eligibility shall continue until the certificate is issued. For purposes of eligibility, a mailing address or telephone number is not sufficient to show that an office is maintained for the practice of public accounting.

(d) Applicants shall appear upon request before the Board or any Committee appointed by the Board for the purpose of determining qualifications for licensure.

(e) Any applicant who is reexamined in any subject shall qualify under the rules in effect at the time the supplemental application is filed.

(f) An applicant who obtains a baccalaureate degree before June 30, 2000 shall successfully pass the examination by June 30, 2005 in order to qualify for licensure based on the educational requirements in effect prior to July 1, 2000. If the applicant has not passed all parts of the examination by June 30, 2005, the applicant shall forfeit all conditional credits earned pursuant to N.J.A.C. 13:29-1.7, and shall satisfy the 150-hour educational requirement set forth in N.J.A.C. 13:29-1.6(b) prior to sitting for the next examination.

New Rule, R.1985 d.287, effective June 3, 1985.  
See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).  
Amended by R.1996 d.537, effective November 18, 1996.  
See: 28 N.J.R. 3888(a), 28 N.J.R. 4890(a).  
Amended by R.1997 d.232, effective June 2, 1997.  
See: 29 N.J.R. 837(a), 29 N.J.R. 2563(b).

Added (f).  
Amended by R.2000 d.80, effective March 6, 2000.  
See: 31 N.J.R. 2443(a), 32 N.J.R. 813(a).  
In (f), deleted "and first sits for the four-part examination" following "degree" in the first sentence.

### 13:29-1.4 Notification of change of address; service of process

(a) A licensee of the Board of Accountancy shall notify the Board in writing of any change of address from that currently registered with the Board and shown on the most recently issued license. Such notice shall be sent to the Board by certified mail, return receipt requested, not later than 30 days following the change of address.

(b) Failure to notify the Board of any change of address pursuant to (a) above may result in disciplinary action in accordance with N.J.S.A. 45:1-21(h), including, but not limited to, a civil penalty of \$200.00.

(c) Service of any administrative complaint or other Board-initiated process at a licensee's address currently on file with the Board shall be deemed adequate notice for the purposes of N.J.A.C. 1:1-7.1 and commencement of any disciplinary proceedings.

Repealed by R.1985 d.287, effective June 3, 1985.  
See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).  
New Rule, R.1985 d.695, effective January 21, 1986.  
See: 17 N.J.R. 1639(a), 18 N.J.R. 204(a).  
Repeal and New Rule, R.1990 d.373, effective August 6, 1990.  
See: 22 N.J.R. 1438(a), 22 N.J.R. 2331(a).

### 13:29-1.5 Filing constitutes agreement

The act of filing an application for examination, or a certificate by endorsement, shall constitute an agreement on the part of the applicant that he will observe and conform to the requirements of this chapter.

New Rule, R.1985 d.287, effective June 3, 1985.  
See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

### 13:29-1.6 Applications for original examination

(a) Applications for original examination shall be accompanied by the following items:

1. Photograph, two-inch by two-inch in size, bust picture, front view, without a hat, taken within 30 days prior to filing an application;
2. An evaluation of educational credentials from CPA Examination Services, New York, New York, certifying that applicant possesses a baccalaureate degree, or its equivalent based upon a curriculum which shall include:

i. A minimum of 60 semester hours selected from courses in English, history, foreign languages, mathematics, general psychology, philosophy, biological sciences, physical sciences, economics, sociology, religion, government, political science, geography, fine arts and music; and

ii. A minimum of 60 semester hours in professional courses including: at least 24 semester hours in accounting including municipal and government accounting; at least six semester hours in business law, at least six semester hours in finance, at least six semester hours in economics; and at least 18 semester hours in related business subjects.

(b) Each applicant for original examination shall present satisfactory proof that after July 1, 2000, the applicant has completed at least 150 credit hours of education, including a baccalaureate or higher degree, subject to the provisions of N.J.A.C. 13:29-1.3(f). An applicant shall satisfy the educational requirement if, as part of the 150 semester hours of education, the applicant has met any one of the following four conditions:

1. Earned a graduate degree with a concentration in accounting from an accounting program or department which has been granted level three accreditation by the American Assembly of Collegiate Schools of Business (AACSB), the Association of Collegiate Business Schools and Programs (ACBSP), or any other national accreditation agency recognized by the Board;

2. Earned a graduate degree from a business school or college of business which has been granted level two accreditation by the AACSB, ACBSP or any other national accreditation agency recognized by the Board, and completed either (b)2i or ii below. An applicant may complete an equivalent combination of undergraduate and graduate level coursework based upon a 3:2 ratio such that three credit hours at the undergraduate level are equivalent to two credit hours at the graduate level.

i. At least 24 semester hours in accounting at the undergraduate level; or

ii. At least 15 semester hours in accounting at the graduate level which included coursework in financial accounting, auditing, taxation and management accounting;

3. Earned a baccalaureate degree from a business school or college of business which has been granted level two accreditation by AACSB, ACBSP or any other national accreditation agency recognized by the Board, and completed the following:

i. At least 24 semester hours in accounting at the undergraduate level or the graduate level, which included coursework in financial accounting, auditing, taxation and management accounting; and

ii. At least 24 semester hours in business courses (other than accounting courses) at the undergraduate level;

4. Earned a baccalaureate or higher degree from an educational institution which has been granted level one accreditation from the Middle States Association, Commission on Higher Education or any other regional accrediting agency recognized by the Board. The applicant shall complete the following:

i. At least 30 semester hours in accounting, which included coursework in financial accounting, auditing, taxation and management accounting; and

ii. At least 24 semester hours in business courses (other than accounting courses) at the undergraduate or graduate level.

(c) An applicant for examination for the Certified Public Accountant's certificate who meets the requirements of (a) above to the Board's satisfaction shall be granted admission to sit for the examination in financial accounting and reporting business enterprises (previously theory of accounts); accounting and reporting-taxation, managerial, and governmental and not for profit organizations (previously accounting practice); business law and professional responsibilities (previously commercial law); and auditing.

(d) An applicant who has passed all parts of the examination shall furnish evidence of two years' diversified experience in public accounting in the office of a Certified Public Accountant, or Public Accountant, or firm of which one member is a Certified Public Accountant, or Public Accountant. Experience shall be obtained in full-time regular employment based on a seven-hour day and a five-day work week. Part time experience will be considered equivalent if acquired within four consecutive years and in no less than the same amount of hours required for full time experience. Twenty-five percent of full or part time experience must be acquired in the area of Audit, Review and Compilation. Such evidence shall take the form of a notarized affidavit on the employer's letterhead indicating in detail the nature of the diversified experience in public accounting.

(e) In lieu of the experience required in (d) above, the Board may accept four years or more experience obtained as an Internal Revenue agent employed in the Field Division of the Internal Revenue Service, in a classification grade level acceptable to the Board. Any part of a period of experience obtained in the employment of a Certified Public Accountant or Public Accountant may be considered as part of the four years' experience with the Internal Revenue Service.

(f) In lieu of the experience in (d) above the Board may accept four years of experience in a comparable accounting activity which shall include no less than 12 months in the areas of auditing and accounting.

(g) In lieu of the experience required in (d) above, the Board may accept four years' or more accounting experience obtained in the employment of some state or any political subdivision of the United States.

(h) The Board may accept service in the Armed Forces of the United States for experience credit on the basis of one month's credit for each six months' service with a maximum credit of eight months.

(i) The Board may, in its discretion, evaluate any and all accounting and auditing experience obtained by any applicant and give appropriate credit for said experience toward the experience required in this section.

Amended by R.1978 d.243, effective July 21, 1978.

See: 10 N.J.R. 165(b), 10 N.J.R. 352(c).

Amended by R.1982 d.405, effective November 15, 1982.

See: 14 N.J.R. 749(b), 14 N.J.R. 1309(a).

Eliminated requirement that evidence of good moral character be furnished by three persons.

Also deleted old (c)-(g).

New Rule, R.1985 d.287, effective June 3, 1985.

See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

Prior rule expired on July 21, 1983, pursuant to Executive Order No. 66(1978).

Amended by R.1994 d.316, effective June 20, 1994.

See: 26 N.J.R. 1217(a), 26 N.J.R. 2589(a).

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

In (c), extended the provision to public accountants, allowed the consideration of part time experience, and entered the twenty five percent provision; and in (e), allowed the Board to accept comparable experience.

Amended by R.1996 d.537, effective November 18, 1996.

