

CHAPTER 29

NEW JERSEY STATE BOARD OF ACCOUNTANCY

Authority

N.J.S.A. 45:1-15.1, 45:2B-48, 45:2B-68 and 45:2B-73.

Source and Effective Date

R.2011 d.132, effective April 11, 2011.  
See: 42 N.J.R. 2720(a), 43 N.J.R. 1260(b).

Chapter Expiration Date

Chapter 29, New Jersey State Board of Accountancy, expires on April 11, 2018.

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 June 3, 1985. 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).

Subchapter 4, Uniform Penalty Letter, was repealed by administrative change. See: 25 N.J.R. 1516(b).

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

Subchapter 1A, Examination and Licensure, was adopted as new rules by R.2004 d.480, effective December 20, 2004. See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

Chapter 29, New Jersey State Board of Accountancy, was readopted as R.2005 d.410, effective October 27, 2005. See: 37 N.J.R. 1408(a), 37 N.J.R. 4457(a).

Subchapter 5, Quality Enhancement Program, was renamed Peer Review Program by R.2010 d.181, effective September 7, 2010. See: 41 N.J.R. 3018(a), 42 N.J.R. 2130(a).

Chapter 29, New Jersey State Board of Accountancy, was readopted as R.2011 d.132, effective April 11, 2011. As a part of R.2011 d.132,

Subchapter 4, Practice Privilege; Individuals and Firms Without a New Jersey Office, was adopted as new rules, effective May 16, 2011. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL RULES

- 13:29-1.1 Establishing name of Board
- 13:29-1.2 Meetings
- 13:29-1.3 Notification of change of address; service of process
- 13:29-1.4 Filing constitutes agreement
- 13:29-1.5 Fees
- 13:29-1.6 Notification of convictions
- 13:29-1.7 through 13:29-1.14 (Reserved)

SUBCHAPTER 1A. EXAMINATION AND LICENSURE

- 13:29-1A.1 Applications for examination; applicant qualifications
- 13:29-1A.2 Examination
- 13:29-1A.3 Applications for examination; education and experience requirements
- 13:29-1A.4 Granting of examination credit; reexamination; conditional credit
- 13:29-1A.5 through 13:29-1A.6 (Reserved)
- 13:29-1A.7 Security and irregularities; cheating
- 13:29-1A.8 Licensure by waiver of examination for applicants licensed in another jurisdiction; application procedures
- 13:29-1A.9 Public School Accountant's license; renewal; suspended license; reinstatement; inactive status
- 13:29-1A.10 Licensee requirements; renewal; suspended license; reinstatement; inactive status

SUBCHAPTER 2. REGISTERED MUNICIPAL ACCOUNTANTS

- 13:29-2.1 Applications; requirements
- 13:29-2.2 Examination
- 13:29-2.3 Licensee requirements; renewal; suspended license; reinstatement; inactive status

SUBCHAPTER 3. RULES OF PROFESSIONAL CONDUCT

- 13:29-3.1 Independence
- 13:29-3.2 Integrity and objectivity
- 13:29-3.3 Competence
- 13:29-3.4 Forecasts
- 13:29-3.5 Auditing standards
- 13:29-3.6 Accounting principles
- 13:29-3.7 Confidential client information
- 13:29-3.8 Contingent fees
- 13:29-3.9 (Reserved)
- 13:29-3.10 Advertising
- 13:29-3.11 Solicitation
- 13:29-3.12 Commissions, performance fees and referral fees
- 13:29-3.13 through 13:29-3.14 (Reserved)
- 13:29-3.15 Firm names
- 13:29-3.16 Records
- 13:29-3.17 through 13:29-3.18 (Reserved)

SUBCHAPTER 4. PRACTICE PRIVILEGE; INDIVIDUALS AND FIRMS WITHOUT A NEW JERSEY OFFICE

- 13:29-4.1 Individuals licensed in other states; practice without a New Jersey license
- 13:29-4.2 Registration of firms located in other states
- 13:29-4.3 Definitions

SUBCHAPTER 5. PEER REVIEW PROGRAM

- 13:29-5.1 Purpose and scope
- 13:29-5.2 Definitions
- 13:29-5.3 Standards for peer reviews and sponsoring organizations

- 13:29-5.4 Enrollment and participation; exemptions  
 13:29-5.5 Effect of successive review ratings of pass with deficiencies or fail  
 13:29-5.6 Reporting to the Board  
 13:29-5.7 Peer Review Oversight Committee  
 13:29-5.8 Procedures for a sponsoring organization  
 13:29-5.9 Confidentiality

#### SUBCHAPTER 6. CONTINUING PROFESSIONAL EDUCATION

- 13:29-6.1 Scope  
 13:29-6.2 Credit-hour requirements  
 13:29-6.3 Qualifying technical subjects  
 13:29-6.3A New Jersey law and ethics course  
 13:29-6.4 Other qualifying subjects  
 13:29-6.5 Continuing professional education programs and other sources of continuing professional education credit  
 13:29-6.6 Criteria for continuing professional education sponsors  
 13:29-6.6A Sponsor number exemptions  
 13:29-6.7 Credit-hour calculations  
 13:29-6.8 Retention of continuing professional education records  
 13:29-6.9 Continuing professional education requirements; reciprocity  
 13:29-6.10 Responsibilities of program developers  
 13:29-6.11 Responsibilities of program sponsors  
 13:29-6.12 Sponsor's failure to comply with continuing education responsibilities  
 13:29-6.13 (Reserved)

