

CHAPTER 29

NEW JERSEY STATE BOARD OF ACCOUNTANCY

Authority

N.J.S.A. 45:2B-42 et seq., particularly 45:2B-48.

Source and Effective Date

R.2000 d.222, effective May 1, 2000.
See: 32 N.J.R. 987(a), 32 N.J.R. 2089(a).

Executive Order No. 66(1978) Expiration Date

Chapter 29, New Jersey State Board of Accountancy, expires May 1, 2005.

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, New Jersey State Board of Accountancy, was readopted as R.1990 d.318, effective May 23, 1990. See: 22 N.J.R. 1042(a), 22 N.J.R. 1940(d).

Pursuant to Executive Order No. 66(1978), Subchapter 1, General Rules and Regulations, expired on July 21, 1983 and a new Subchapter 1 was adopted as R.1985 d.287, effective . See: 17 N.J.R. 557(a), 17 N.J.R. 1424(a).

Pursuant to Executive Order No. 66(1978), Subchapter 2 expired on July 21, 1983 by R.1978 d.243, effective July 21, 1978. See: 10 N.J.R. 165(b), 10 N.J.R. 352(c).

Subchapter 2, Registered Municipal Accountants, was adopted as new rules by R.1985 d.286, effective June 3, 1985. See: 17 N.J.R. 559(a), 17 N.J.R. 1426(a).

Pursuant to Executive Order No. 66(1978), Subchapter 3 expired on January 14, 1985.

Pursuant to Executive Order No. 66(1978), Subchapter 3, Rules of Professional Conduct, was readopted as R.1985 d.104, effective March 4, 1985. See: 16 N.J.R. 3418(a), 17 N.J.R. 604(a).

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

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

Chapter 29, New Jersey State Board of Accountancy, was readopted as R.1995 d.268, effective May 1, 1995. See: 27 N.J.R. 1134(a), 27 N.J.R. 2238(a).

Pursuant to Executive Order No. 66(1978), Chapter 29, New Jersey State Board of Accountancy, were readopted as R.2000 d.222, effective June 5, 2000. See: Source and Effective Date. See, also, section annotations.

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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.
 Amended by R.2000 d.222, effective June 5, 2000.
 See: 32 N.J.R. 987(a), 32 N.J.R. 2089(a).
 Rewrote the section.

SUBCHAPTER 1. GENERAL RULES

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 shall be furnished by the Board upon request.

(b) Applications for examination shall be filed with the Executive Director of the Board on or before February 1 for the May examination, and on or before August 1 for the November examination.

(c) Applicants shall appear upon request before the Board or any Committee appointed by the Board for the purpose of determining whether the applicant satisfies the requirements set forth at N.J.A.C. 13:29-1.6.

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

(e) 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.

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) and the imposition of the penalties set forth in N.J.S.A. 45:1-25.

(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).
 Amended by R.2000 d.222, effective June 5, 2000.
 See: 32 N.J.R. 987(a), 32 N.J.R. 2089(a).
 In (b), deleted including at the end and added an N.J.S.A. reference.

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; education and experience requirements

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

1. A two-inch by two-inch passport photograph, front view, without a hat, taken within 30 days prior to filing an application; and

2. An evaluation of educational credentials from CPA Examination Services, 150 Fourth Avenue, Nashville, TN 37219, telephone 1-800-CPA-EXAM (272-3926), certifying that the applicant has met the educational requirements set forth in (b) below.

(b) An applicant for original examination shall satisfy the following educational requirements:

1. Until July 1, 2000, an applicant shall possess a baccalaureate degree, or its equivalent, based upon a curriculum that includes 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 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;

2. After July 1, 2000, an applicant for original examination shall have completed at least 150 hours of education, including a baccalaureate or higher degree, subject to the provisions of N.J.A.C. 13:29-1.3(e). An applicant shall be deemed to have satisfied the educational requirement if, as part of the 150 semester hours of education, the applicant has satisfied any one of the following four conditions:

i. The applicant has 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 with standards that are substantially similar to the standards utilized by the AACSB or the ACBSP;

ii. The applicant has 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 with standards that are substantially similar to the standards utilized by the AACSB or the ACBSP, and completed either (b)2ii(1) or (2) 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. The applicant shall have completed either:

(1) At least 24 semester hours in accounting at the undergraduate level; or

(2) At least 15 semester hours in accounting at the graduate level which included coursework in financial

accounting, auditing, taxation and management accounting;

iii. The applicant has 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 with standards that are substantially similar to the standards utilized by the AACSB or the ACBSP, and completed the following:

(1) 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

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

iv. The applicant has earned a baccalaureate or higher degree from an educational institution which has been granted level one accreditation from the Middle States Association of Colleges and Schools, Commission on Higher Education or any other regional accrediting agency with standards that are substantially similar to the standards utilized by the Middle States Association of Colleges and Schools, Commission on Higher Education. The applicant shall have completed the following:

(1) At least 30 semester hours in accounting, which included coursework in financial accounting, auditing, taxation and management accounting; and

(2) 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 license who meets the requirements of (b) above to the Board's satisfaction shall be granted admission to sit for the Uniform Certified Public Accountant Examination.

(d) An applicant who has passed all parts of the Uniform Certified Public Accountant Examination shall furnish evidence of one year of intensive and diversified experience in the practice of public accounting or its equivalent under the supervision of a Board licensee. Experience shall be obtained in full-time regular employment based on a minimum of 35 hours per week. Part time experience shall be considered equivalent if acquired within two consecutive years and in no less than the same amount of hours required for full time experience. Experience shall be considered intensive and diversified if experience is acquired in the areas of auditing or accounting. Such evidence shall take the form of a notarized affidavit on the employer's letterhead indicating in detail the nature of the intensive and diversified experience in auditing or accounting.

(e) In lieu of the experience required in (d) above, the Board shall accept four or more years of experience obtained by an applicant, prior to April 6, 1998, working in government, industry or education without the supervision of a licensed public accountant or a certified public accountant. The Board shall accept such experience until April 6, 2004.

(f) In lieu of the experience required in (d) above, the Board shall accept four or more years of experience obtained by an applicant, on or after April 6, 1998, working in government, industry or education without the supervision of a licensed public accountant or a certified public accountant. The Board shall accept such experience until April 6, 2002.

(g) 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).

Amended by R.2000 d.222, effective June 5, 2000.

See: 32 N.J.R. 987(a), 32 N.J.R. 2089(a).

Rewrote the section.

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).