See: 28 N.J.R. 3888(a), 28 N.J.R. 4890(a).

Amended by R.1997 d.232, effective June 2, 1997.

See: 29 N.J.R. 837(a), 29 N.J.R. 2563(b).

Inserted new (b) and recodified existing (b) through (h) as (c) through (i).

### 13:29-1.7 Applications for reexamination; conditional credit

(a) Applications for reexamination shall be allowed as follows in (b) below, and all fees shall be paid by check or money order.

(b) Rules on conditional credit are as follows:

1. A candidate who takes the examination for the first time shall be required to take all four sections. On reexamination, the candidate shall be required to take all sections for which he or she has not received conditional credit pursuant to (b)2 below.

2. The candidate who receives a passing grade of 75 or more in at least two of the four sections shall be granted conditional credit provided that the candidate also attains an average grade of 50 on those section(s) not passed.

3. To add to conditional credit pursuant to (b)2 above, the candidate shall attain a grade of 75 or more in the section(s) passed and a grade of 50 on the section not passed.

4. A candidate who received conditional credit for accounting practice alone prior to 1994 shall be granted conditional credit for passing an additional section provided that the candidate also attains an average score of 50 on the two remaining sections not passed.

5. In the event that a candidate fails to successfully complete the examination during the 10 examinations immediately following the first examination at which conditional credit was earned, the candidate shall forfeit all conditional credit, shall revert to the status of a new applicant, and shall be required to take all four sections of the examination.

6. The Board may, in the exercise of its discretion and under extenuating circumstances, extend the period within which conditional credits shall continue to be valid.

7. Conditional credits granted by other jurisdictions may, upon proper application to the Board, be considered for transfer. Credits determined under the laws and regulations of the issuing jurisdiction may be recognized by the Board provided the issuing jurisdiction's requirements, at a minimum, are equivalent to the requirements set forth in this rule. Conditional credits shall not be recognized unless such credits were obtained in a manner consistent with the provisions of (b)1, 2 and 3 above. In all cases, the duration of recognized conditional credit shall not be continued beyond the period determined by the rules of the Board.

Amended by R.1983 d.211, effective June 20, 1983.

See: 14 N.J.R. 1279(a), 15 N.J.R. 1035(c).

In (b), deleted old 1.-9. and added 1.-9.

Readopted by R.1984 d.311, filed June 29, 1984.

See: 16 N.J.R. 1025(a), 16 N.J.R. 2003(b).

Repeal and New Rule, R.1987 d.262, effective July 6, 1987.

See: 19 N.J.R. 48(b), 19 N.J.R. 1227(a).

Amended by R.1991 d.310, effective June 17, 1991.

See: 23 N.J.R. 1060(a), 23 N.J.R. 1959(a).

Added "of 75 or more"; deleted "provided the candidate attains an average grade of 50 for the subjects failed. This minimum grade requirement is waived if three subjects are passed at a single sitting." in (b)2.

Deleted "and an average grade in all subjects not passed. While an average grade of less than 50 prevents the candidate from adding to this conditional status, it alone does not remove or cancel conditional status previously attained." in (b)3.

Changed "six examinations" to "10 examinations" in (b)4.

Changed the date in (b)7.

Amended by R.1994 d.316, effective June 20, 1994.

See: 26 N.J.R. 1217(a), 26 N.J.R. 2589(a).

Amended by R.2000 d.80, effective March 6, 2000.

See: 31 N.J.R. 2443(a), 32 N.J.R. 813(a).

In (b), substituted "received conditional credit pursuant to (b)2 below" for "yet received a passing grade of 75" at the end of 1, and substituted ", at a minimum, are" for "are substantially," following "requirements" in the second sentence, and inserted a new third sentence in 7.

### 13:29-1.8 Applications for certificate by endorsement

(a) Applications for a certificate by endorsement shall be accompanied by the following items:

1. The endorsement, initial license and application fees as set forth in N.J.A.C. 13:29-1.13;

2. The requirements listed in N.J.A.C. 13:29-1.3 (Applications; applicant qualifications) and 13:29-1.6 (Applications for Original Examination);

3. Written verification from the authority issuing the original certificate that it is valid and in good standing, setting forth the full name, number and date of certificate issuance.

New Rule, R.1985 d.287, effective June 3, 1985.

See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

Amended by R.1991 d.319, effective July 1, 1991.

See: 23 N.J.R. 1061(a), 23 N.J.R. 2022(a).

Added "endorsement, initial license and application fees as set forth in N.J.A.C. 13:29-1.13;" deleted "fee of \$100.00" in (a)1.

### 13:29-1.9 Chartered accountant

A chartered accountant may sit for the State of New Jersey examinations, and if the candidate passes, the Board may, in its discretion, accept chartered accounting experience. A certificate by endorsement shall not be issued to a chartered accountant.

New Rule, R.1985 d.287, effective June 3, 1985.

See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Neutralized gender.

### 13:29-1.10 Examinations

(a) Examinations will be held on two consecutive days, in May and November of each year, at a place designated by the Board.

(b) After the application has been approved, an admission card shall be mailed to the applicant which must be used for admittance to the examination room. The card shall be kept in the possession of the applicant during the examinations and handed to a proctor at the conclusion of the applicant's examinations.

(c) Examinations shall be in writing, but this shall not bar additional examinations of such other nature as the Board may deem necessary.

(d) Examination papers are the property of the Board and shall be left with the proctors.

(e) Examination papers shall remain in the possession of the Board or its designee for a period of six months after each examination. During the six months an applicant may arrange to review his or her examination papers.

(f) Applicants for examination shall be given a number for identification purposes and only this number shall be used on all papers.

(g) Examinations are prepared by the Board of Examiners of the American Institute of Certified Public Accountants known as the Uniform Certified Public Accountants Examinations. The advisory grading service provided by the

American Institute of Certified Public Accountants shall be utilized and, to pass the examination, a candidate shall receive 75 points in each subject.

(h) The New Jersey State Board of Accountancy shall grant credit for subjects which have been passed in another state which utilizes the American Institute of Certified Public Accountants Examination, has conditional credit requirements equivalent to N.J.A.C. 13:29-1.7, and utilizes educational and experiential criteria comparable to N.J.A.C. 13:29-1.6.

New Rule, R.1985 d.287, effective June 3, 1985.

See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Changed the examination from three to two days and required that examination papers remain in possession of the Board.

Amended by R.2000 d.80, effective March 6, 2000.

See: 31 N.J.R. 2443(a), 32 N.J.R. 813(a).

Rewrote (h).

### 13:29-1.11 Successful applicant

(a) Applicants who satisfy the requirements of this subchapter shall pay the initial license fee as set forth in N.J.A.C. 13:29-1.13.

(b) Every successful applicant shall comply with the Rules of Professional Conduct, N.J.A.C. 13:29-3.

(c) A Certified Public Accountant shall renew his or her license for a period of two years from the last expiration date. A late renewal fee shall be charged for any renewal application received by the Board within 60 days after the applicable biennial registration date. After the 60th day, the Board may consider the license forfeited. Thereafter, the licensee shall be required to apply for reinstatement and to pay the reinstatement fee in addition to the fee for the current registration period.

New Rule, R.1985 d.287, effective June 3, 1985.

See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

Amended by R.1985 d.700, effective January 21, 1986.

See: 17 N.J.R. 2092(a), 18 N.J.R. 204(b).

(a): Old text deleted and new text substituted.

Amended by R.1991 d.319, effective July 1, 1991.

See: 23 N.J.R. 1061(a), 23 N.J.R. 2022(a).

Added "the initial license fee as set forth in N.J.A.C. 13:29-1.13"; deleted "a fee of \$14.00 which reflects the cost of the issuance of a certified public accountant's certificate and of a character investigation by the State Police." in (a).

Added "A late renewal fee shall be charged for . . . for the current registration period."; added "or her"; deleted "A Certified Public Accountant who fails to timely renew his certificate shall have it declared forfeited. When the Certificate holder seeks to renew a certificate which has been declared forfeited the Board may reinstate his certificate provided he pay the fee for the current registration period in addition to a reinstatement fee set by the Board." in (c).

### 13:29-1.12 Public School Accountant's license

The holder of a certificate as a Certified Public Accountant or registered municipal accountant shall be granted a Public School Accountant's license upon application to the

Board, and the payment of a \$50.00 fee for a period of two years.