#### 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 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 his or her address of record. For purposes of this section, "address of record" means an address designated by a licensee which is part of the public record and which may be disclosed upon request. "Address of record" may be a licensee's home, business or mailing address, but shall not be a post office box unless the licensee also provides another address which includes a

street, city, state and zip code. Notice shall be sent to the Board by mail or by electronic means, no later than 30 days following the change of address of record.

(b) Failure to notify the Board of any change in a licensee's address of record 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 of record 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.

Recodified from N.J.A.C. 13:29-1.4 by R.2004 d.480, effective December 20, 2004.

See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

Former N.J.A.C. 13:29-1.3, Applications; applicant qualifications, repealed.

Amended by R.2005 d.410, effective November 21, 2005.

See: 37 N.J.R. 1408(a), 37 N.J.R. 4457(a).

Rewrote (a)-(c).

##### 13:29-1.4 Filing constitutes agreement

The act of filing an application for examination, or an application for licensure by waiver of examination based upon licensure in another jurisdiction, shall constitute an agreement on the part of the applicant that the applicant 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).

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.

Recodified from N.J.A.C. 13:29-1.5 by R.2004 d.480, effective December 20, 2004.

See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

Former N.J.A.C. 13:29-1.4, Notification of change of address; service of process, recodified to N.J.A.C. 13:29-1.3.

Amended by R.2005 d.410, effective November 21, 2005.

See: 37 N.J.R. 1408(a), 37 N.J.R. 4457(a).

Rewrote the section.

##### 13:29-1.5 Fees

(a) Fees for Certified Public Accountants, Public Accountants, and accounting firms, including sole proprietorships, partnerships, professional corporations, limited liability companies, or limited liability partnerships are as follows:

(f) 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.

Recodified from N.J.A.C. 13:29-1.6 and amended by R.2004 d.480, effective December 20, 2004.

See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

Substituted "to take the Certified Public Accountant Examination" for "for original examination" throughout.

Amended by R.2005 d.410, effective November 21, 2005.

See: 37 N.J.R. 1408(a), 37 N.J.R. 4457(a).

In (c), deleted "who applies prior to July 1, 2005,".

Amended by R.2011 d.132, effective May 16, 2011.

See: 42 N.J.R. 2720(a), 43 N.J.R. 1260(b).

In the introductory paragraph of (b), substituted "An" for "Except as provided in (c) below, an", and deleted "in order to qualify for licensure" following "requirements"; in (b)1, substituted "An" for "Until July 1, 2000, an", and inserted "or" at the end; in the introductory paragraph of (b)2, substituted "An applicant" for "After July 1, 2000, an applicant to take the Certified Public Accountant Examination" and "semester-hours" for "semester hours"; rewrote (c); in (e), inserted "or an individual who is entitled to practice as a certified public accountant in this State as provided in N.J.A.C. 13:29-4", and substituted "1,750" for "35", the second occurrence of "year" for "week", "Part-time" for "Part time" and "full-time" for "full time"; deleted former (f) and (g); and recodified (h) as new (f).

#### 13:29-1A.4 Granting of examination credit; reexamination; conditional credit

(a) An applicant may take the required test sections of the Certified Public Accountant Examination individually and in any order. Credit for any test section(s) passed shall be valid for 18 months from the actual date the applicant took that test section, without having to attain a minimum score on any failed test section(s) and without regard to whether the applicant has taken other test sections.

(b) The applicant shall take and pass all four test sections of the Certified Public Accountant Examination within a rolling 18-month period, which begins on the date that the first test section(s) passed within such rolling 18-month period is taken.

(c) In the event that the applicant does not take and pass all four test sections of the Certified Public Accountant Examination within the rolling 18-month period, credit for any test section(s) passed outside the new 18-month period, which shall commence pursuant to (b) above, shall expire and that test section(s) shall be retaken.

(d) Applicants shall not retake a failed test section(s) in the same examination window. For purposes of this section, "examination window" means a three-month calendar quarter during which applicants have an opportunity to take the Certified Public Accountant Examination (comprised of the first two months of such quarter during which the examination is available to be taken and the final month of such quarter during which the examination will not be offered while routine maintenance is performed and the item bank is refreshed).

(e) An applicant shall retain credit for any and all test sections of an examination passed in another state if such

credit would have been given, under then applicable requirements, if the applicant had taken the examination in this State.

(f) The Board may, in particular cases, extend the term of conditional credit notwithstanding the requirements of provisions in (a) through (d) above, upon a showing that the credit was lost by reason of circumstances beyond the applicant's control or in cases of substantial hardship presented by the applicant to the Board.