New Rule, R.1976 d.87, eff. March 16, 1976.  
See: 8 N.J.R. 45(a), 8 N.J.R. 204(b).  
Repeal and New Rule, R.1985 d.287, effective June 3, 1985.  
See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).  
Amended by R.1991 d.319, effective July 1, 1991.  
See: 23 N.J.R. 1061(a), 23 N.J.R. 2022(a).  
Changed "\$5.00" to "\$50.00"; changed "one year" to "two years".

### 13:29-1.13 Fees

(a) Fees for original applications, examinations, reexaminations and renewals, for Certified Public Accountants, Public Accountants, partnerships, professional corporations, limited liability companies, or limited liability partnerships and for Certified Public Accountants' license by endorsement are as follows:

1. Application fee: \$75.00;
2. Examination fee, Registered Municipal Accountant: \$225.00;
3. Reexamination fee, Registered Municipal Accountant: \$175.00;
4. Endorsement as Certified Public Accountant: \$100.00 plus the application fee as set forth in (a)1 above;
5. Initial license fee for Certified Public Accountant, Registered Municipal Accountant, partnerships, professional corporations, limited liability companies, limited liability partnerships:
  - i. During the first year of a triennial registration period: \$90.00;
  - ii. During the second year of a triennial registration period: \$60.00;
  - iii. During the third year of a triennial registration period: \$30.00;
6. Triennial registration for Certified Public Accountant, Public Accountant, Registered Municipal Accountant, partnerships, professional corporations, limited liability companies, limited liability partnerships: \$90.00;
7. Reinstatement of license: \$150.00;
8. Late renewal fee: \$50.00;
9. Triennial renewal, retired or inactive licensees: \$45.00.

(b) Entities filing an application to become Sponsors of Continuing Professional Education shall pay a fee of \$100.00 for administrative costs and evaluation of programs submitted.

1. Sponsor fees shall be charged on a biennial basis on the first business day of July of each odd numbered year.

R.1978 d.243, effective July 21, 1978.  
See: 10 N.J.R. 165(b), 10 N.J.R. 352(c).

Readopted by R.1984 d.312, filed June 29, 1984.  
See: 16 N.J.R. 1026(a), 16 N.J.R. 2004(a).

Section expired July 21, 1983 pursuant to Executive Order 66(1978).  
Section readopted by R.1984 d.312.

Amended by R.1991 d.55, effective February 4, 1991.

See: 22 N.J.R. 3314(b), 23 N.J.R. 310(e).

Established a fee of \$100.00 for the application of entities who wish to be approved by the Board as Sponsors of Continuing Professional Education courses to be given to licensees.

Amended by R.1991 d.319, effective July 1, 1991.

See: 23 N.J.R. 1061(a), 23 N.J.R. 2022(a).

Added (a)1. Redesignated (a)1 as 2; deleted "Original application,"; changed "\$100.00" to "\$125.00".

Redesignated (a)2 as 3; changed "\$75.00" to "\$125.00".

Redesignated (a)3 as 4; changed "\$60.00" to "\$100.00".

Redesignated (a)4 as 5; deleted "Original application,".

Redesignated (a)5 as 6; changed "\$60.00" to "\$100.00".

Deleted (a)6.

Deleted "Original application,"; added "plus application fee as set forth in (a)1 above" in (a)7.

Added (a)8.

Redesignated (a)8 as 9; deleted "or any portion thereof"; changed "\$40.00" to "\$80.00". Added (a)10, 11.

Amended by R.1993 d.585, effective November 15, 1993.

See: 25 N.J.R. 1665(b), 25 N.J.R. 5352(c).

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Extended the section to limited liability companies and partnerships.

Amended by R.1996 d.349, effective August 5, 1996.

See: 28 N.J.R. 2316(a), 28 N.J.R. 3803(a).

In (a) deleted fees for certified public accountant examinations and reexaminations, and increased fees for registered municipal accountant examinations and reexaminations.

Amended by R.1999 d.274, effective August 16, 1999.

See: 31 N.J.R. 1150(a), 31 N.J.R. 2359(a).

In (a), substituted references to triennial registration periods for references to biennial registration periods and increased fees in 5, 6 and 9, and inserted 5iii.

### 13:29-1.14 Notification of convictions

Any licensee of the Board of Accountancy, upon conviction of any crime, is required to notify the Board of Accountancy of such conviction in writing within 30 days.

New Rule, R.1986 d.172, effective May 19, 1986.

See: 18 N.J.R. 264(a), 18 N.J.R. 1104(b).

## SUBCHAPTER 2. REGISTERED MUNICIPAL ACCOUNTANTS

### Subchapter Historical Note

All provisions of this subchapter were filed and became effective prior to September 1, 1969. Revisions were filed and became effective March 16, 1976 as R.1976 d.87. See: 8 N.J.R. 45(a), 8 N.J.R. 204(b). Further amendments were filed and became effective July 21, 1978 as R.1978 d.243. See: 10 N.J.R. 165(b), 10 N.J.R. 352(c). This subchapter expired July 21, 1983 pursuant to Executive Order No. 66(1978) effective July 21, 1978 as R.1978 d.243. See: 10 N.J.R. 165(b), 10 N.J.R. 352(c). Further amendments were filed and became effective February 26, 1981 as R.1981 d.67. See: 13 N.J.R. 39(a), 13 N.J.R. 238(a). New Rules became effective June 3, 1985 as R.1985 d.286. See: 17 N.J.R. 559(a), 17 N.J.R. 1426(a). See chapter and section levels for further amendments.

**13:29-2.1 Applications; requirements**

Every applicant for the Registered Municipal Accountant's examination shall submit to the Board a written application on a form to be provided by the Board and a photograph (two inches by two inches in size, bust picture, front view, without a hat, taken within 30 days prior to application), provided that the applicant must hold in good standing a New Jersey license as a Certified Public Accountant.

Repeal and New Rule, R.1985 d.696, effective January 21, 1986.

See: 17 N.J.R. 2092(b), 18 N.J.R. 204(c).

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Made nonsubstantive changes.

**13:29-2.2 Examinations**

(a) Examinations shall be held in November of each year, at a place designated by the Board. Applications shall be filed by November 1 for November examination.

(b) After the application has been approved, an admission card shall be mailed to the applicant which shall be used for admittance to the examination room. This card shall be kept in the possession of the applicant during the examinations and handed to a proctor at the conclusion of the examination.

(c) Examinations shall be in writing, but this shall not bar additional examinations of such other nature as the Board may deem necessary.

(d) Examination papers are the property of the Board and shall be left with the proctors.

(e) Examination papers shall remain in the possession of the Board or its designee for a period of six months after each examination, and during the six months, any applicant may make arrangement to review the examination papers.

(f) Applicants for examination shall be given a number for identification purposes and only this number shall be used on all papers.

(g) Examinations shall include questions on the following;

- i. Theory of municipal accounting and problems in municipal accounting;
- ii. Municipal law and finance;
- iii. Auditing;
- iv. Any additional related subjects as determined by the Board.

(h) Applicants shall attain a grade of 75 percent in order to pass the examination.

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Extended until November 1 the time for filing an application and required that examination papers remain in possession of the Board.

**13:29-2.3 Licenses**

(a) The holder of a Registered Municipal Accountant's license shall renew the license for a period of two years from the last expiration date. A late renewal fee shall be charged for any renewal application received by the Board within 60 days after the applicable biennial registration date. After the 60th day, the Board may consider the license forfeited. Thereafter, the licensee shall be required to apply for reinstatement and to pay the reinstatement fee in addition to the fee for the current registration period.

(b) Applicants who have complied with all of the provisions in this subchapter and passed the examination shall comply with the Rules of Professional Conduct promulgated by the New Jersey State Board of Accountancy.

Amended by R.1991 d.319, effective July 1, 1991.

See: 23 N.J.R. 1061(a), 23 N.J.R. 2022(a).

Substituted old text with new text in (a).

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## SUBCHAPTER 3. RULES OF PROFESSIONAL CONDUCT

**Subchapter Historical Note**

All provisions of this subchapter were filed and became effective prior to September 1, 1969. This subchapter expired on January 14, 1985. A readoption became effective March 4, 1985 pursuant to Executive Order 66(1978) as R.1985 d.104. See: 16 N.J.R. 3418(a), 17 N.J.R. 604(a). See chapter and section levels for further amendments.

**13:29-3.1 Independence**

(a) A licensee or a firm of which he or she is a partner, member or a shareholder shall not express an opinion on financial statements of an enterprise in such a manner as to imply that he or she is acting as an independent public accountant with respect thereto unless he or she or his or her firm is independent with respect to such enterprise. Independence will be considered to be impaired if, for example:

1. During the period covered by the financial statements, during the period of the professional engagement, or at the time of expressing an opinion, the licensee or his or her firm:

- i. Was associated with the enterprise as a promoter, underwriter or voting trustee, a director or officer or in any capacity equivalent to that of a member of management or of an employee; or
  - ii. Was a trustee for any pension or profit-sharing trust of the enterprise.
2. During the period of this professional engagement, or at the time of expressing his or her opinion, the partner, member or firm:

- i. Had or was committed to acquire any direct or material indirect financial interest in the enterprise; or
- ii. Was a trustee of any trust or executor or administrator of any estate if such trust or estate had or was committed to acquire any direct or material indirect financial interest in the enterprise; or
- iii. Had any joint closely held business investment with the enterprise or any officer, director or principal stockholder thereof which was material in relation to his or her firm's net worth; or
- iv. Hand any loan to or from the enterprise or officer, director or principal stockholder thereof other than loans of the following kinds made by a financial institution under normal lending procedures, terms and requirements:

- (1) Loans obtained by the licensee or his firm which are not material in relation to the net worth of the borrower;
- (2) Home mortgages; and
- (3) Other secured loans, except those secured solely by a guarantee of the licensee or his firm.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1390(b).

Deleted old text concerning scope of rules of professional conduct for accountants and added new text concerning independence.

Amended by R.1985 d.104, effective March 4, 1985.  
See: 16 N.J.R. 3418(a), 17 N.J.R. 604(a).

(a)li amended.

Amended by R.1995 d.268, effective June 5, 1995.  
See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Made nonsubstantive changes.

#### Case Notes

Unless accounting firm employed by corporate and individual Chapter 11 debtors had conflict between debtors' collective interests and some other interest, disqualification in bankruptcy was not appropriate. In re Brennan, Bkrcty.D.N.J.1995, 187 B.R. 135.

#### 13:29-3.2 Integrity and objectivity

A licensee or his firm shall not knowingly misrepresent facts, and when engaged in the practice of public accounting, including the rendering of tax and management advisory services, shall not subordinate his judgment to others. In tax practice, a licensee or his firm may resolve doubt in favor of his client as long as there is reasonable support for his position.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning obligations and responsibilities of practice and added new text concerning integrity and objectivity.

#### Case Notes

Unless accounting firm employed by corporate and individual Chapter 11 debtors had conflict between debtors' collective interests and some other interest, disqualification in bankruptcy was not appropriate. In re Brennan, Bkrcty.D.N.J.1995, 187 B.R. 135.

#### 13:29-3.3 Competence

A licensee or his firm shall not undertake any engagement for the performance of professional services which he cannot reasonably expect to complete with due professional competence, including compliance, where applicable, with N.J.A.C. 13:29-3.5 and 3.6.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning opinions and added new text concerning competence.

#### Case Notes

Qualified New Jersey certified public accountants permitted to prepare and file State inheritance tax returns if written notification given to client before commencing work that attorney review of the return may be desirable. Application of the New Jersey Society of Certified Public Accountants, 102 N.J. 231, 507 A.2d 711 (1986).

#### 13:29-3.4 Forecasts

A licensee or his firm shall not in the performance of professional services permit his name to be used in conjunction with any forecast of future transactions in a manner which may reasonably lead to the belief that the licensee vouches for the achievability of the forecast.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning clients' affairs confidential and added new text concerning forecasts.

#### 13:29-3.5 Auditing standards

A licensee or his firm shall not permit his name to be associated with financial statements in such a manner as to imply that he is acting as an independent public accountant with respect to such financial statements unless he has complied with applicable generally accepted auditing standards. Statements on Auditing Standards issued by the American Institute of Certified Public Accounts, and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures therefrom must be justified by those who do not follow them.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning use of name with misleading statements and added new text concerning auditing standards.

**13:29-3.6 Accounting principles**

(a) A licensee or his firm shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the licensee can demonstrate that by reason of unusual circumstances the financial statements would otherwise have been misleading. In such a case, the licensee's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

(b) For purposes of this rule, generally accepted accounting principles are considered to be defined by pronouncements issued by the Financial Accounting Standards Board and its predecessor entities and similar pronouncements issued by other entities having similar general recognized authority.

As amended, R.1982 d.407, eff. November 15, 1982.

See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning incompatible occupations and added new text concerning accounting principles.

**13:29-3.7 Confidential client information**

(a) A licensee or his firm shall not without the consent of his client disclose any confidential information pertaining to his client obtained in the course of performing professional services.

(b) This rule does not:

1. Relieve a licensee of any obligations under N.J.A.C. 13:29-3.5 and N.J.A.C. 13:29-3.6; or
2. Affect in any way a licensee's obligation to comply with a validly issued subpoena or summons enforceable by order of a court; or
3. Prohibit disclosures in the course of a quality review of a licensee's professional services; or
4. Preclude a licensee from responding to any inquiry made by the Board or any investigative or disciplinary body established by law or formally recognized by the Board.

(c) Members of the Board and professional practice reviewers shall not disclose any confidential client information which comes to their attention from licensees or their firms in disciplinary proceedings or otherwise in carrying out their responsibilities, except that they may furnish such information to an investigative or disciplinary body of the kind referred to above.

As amended, R.1982 d.407, eff. November 15, 1982.

See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning conflicts of interest and added new text concerning confidential client information.

**13:29-3.8 Contingent fees**

(a) A contingent fee is a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service.

(b) For the purposes of this section, a fee is not contingent if:

1. It is fixed by a court or other public authority; or
2. In tax matters, it is determined based on the results of a judicial proceeding or the findings of a governmental agency.

(c) A licensee in public practice shall not receive a contingent fee for performing any professional services from a client for whom the licensee or the licensee's firm performs:

1. An audit or review of a financial statement;
2. A compilation of a financial statement accompanied by a report; or
3. An examination of prospective financial information.

(d) The prohibition set forth in (c) above applies during the period in which the licensee or the licensee's firm is engaged to perform any of the services listed, and the period covered by any historical financial statements involved in the listed services.

(e) A licensee in public practice shall not receive a contingent fee for preparing an original or amended tax return or claim for a tax refund for any client.

(f) Any licensee who receives a contingent fee pursuant to this section shall comply with all applicable Federal and State securities laws, rules promulgated thereunder, and registration requirements, including, but not limited to, the Investment Advisers Act of 1940 (15 U.S.C. §§ 80b-1 et seq.), the Uniform Securities Law(1997) (N.J.S.A. 49:3-47 et seq.), the Securities Act of 1933 (15 U.S.C. §§ 77a et seq.), and the Securities Exchange Act of 1934 (15 U.S.C. §§ 78a et seq.).

As amended, R.1982 d.407, eff. November 15, 1982.

See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning commissions, brokerages, fees and added new text concerning contingent fees.

Repeal and New Rule, R.1998 d.531, effective November 16, 1998.

See: 29 N.J.R. 4737(a), 30 N.J.R. 4055(b).

Section was "Contingent fees".

**13:29-3.9 Discreditable acts**

A licensee shall not commit any act that reflects adversely on his fitness to engage in the practice of public accountancy.

As amended, R.1982 d.407, eff. November 15, 1982.

See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning name of practice and added new text concerning discreditable acts.

#### Case Notes

Professional misconduct (decided on statutory grounds). *State v. Seaman*, 114 N.J.Super. 19, 274 A.2d 810 (App.Div.1971), certiorari denied 92 S.Ct. 674, 404 U.S. 1015, 30 L.Ed.2d 662.

### 13:29-3.10 Advertising

(a) A licensee shall not use or participate in the use of any form of public communication having reference to his professional services which contains a false, fraudulent, misleading, deceptive or unfair statement or claim. A false, fraudulent, misleading, deceptive or unfair statement or claim includes but is not limited to a statement or claim which:

1. Contains a misrepresentation of fact; or
2. Is likely to mislead or deceive because it fails to make full disclosure of relevant facts; or
3. Contains any testimonial or laudatory statement, or other statement or implication that the licensee's professional services are of exceptional quality; or
4. Is intended or likely to create false or unjustified expectations of favorable results; or
5. Implies educational or professional attainments or licensing recognition not supported in fact; or
6. States or implies that the licensee has received formal recognition as a specialist in any aspect of the practice of public accountancy, if this is not the case; or
7. Represents that professional services can or will be competently performed for a stated fee when this is not the case, or makes representations with respect to fees for professional services that do not disclose all variables affecting the fees that will in fact be charged; or
8. Contains other representations or implications that in reasonable probability will cause an ordinarily prudent person to misunderstand or be deceived.