(g) An applicant shall be deemed to have passed the Certified Public Accountant Examination once the applicant holds at the same time valid credit for passing each of the four test sections of the examination. For purposes of this section, credit for passing a test section of the examination shall be valid from the actual date of the testing event for that test section, regardless of the date the applicant actually receives notice of the passing grade.

New Rule, R.2004 d.480, effective December 20, 2004.

See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

#### 13:29-1A.5 (Reserved)

New Rule, R.2004 d.480, effective December 20, 2004.

See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

Repealed by R.2011 d.132, effective May 16, 2011.

See: 42 N.J.R. 2720(a), 43 N.J.R. 1260(b).

Section was "Transition period for conditional credit earned in or before November 2003".

#### 13:29-1A.6 (Reserved)

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.

Recodified from N.J.A.C. 13:29-1.7 and amended by R.2004 d.480, effective December 20, 2004.

See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

Rewrote (a) and (c).

Repealed by R.2011 d.132, effective May 16, 2011.

See: 42 N.J.R. 2720(a), 43 N.J.R. 1260(b).

Section was "Calculation of conditional credit earned on the paper and pencil examination in or before November 2003".

**13:29-1A.7 Security and irregularities; cheating**

(a) Notwithstanding any other provisions of this subchapter, the Board may postpone scheduled examinations, the release of grades, or the issuance of licenses due to a breach of examination security; unauthorized acquisition or disclosure of the contents of an examination; suspected or actual negligence, errors, omissions, or irregularities in conducting an examination; or for any other reasonable cause or unforeseen circumstance.

(b) Cheating by an applicant in applying for, taking, or subsequent to the examination shall be deemed to invalidate any grade otherwise earned by the applicant on any test section of the examination, and may warrant summary expulsion from the test site and disqualification from taking the examination for a specified period of time.

(c) For purposes of this section, the following actions or attempted activities, among others, may be considered cheating:

1. Falsifying or misrepresenting educational credentials or other information required for admission to the examination;
2. Communication between applicants while the examination is in progress both inside or outside the test site or copying another applicant's answers;
3. Communication with others inside or outside the test site while the examination is in progress;
4. Substitution of another person to sit in the test site in place of the actual applicant;
5. Violating the nondisclosure prohibitions of the examination, aiding or abetting another in doing so or otherwise participating in the collection of test items for use, redistribution or sale;
6. Retaking or attempting to retake a test section by an individual holding a valid license or by an applicant who has unexpired credit for having already passed the same test section, unless the individual or applicant has been expressly directed to retake the test section pursuant to a Board order or expressly authorized by the Board to retake the test section; or
7. Reference to crib sheets, textbooks or other material or electronic media, other than that provided to the applicant as part of the examination, inside or outside the test site while the examination is in progress.

(d) In any case where it appears that cheating has occurred or is occurring, the applicant may be summarily expelled from the examination or moved to a position in the test site away from other examinees where the applicant may be watched more closely.

New Rule, R.2004 d.480, effective December 20, 2004.  
See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).  
Amended by R.2011 d.132, effective May 16, 2011.  
See: 42 N.J.R. 2720(a), 43 N.J.R. 1260(b).

In (c)5, substituted a comma for "or" following "examination", inserted "or otherwise participating in the collection of test items for use, redistribution or sale" and deleted "or" from the end; in (c)6, substituted "; or" for a period at the end; and added (c)7.

**13:29-1A.8 Licensure by waiver of examination for applicants licensed in another jurisdiction; application procedures**

(a) Applications for licensure by waiver of examination based upon licensure in another jurisdiction shall be made on a form supplied by the Board that shall require applicants to provide the following information:

1. The month and year of the applicant's successful completion of the Uniform CPA Examination;
2. A list of all states or jurisdictions in which the applicant holds or has ever held a license to practice accountancy;
3. All academic degrees held by the applicant; and
4. All experience and employment the applicant has obtained since being awarded his or her academic degree.

(b) Applications for licensure by waiver of examination based upon licensure in another jurisdiction shall be accompanied by the following items:

1. The waiver of examination, initial license and application fees for Certified Public Accountants as set forth in N.J.A.C. 13:29-1.5;
2. Written verification from the issuing authority in all foreign and domestic jurisdictions where the applicant holds a license, that the applicant's license in the jurisdiction is valid and in good standing, and setting forth the applicant's full name, license number and the date the license was issued.

(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. 13:29-1A.3, except that an applicant who holds a valid license issued by another jurisdiction prior to January 1, 2012 shall not be required to comply with the 150-hour education requirement set forth in N.J.A.C. 13:29-1A.3(c).

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.

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.

Recodified from N.J.A.C. 13:29-1.8 and amended by R.2004 d.480, effective December 20, 2004.

See: 36 N.J.R. 3494(a), 36 N.J.R. 5686(a).

In (b)1 and (c), amended the N.J.A.C. references.

Amended by R.2005 d.410, effective November 21, 2005.

See: 37 N.J.R. 1408(a), 37 N.J.R. 4457(a).