As amended, R.1980 d.31, eff. January 16, 1980.  
See: 11 N.J.R. 562(a), 12 N.J.R. 92(a).

### 13:29-3.11 Solicitation

A practitioner may directly or indirectly solicit clients by circulars, advertisements or personal communications provided such circulars, advertisements or personal communications do not violate N.J.A.C. 13:29-3.10.

As amended, R.1980 d.31, eff. January 16, 1980.  
See: 11 N.J.R. 562(a), 12 N.J.R. 92(a).

### 13:29-3.12 Commissions, performance fees and referral fees

(a) A performance fee is compensation to a licensee on the basis of a share of the capital gains upon, or the capital

appreciation of, the funds or any portion of the funds of a client.

(b) A licensee in public practice shall not receive a commission or performance fee for recommending or referring to a client any product or service, or receive a commission or performance fee for recommending or referring any product or service to be supplied by a client, or receive a commission or performance fee, when the licensee or the licensee's firm also performs for that client the following:

1. An audit or review of a financial statement;
2. A compilation of a financial statement accompanied by a report; or
3. An examination of prospective financial information.

(c) The prohibition set forth in (b) above applies during the period in which the licensee is engaged to perform any of the listed services, and the period covered by any historical financial statements involving those services.

(d) A licensee in public practice who is not prohibited by this section from performing services for or receiving a commission or performance fee and who is paid or expects to be paid a commission or performance fee shall disclose that fact to any person or entity to whom the licensee recommends or refers a product or service to which the commission or performance fee relates.

(e) Any licensee in public practice who accepts a referral fee for recommending or referring any service of a licensee to any person or entity or who pays a referral fee to obtain a client shall disclose such acceptance or payment to the client.

(f) All disclosures in (d) and (e) above shall:

1. Be made in writing contemporaneously with or prior to the referral or recommendation; and
2. Shall be signed and dated by the person or entity to whom the licensee makes the referral or recommendation, or by the person or entity who was referred to the licensee.

(g) A licensee in public practice who is not prohibited by this section from performing services for or receiving a commission or performance fee shall comply with all applicable Federal and State securities laws, rules promulgated thereunder, and registration requirements, including, but not limited to, the Investment Advisers Act of 1940 (15 U.S.C. §§ 80b-1 et seq.), the Uniform Securities Law (1997), the Securities Act of 1933 (15 U.S.C. §§ 77a et seq.), and the Securities Exchange Act of 1934 (15 U.S.C. §§ 78a et seq.).

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning recruiting and added new text concerning commissions.

Repeal and New Rule, R.1998 d.531, effective November 16, 1998.  
See: 29 N.J.R. 4737(a), 30 N.J.R. 4055(b).  
Section was "Commissions".

### 13:29-3.13 Incompatible occupation

A licensee or his firm shall not concurrently engage in the practice of public accountancy and in any other business or occupation which impairs his independence or objectivity in rendering professional services.

R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

### 13:29-3.14 Form of practice

A licensee or his or her firm may practice public accountancy only in a proprietorship, a partnership, a limited liability company, a limited liability partnership or a professional corporation, organized and or registered in accordance with applicable New Jersey law.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning contingent fees and added new text concerning form of practice.

Amended by R.1995 d.268, effective June 5, 1995.  
See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Extended the section to limited liability companies and partnerships.

### 13:29-3.15 Firm names

A licensee shall not practice public accountancy under a firm name which is misleading in any way, as to the legal form of the firm, or as to the persons who are partners, officers, or shareholders of the firm, or as to any matter with respect to which public communications are restricted by N.J.A.C. 13:29-3.10. However, names of one or more past partners or shareholders may be included in the firm name of a partnership or corporation or its successor, and a partner surviving the death or withdrawal of all other partners may continue to practice under a partnership name for up to two years after becoming a sole practitioner.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning use of name in connection with financial statements and added new text concerning firm names.

### 13:29-3.16 Records

(a) A licensee or his firm shall furnish to his client or former client, upon request made within a reasonable time after original issuance of the document in question:

1. A copy of a tax return of the client;
2. A copy of any report, or other document, issued by the licensee to or for such client;
3. Any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account, but the licensee or his firm may make and retain copies of such documents when they form the basis for work done by him; and

4. A copy of the licensee's or his firm's working papers, to the extent that such working papers include records which would ordinarily constitute part of the client's books and records, and are not otherwise available to the client.

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted old text concerning use of certain descriptions and added new text concerning records.

### 13:29-3.17 (Reserved)

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted text concerning independent opinions.

### 13:29-3.18 (Reserved)

As amended, R.1982 d.407, eff. November 15, 1982.  
See: 14 N.J.R. 895(a), 14 N.J.R. 1309(b).

Deleted text concerning violations.

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## SUBCHAPTER 4. (RESERVED)

### 13:29-4.1 (Reserved)

Repealed by Administrative change.  
See: 25 N.J.R. 1516(b).

Section was "Uniform penalty letter."

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## SUBCHAPTER 5. QUALITY ENHANCEMENT PROGRAM

### Subchapter Historical Note

Subchapter 5 was adopted as R.1988 d.294, effective July 5, 1988.  
See: 19 N.J.R. 2240(a), 20 N.J.R. 1567(b).

### 13:29-5.1 Purpose and scope

There is hereby established a Quality Enhancement Program (Program). The purpose of the Program is to improve the quality of financial reporting and to promote the fairness of presentation and the dependability of information on which the public relies for guidance in financial transactions, accounting and business performance. The Program emphasizes education and rehabilitation rather than disciplinary action. Appropriate educational programs or procedures will ordinarily be recommended or required where reporting does not comply with appropriate professional standards. However, when a licensee is unwilling or unable to comply with those standards, or a licensee's professional work is so egregious as to warrant disciplinary action, the Board may resort to such action as is appropriate to protect the public interest.

**13:29-5.2 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:

“Practice Unit” means each office of a sole practitioner or firm registered under N.J.S.A. 45:2B-17.

“Report” means an opinion, report, or other form of language that states or implies assurances as to the reliability of any financial statements, and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing.

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Rewrote the definition of “Report”.

**13:29-5.3 Quality Enhancement Committee; members; duties; compensation**

(a) The Director of the Division of Consumer Affairs shall annually appoint a Standing Committee to be known as the Quality Enhancement Committee (Committee) to assist the Board in the implementation and administration of the Program:

1. The Director shall receive for consideration nominees from the Board of Accountancy, and shall make the appointments in consultation with the Board;

2. The Committee will consist of no fewer than five members, all of whom must be licensees and holders of currently valid registrations issued under N.J.S.A. 45:2B-8, 13 or 33;

3. At least one member of the Committee shall be a Certified Public Accountant, at least one shall be a Public Accountant, and at least one shall be a Registered Municipal Accountant. At least two committee members will also be members of the State Board of Accountancy.

(b) The Committee’s responsibilities shall include:

1. Developing procedures for the internal operation of the Board staff and of the Committee;

2. Assisting the Board in the selection and training of volunteer reviewers;

3. Developing criteria for assignment of volunteer reviewers to specific report reviews, taking into account such criteria as the Board determines appropriate;

4. Developing and recommending to the Board a system for selection of reports to be reviewed;

5. Evaluating the findings of the volunteer reviewers, assigning certain reports for field workpaper reviews upon directive by the Board, and making final recommendations to the Board;

6. Compiling and reporting to the Board statistics on the impact and effect of the Program; and

7. Considering such other matters and performing such other duties regarding the Program as may be delegated to it by the Board from time to time.

(c) Committee members shall be compensated on a per diem basis at a rate as determined by the Attorney General, such compensation to be drawn from current license and registration fees.

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

**13:29-5.4 Reports to be furnished at request of Committee**

(a) In accordance with a schedule to be set by the Committee, each practice unit shall complete a questionnaire indicating:

1. The number of audit, review and compilation reports issued by the practice unit during the most recent twelve-month period prior to renewal of registration;

2. Whether it has undergone any change of ownership or composition; and

3. Whether it has undergone another type of quality review within the three years prior to the most recent renewal of registration.

(b) Based upon the information contained in the questionnaires in (a) above, the Committee shall select practice units for report review. The practice units so selected shall then submit copies of those types of reports issued by the practice unit requested by the Committee.

(c) The Committee may also review financial statements and related reports of practice units submitted to it by the Board or by government or public agencies.

**13:29-5.5 Exceptions**

A practice unit which within the three years immediately preceding selection by the Committee pursuant to N.J.A.C. 13:29-5.4 had been subjected to a quality review acceptable to the Board may be excepted from the requirements of N.J.A.C. 13:29-5.4 above; provided, however, that a copy of the report of such quality review is submitted upon request by the Committee.

**13:29-5.6 Confidentiality**

(a) Any documents submitted in accordance with N.J.A.C. 13:29-5.4 shall have deleted the name of the client, the client’s address and other identifying factors, provided that the deletion does not render the type or nature of the enterprise undeterminable:

1. For example, the client name, address, or federal identification number shall be deleted, but reference to

the type of organization, such as financial institution, school district, hospital, etc., shall be indicated.

(b) The identities of persons or entities who submit financial statements and reports to the Board or the Committee, other than the licensees who issued the reports, shall be preserved in confidence unless expressly ordered by the Board.

### 13:29-5.7 Review and evaluation of submitted reports

(a) The Committee, with respect to each report that it reviews, shall:

1. Determine whether the report is in general conformity with applicable professional standards;
2. Determine in what respects, if any, the report is deficient, inaccurate, significantly misleading or significantly deficient;
3. Make recommendations to improve the quality of the report, and report its findings and recommendations to the Board; and
4. Classify reports as: Unmodified, Unmodified with a Letter of Comment, Modified for Significant Departures from Professional Standards, or Adverse;
  - i. Unmodified reports are those that contain no deficiencies;
  - ii. Unmodified with a Letter of Comment reports are those that contain deficiencies such as departures from technical reporting or accounting or auditing standards, but of the type that do not render the report significantly inaccurate or significantly misleading;
  - iii. Modified for Significant Departures from Professional Standards reports are those that are significantly inaccurate or significantly misleading. These reports violate one or more significant reporting standards, or contain significant departures from generally accepted accounting principles or generally accepted auditing standards; and
  - iv. Adverse reports are those that are significantly inaccurate or significantly misleading and the deficiencies noted are so egregious that there is evidence that the licensee is performing work that he or she is not qualified to perform.

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Added material on the seriously substandard classification.

Amended by R.1999 d.195, effective June 21, 1999.

See: 31 N.J.R. 24(a), 31 N.J.R. 1617(a).

Rewrote (a).

### 13:29-5.8 Committee action on reviewed reports

(a) If the Committee determines that a report is in conformity with applicable professional standards and contains no deficiencies, the Committee shall send an unmodified report without a letter of comments to the practice unit.

(b) If the Committee determines that a report has deficiencies, but of the type that do not render the report significantly inaccurate or significantly misleading, the Committee shall submit to the practice unit an unmodified report with a letter of comment.

(c) If the Committee determines that a report is Modified for Significant Departures from Professional Standards or Adverse, the Committee shall submit to the practice unit a letter of comment detailing the perceived deficiencies noted in connection with the review.

1. Any practice unit which receives a letter of comment pursuant to (c) above shall have 30 days in which to respond in writing. The Committee shall review all such responses, if received in a timely fashion, prior to recommending corrective measures.

2. Where the Committee has determined that a report is Modified for Significant Departures from Professional Standards or Adverse, and following receipt and review of the practice unit's response, if any, to the letter of comment, the Committee may recommend that the practice unit implement planned quality control procedures, as follows:

i. The licensee responsible for the issuance of the report or who substantially participated in preparation of the report or the related workpapers shall successfully complete relevant continuing education courses at his or her own expense;

ii. The practice unit responsible for the issuance of the report shall submit all or specified categories of its reports to a pre-issuance review in a manner and for a period prescribed by the Committee; or

iii. The practice unit responsible for the issuance of the report shall submit to another Quality Enhancement Review pursuant to this rule.

3. Where the Committee has determined that a report is significantly inaccurate, or significantly misleading, and following the receipt and review of the practice unit's response, if any, to the letter of comment, the Committee may take any of the following actions in addition to those set forth in (c)2 above:

i. Recommend to the Board that it direct that an on-site review which includes a review of the workpapers be conducted by a reviewer employed by the Board.

ii. Recommend that the Board require that the licensee or practice unit responsible for the issuance of the significantly inaccurate or significantly misleading report undertake any of a variety of measures, as determined by the Board, intended to improve the quality of reporting by the licensee or practice unit.

(d) Where the Board requires that a licensee or practice unit responsible for the issuance of a report containing significant deficiencies undertake a measure which would impose substantial burdens on the professional practice, the licensee or practice unit affected shall have the right to a hearing in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.

(e) Failure to comply with the recommendations of the Committee pursuant to (c) above may cause the Committee to recommend to the Board that it initiate appropriate disciplinary action against the licensee or practice unit according to N.J.S.A. 45:1-14 et seq. and N.J.S.A. 45:2B-1 et seq.

(f) The State Board of Accountancy reserves the right to take any action it deems necessary if it appears that the professional conduct reflected in a report that is Modified for Significant Departures from Professional Standards or Adverse is so serious as to warrant consideration of possible disciplinary action.

Amended by R.1995 d.268, effective June 5, 1995.  
See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Inserted "or seriously substandard".

Amended by R.1999 d.195, effective June 21, 1999.

See: 31 N.J.R. 24(a), 31 N.J.R. 1617(a).

Rewrote the section.

### 13:29-5.9 Reports and reviews not public records

(a) Reports submitted by practice units for review in accordance with this subchapter shall not be deemed to be public records and are not required to be disclosed under the Public Records Disclosure Act, N.J.S.A. 47:1A-1 et seq.

(b) Comments of reviewers, the Committee and the Board on reports submitted by practice units or workpapers relating thereto, as well as review results are deemed not to be public records and shall not be released to anyone other than the practice unit being reviewed, the Attorney General or his designee, or a Board representative.

## SUBCHAPTER 6. CONTINUING PROFESSIONAL EDUCATION

### Subchapter Historical Note

Subchapter 6 was adopted as R.1989 d.194, effective April 3, 1989.  
See: 20 N.J.R. 2532(a), 21 N.J.R. 908(c).

### 13:29-6.1 Scope

All licensees subject to the provisions of N.J.S.A. 45:2B-42 et seq. shall comply with the provisions of this subchapter relating to continuing professional education (CPE). These rules apply to all licensees registered by the Board of Accountancy in order to enhance the professional competence of such licensees.

Amended by R.2000 d.104, effective March 20, 2000.

See: 31 N.J.R. 2446(a), 32 N.J.R. 1034(a).

Changed N.J.S.A. reference.

### 13:29-6.2 Credit-hour requirements

(a) Each applicant for a triennial license renewal is required to complete, during the preceding triennial period, 120 hours of continuing professional education. The types of continuing professional education programs and other sources of continuing professional education for which credit hours may be obtained are set forth in N.J.A.C. 13:29-6.5. The 120 hours of continuing professional education shall include at least 24 credit hours in the areas of auditing, review and compilation for persons who are engaged in the practice of public accounting or are involved with the attest function in issuing audit, review or compilation reports. All applicants shall complete at least 72 credit hours of the required 120 credit hours in the technical subjects set forth in N.J.A.C. 13:29-6.3. The remaining 48 credit hours of the required 120 credit hours may include subjects specified in N.J.A.C. 13:29-6.4. No licensee shall receive credit for any course offered by a Board-approved continuing professional education sponsor in subjects other than those enumerated in N.J.A.C. 13:29-6.3 or 6.4.

(b) Persons failing to meet the continuing professional education requirements for a triennial renewal period shall not be issued a current license until such continuing professional education requirements have been satisfied. The Board may modify this policy on an individual basis under circumstances specified under N.J.S.A. 45:2B-68. Failure to meet triennial continuing professional education requirements may subject a licensee to disciplinary action by the Board.

(c) The Board may, in its discretion, waive requirements for continuing professional education on an individual basis for reasons of hardship such as health, military service, or other due cause. A waiver of continuing professional education requirements granted pursuant to this subsection shall be effective only for the triennial period in which such waiver is granted. If the condition(s) which necessitated the waiver persists into the next triennial period, a licensee shall apply to the Board for the renewal of such waiver for the new triennial period. Inactive accountants shall be exempt from continuing professional education requirements. Inactive accountants are those who do not practice accounting (public or private) or hold themselves out to the public as practicing accountants in any professional capacity. Any inactive accountant who returns to the practice of accounting shall notify the Board prior thereto and shall meet the continuing professional education requirements by completing 120 credit hours of continuing professional education requirements prescribed by this subchapter within the three-year period prior to reinstatement. Accountants inactive for more than one year, but not exceeding two years, shall satisfy at least 80 credit hours of continuing professional education within the two-year period prior to reinstatement. Accountants inactive for one year or less shall satisfy con-

tinuing professional education requirements by completing at least 40 credit hours of continuing professional education in the year prior to reinstatement.

(d) An applicant, upon successful completion of the Uniform CPA Examination, shall be exempt from the requirements of (a) above for only the triennial period during which the applicant successfully completed such examination.

Amended by R.1995 d.268, effective June 5, 1995.

See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

In (c), substituted "inactive" for "retired".

Amended by R.2000 d.104, effective March 20, 2000.

See: 31 N.J.R. 2446(a), 32 N.J.R. 1034(a).

Rewrote the section.

### 13:29-6.3 Qualifying technical subjects

(a) The following subjects are acceptable for satisfaction of the required 72 credit hours of continuing professional education in technical subjects over the triennial period:

1. Accounting;
2. Auditing, including, but not limited to, review, compilation and attest standards;
3. Business law;
4. Computer Science;
5. Economics;
6. Finance;
7. Management advisory services;
8. Mathematics, statistics, etc.;
9. SEC practice;
10. Taxation; and
11. Professional ethics.

(b) Any of the subjects in (a) above may be in specialized areas, such as governmental, not-for-profit organizations, film industry, real estate, and farming.

(c) Auditing, review and compilation includes the body of knowledge that deals with the basic service of the public accounting profession, that is, examination and reporting on financial statements. Also included in this area is the examination or review of internal and administrative controls, operations and government programs. Relevant program offerings could include audit theory and philosophy; generally accepted auditing standards; study and evaluation of internal control; substantive audit procedures; audit sampling; reporting on financial statements; review services; and computer and government auditing. Qualifying subject matter will include courses covering pronouncements or regulations issued by recognized authorities such as the FASB, AICPA, SEC or other government agencies (state and Federal) dealing with auditing, financial reporting, or application of generally accepted accounting principles.

(d) Subjects other than those listed in (a) above may be acceptable for continuing professional education credit if the licensee can demonstrate to the satisfaction of the Board that such subject or specific program contributes to the maintenance of the licensee's professional competence.

Amended by R.2000 d.104, effective March 20, 2000.

See: 31 N.J.R. 2446(a), 32 N.J.R. 1034(a).

In (a), rewrote the introductory paragraph; and in (d), inserted "professional" following "continuing".

### 13:29-6.4 Other qualifying subjects

Courses related to personal or professional development of the licensee, or courses directly associated with the administration of the licensee's practice, shall be accepted towards satisfaction of continuing professional education requirements. Included in this category are courses that concentrate on the practice management areas, such as organizational structure, human resource management and other administrative matters. Courses which relate to a licensee's personal skills such as speaking, leadership and managing people or organizations shall also be included in this category. Courses which relate to the development of a licensee's practice or the marketing of services shall not be accepted towards satisfaction of continuing professional education requirements.

Amended by R.2000 d.104, effective March 20, 2000.

See: 31 N.J.R. 2446(a), 32 N.J.R. 1034(a).

Rewrote the section.

### 13:29-6.5 Continuing professional education programs and other sources of continuing professional education credit

(a) The following qualify as continuing professional education programs provided they contain the subjects enumerated in N.J.A.C. 13:29-6.3 and 6.4 and meet the continuing professional education program criteria requirements as set forth in N.J.A.C. 13:29-6.6

1. Continuing professional education programs of national or state professional organizations: Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of in-class participation.
2. University or college courses: Continuing professional education credit shall be granted for university or college courses in accordance with the following:
  - i. Applicants shall receive five credit hours continuing professional education credit for each semester credit hour earned; and
  - ii. Applicants attending noncredit courses shall be granted continuing professional education credit at the rate of one credit hour for every 50 minutes of in-class participation.

3. In-firm educational programs of public accounting firms: Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of in-firm participation.

4. Correspondence programs and other individual study programs: Continuing professional education credit shall be granted for correspondence programs and other individual study programs in accordance with the following:

i. The amount of credit to be allowed for approved correspondence and individual study programs, including taped study programs, shall be recommended by the program sponsor based upon one-half the average completion time calculated by the sponsor after it has conducted appropriate "field tests." Although the program sponsor shall make recommendations concerning the number of credit hours to be granted, the number of credit hours granted shall be as determined by the Board; and

ii. Credit for correspondence and other individual study programs shall only be given in the renewal period in which the course is completed with a successful final examination.

(b) In addition to the continuing professional education programs enumerated in (a) above, continuing professional education credit also shall be awarded for the following if they fall within the subjects enumerated in N.J.A.C. 13:29-6.3 and 6.4 and meet the continuing professional education program criteria as set forth in N.J.A.C. 13:29-6.6.

1. Technical meetings: Licensees who participate in meetings of professional accounting organizations shall be awarded continuing professional education credit for that portion of the meeting which is structured as a continuing professional education program. Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of the licensee's participation.

2. Professional accounting meetings, conferences, seminars: Licensees who participate in meetings of professional accounting organizations shall be awarded continuing professional education credit if the meeting is structured as an approved continuing professional education program. Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of the licensee's participation in the meeting.

3. Firm meetings: Licensees who participate in firm meetings for staff or for management groups of professional accounting organizations shall be awarded continuing professional education credit if the meeting is structured as an approved continuing professional education program. Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of the licensee's participation in the meeting.

(c) In addition to the continuing professional education programs enumerated in (a) and (b) above, continuing professional education credit also shall be granted for the following if they involve subjects enumerated in N.J.A.C. 13:29-6.3 and 6.4.

1. Service as a lecturer, instructor, discussion leader, or speaker: Continuing professional education credit shall be awarded for service as a lecturer, instructor, discussion leader, or speaker in accordance with the following:

i. One credit hour shall be given for each 50-minute period of service provided the discussion is one which meets the continuing professional education subject requirements of N.J.A.C. 13:29-6.3 and 6.4. For the lecturer's, instructor's, discussion leader's, or speaker's preparation time, there shall be awarded two additional hours of continuing professional education credit for each credit hour of instruction. Requests for credit shall be accompanied by an outline of the instruction, discussion, or presentation;

ii. The instructor or discussion leader shall not be given credit for subsequent sessions in the same year involving substantially identical subject matter, except that after one year has elapsed the Board may give one additional credit hour for each 50-minute period of service as an instructor, lecturer, discussion leader, or speaker for the initial presentation, provided the original material has been updated; and

iii. The maximum credit given for service as an instructor, lecturer, discussion leader, or speaker shall not exceed 60 credit hours for the triennial period.

2. Publications: Continuing professional education credit for peer-reviewed publications shall be awarded in accordance with the following:

i. Credit may be claimed for published articles and books by the authors of those works. These publications must contribute to the professional competence of accountants;

ii. Credit shall be given for each 50 minute period of preparation time on a self-declaration basis, not to exceed 30 credit hours for the triennial period. A copy of the publication article shall be submitted to the Board with a request for continuing professional education credit;

iii. In exceptional circumstances, a licensee may request additional credit by submitting the article or book to the Board with an explanation of the circumstances which he or she believes justify an award of greater credit. When licensees request more than 30 credit hours during the triennial period, credit hours awarded shall be determined by the Board on a case-by-case basis. Factors such as complexity of subject matter, length of publication, and the amount of preparation time shall be considered;

iv. The maximum credit for publication in exceptional circumstances shall not exceed 60 credit hours for the triennial period; and

v. Credit shall be given for each 50 minute period of quality enhancement, technical review or peer review program committee participation, not to exceed 60 credit hours for the triennial period.

Amended by R.2000 d.104, effective March 20, 2000.  
See: 31 N.J.R. 2446(a), 32 N.J.R. 1034(a).  
Rewrote the section.

### 13:29-6.6 Criteria for continuing professional education sponsors

(a) In order to qualify as a continuing professional education sponsor, the sponsor shall submit an application form prescribed by the Board and obtain a sponsor number. Qualified sponsors shall offer courses which meet the following requirements:

1. Be a formal course of learning which contributes directly to the maintenance of professional competence of a licensee;
2. Be at least one credit hour, 50-minute period, in length;
3. Be conducted by a qualified instructor or discussion leader; and
4. Offer subjects enumerated in N.J.A.C. 13:29-6.3 or 6.4.

(b) A continuing professional education sponsor may receive prior approval for a course of acceptable subject matter and be assigned a designated number of continuing professional education credits by the Board if the program sponsor provides, in writing and on a form provided by the Board, information required by the Board to document the elements of (a) above, and, in addition thereto, certifies that the sponsor shall:

1. Maintain and retain accurate records of attendance for a five-year period;
2. Retain a written outline of course materials for a five-year period; and
3. Comply with the requirements of N.J.A.C. 13:29-6.12 relative to the responsibilities of program sponsors.

(c) A continuing professional education sponsor shall not offer courses for continuing professional education credit to any Board licensee in subject matters other than those enumerated in N.J.A.C. 13:29-6.3 or 6.4.

Amended by R.2000 d.104, effective March 20, 2000.  
See: 31 N.J.R. 2446(a), 32 N.J.R. 1034(a).

In (b), inserted "professional" following "continuing" throughout; and added (c).

### 13:29-6.7 Credit-hour calculations

(a) The minimum measurement for continuing education credit will be a whole credit hour. Except for those sources of continuing education for which another system of credit hour calculation is set forth in this subchapter, a continuing education credit hour is equivalent to 50 minutes of acceptable continuing education.

(b) Unless otherwise provided, only in-class participation, not student time devoted to preparation, will be counted.

### 13:29-6.8 Reporting of continuing education credit hours

(a) Licensees must provide, at a time prescribed and on forms approved by the Board, a signed statement certifying that continuing education requirements have been met and must document their certification, which shall include where applicable the following:

1. Dates attended;
2. Credit hours claimed;
3. Title of course and description of content;
4. School, firm, or organization sponsoring course;
5. Instructor;
6. Location of course;
7. Public speaking;
8. Lecturing; and
9. Discussion leader activity.

(b) Falsification of any information required may result in the suspension or revocation of the licenses held by the falsifier.

Administrative correction to (b).  
See: 21 N.J.R. 1366(a).

### 13:29-6.9 Retention of continuing education records

(a) Primary responsibility for documenting the continuing education requirements rests with the licensee. Evidence to support fulfillment of those requirements shall be maintained for a period of five years after the completion of educational courses. This data shall be subject to periodic audit by the Board. Satisfactory documentation of the necessary information, including the retention of attendance records and written outlines, shall be accomplished as follows:

1. For courses taken for scholastic credit in accredited universities or colleges, a certified transcript or notarized statement of appropriate school authority shall constitute evidence of satisfactory completion of the course. For noncredit courses taken, a statement of the hours of attendance signed by the instructor, shall be obtained by the licensee.

2. For correspondence and independent study courses, written evidence of completion shall be submitted by the licensee.

i. Acceptable evidence of the completion of a correspondence course shall be a certificate of satisfactory completion acquired by the licensee from the program sponsor.

ii. Acceptable evidence of the completion of an independent study course shall be a summary of the program material drafted by the licensee.

3. If the program sponsor retains a copy of the course materials and a record of attendance, the licensees shall merely maintain a record of the information listed in N.J.A.C. 13:29-6.8(a). The licensee is responsible for determining whether or not the program sponsor retains these records. If there is a dispute concerning whether claimed activity should be granted credit and if the dispute could be resolved by the production of documented information to support the claim of the licensee, the dispute will be resolved against the licensee if he or she fails to produce evidence sufficient to document his or her claim.

4. If the licensee determines that the program sponsor does not retain the information discussed in (a)3 above, the licensee shall maintain a record of that information and a copy of the course outline prepared by the program sponsor.

#### **13:29-6.10 Continuing professional education requirements; reciprocity or reinstatement**

(a) An individual who holds a valid and unrevoked license issued by any state or other political subdivision of the United States and who receives a license to practice in New Jersey under the appropriate provisions of N.J.S.A. 45:2B-42 et seq. shall be required to comply with the continuing professional education requirements applicable to all other licensees.

(b) All qualified persons who wish to apply for reinstatement to public practice in New Jersey shall meet the same continuing professional education requirements applicable to all other licensees for the triennial period in which they wish to be reinstated.

Amended by R.2000 d.104, effective March 20, 2000.  
See: 31 N.J.R. 2446(a), 32 N.J.R. 1034(a).

In (a), changed N.J.S.A. reference, and inserted "professional" following "continuing"; and rewrote (b).

#### **13:29-6.11 Responsibilities of program developers**

(a) Regarding program level difficulty, program developers shall specify the level of knowledge to be imparted under the program. Such levels of knowledge may be expressed in a variety of ways, all of which should be informative to potential participants and sponsors. As an illustration, a program may be described as having the

objective of imparting technical knowledge at such levels as basic, intermediate, advanced, or overview, which might be defined as follows:

1. A basic level program teaches fundamental principles or skills to participate having no prior exposure to the subject area;

2. An intermediate level program builds on a basic level program in order to relate fundamental principles or skills to practical situations and extend them to a broader range of applications;

3. An advanced level program teaches participants to deal with complex situations; and

4. An overview program enables participants to develop perspective as to how a subject area relates to the broader aspects of accounting or brings participants up-to-date on new developments in the subject area.

(b) Program developers shall clearly identify what prerequisites are suggested for enrollment. If no prerequisite is necessary, a statement to this effect should be made. Prerequisites should be specified in precise language so potential participants can readily ascertain whether the program would be beneficial to them or whether the program is above or below their level of knowledge or skill.

(c) Programs shall be developed by individuals qualified in the subject matter and in instructional design. This subsection is not intended to require that an individual program developer be both technically competent and competent in instructional design. Its purpose is to ensure that both types of competency are represented in the program's development, whether one or more persons are involved in that development. Mastery of the technical knowledge or skill in instructional design may be demonstrated by appropriate experience or educational credentials.

(d) The program developer shall review the course materials periodically to ensure that they are accurate and consistent with currently accepted standards relating to the program's subject matter. Between these reviews, errata sheets should be issued where appropriate, and obsolete material should be deleted; however, between the time a new pronouncement is issued and the issuance of errata sheets or removal of obsolete materials, the instructor is responsible for informing participants of changes. If, for example, a new accounting standard is issued, a program will not be considered current unless the ramifications of the new standard have been incorporated into the materials or the instructor appropriately informs the participants of the new standard.

#### **13:29-6.12 Responsibilities of program sponsors**

(a) In addition to other responsibilities imposed on program sponsors, they must comply with the following:

1. Disclosure to prospective participants: Program sponsors must disclose in advance to prospective partici-

pants the objective, prerequisites, experience level, content, required advanced preparation, teaching method, and number of continuing education credits involved in the program. Sponsors shall also advise participants, in advance, of courses which qualify as "auditing" pursuant to N.J.A.C. 13:29-6.3(a).

2. Selection and review of instructors: The program sponsor has the obligation for selecting and assigning qualified instructors for the continuing education program. Although it is expected that instructors will be selected with great care, sponsors should evaluate the performance of the instructors at the conclusion of each program to determine their suitability for continuing to serve as instructors in the future.

3. Number of participants and adequacy of physical facilities: The program sponsor is responsible for assuring that the number of participants and the physical facilities are consistent with the teaching methods to be utilized. Because the learning environment is affected by the number of participants and by the quality of the physical facilities, sponsors have an obligation to pay serious attention to both of these factors. The maximum number of participants for a case-oriented discussion program, for example, should be considerably less than for a lecture program. The seating arrangement is also very important. For discussion presentation, learning is enhanced as seating is arranged so that participants can easily see and converse with each other. If small group sessions are an integral part of the program format, appropriate facilities should be made available to encourage communication within a small group.

4. Program evaluation: Program evaluation shall be in accordance with the following:

i. The sponsor shall provide some means of program evaluation. Evaluations shall be solicited from both the participants and instructors. The objective of evaluations is to encourage sponsors to strive for increased program effectiveness. Programs should be evaluated to determine whether:

- (1) Objectives have been met;
- (2) Prerequisites were necessary or desirable;
- (3) Facilities were satisfactory;
- (4) The instructor was effective;
- (5) Advanced preparation materials were satisfactory; and
- (6) The program content was timely and effective.

ii. Evaluations might take the form of pretests for advanced preparation, post-tests for effectiveness of the program, questionnaires completed at the end of the program or later, oral feedback to the instructor or sponsor, and so forth. Instructors should be informed of their performance, and sponsors should systematically review the evaluation process to insure its effectiveness.

#### **13:29-6.13 Sponsor's failure to comply with continuing education responsibilities**

Failure of the sponsor to comply with the requirements relating to criteria for continuing education programs and responsibilities of program sponsors may result in the suspension of the preapproved status for programs offered by the sponsor.