

51 N.J.R. 1424(a)

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RULE ADOPTIONS

Reporter

51 N.J.R. 1424(a)

NJ - New Jersey Register > 2019 > SEPTEMBER > SEPTEMBER 3, 2019 > RULE ADOPTIONS > LAW AND PUBLIC SAFETY -- DIVISION OF CONSUMER AFFAIRS

Agency

LAW AND PUBLIC SAFETY > DIVISION OF CONSUMER AFFAIRS > **STATE BOARD OF ACCOUNTANCY**

Administrative Code Citation

Adopted Amendments:N.J.A.C. 13:29-

1.5,1A.4,1A.8,1A.9,1A.10,2.3,3.5,3.10,3.16,5.3,5.4,6.2,6.3,6.5,6.6,6.7,6.8, and6.11

Adopted New Rules:N.J.A.C. 13:29-1.7,1.8,1.9,1A.11, and1A.12

Text

Board of Accountancy Rules

Proposed: January 7, 2019, at 51 N.J.R. 19(a).

Adopted: June 20, 2019, by the Board of Accountancy, Ainsley A. Reynolds, CPA, President.

Filed: August 1, 2019, as R.2019 d.092, with**non-substantial changes**not requiring additional public notice and comment (seeN.J.A.C. 1:30-6.3).

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

Effective Date: September 3, 2019.

Expiration Date: February 7, 2025.

Summaryof Public Comments and Agency Responses:

The official comment period ended March 8, 2019. The Board of Accountancy (Board) received comments from Ralph Albert Thomas, CPA (DC), CGMA, CEO & Executive Director, New Jersey Society of CPAs (NJCPA).

1. COMMENT: The commenter applauded the Board's proposed changes to its regulations and believes they will help to bring New Jersey more into conformity with the Uniform Accountancy Act and help the State to stay competitive with neighboring states.

RESPONSE: The Board thanks the commenter for its support.

2. COMMENT: The commenter recommended amending or deleting N.J.A.C. 13:29-1A.4(d) because it is likely that by early 2020 the CPA exam will be offered on a continuous basis and there will no longer be testing windows.

RESPONSE: As stated in the prefatory language of the notice of proposal, the Board proposed to amend N.J.A.C. 13:29-1A.4(d) to change "examination window" to "testing window" as determined by the American Institute of Certified Public Accountants (AICPA), the entity that determines when the CPA examination is offered. The Board has been made aware that Board of Examiners of the AICPA is considering additional changes to the frequency in which the CPA examination is offered. Consistent with the Board's original intent to allow applicants to take the examination as frequently as offered by the AICPA, upon adoption, the Board will change subsection (d) to reflect that applicants may retake a failed test section(s) as permitted by the AICPA. In addition, the Board is making a change to clarify that the AICPA administers the test in partnership with the National Association of State Boards of Accountancy (NASBA).

3. COMMENT: The commenter supports the Board's proposed amendments to N.J.A.C. 13:29-5.4(b) and seeks clarification whether applying for the exemption from the Peer Review Program will become part of the firm renewal process.

RESPONSE: It is the Board's intent that firms will apply for the exemption from the Peer Review Program in conjunction with the firm triennial renewal process. The current process requires firms to submit a separate application for the exemption. The Board will continue to review its administrative process for opportunities to further streamline the process.

4. COMMENT: The commenter noted that the amendments to N.J.A.C. 13:29-6.2 and 6.3 do not include an effective date for the continuing professional education (CPE) changes. The commenter urged that the effective date be as soon as possible and noted that many states

already permit nano and blended learning and it is desirable for New Jersey to be consistent with these states.

RESPONSE: In accordance with the Administrative Procedures Act, the Board's adopted amendments and new rules are effective upon the date of publication of the adoption notice in the New Jersey Register.

5. COMMENT: The commenter recommended amending N.J.A.C. 13:29-6.5(a)2ii to replace "were" with "are" and to delete the word "individual." The commenter believes that what is important is not the courses a licensee took in the past as part of his or her initial licensure requirements, but what are the current licensure requirements. The commenter believes that the suggested changes would prevent, for example, a CPA from getting CPE for taking a basic introductory accounting course that did not even exist when the individual was initially licensed.

RESPONSE: The Board declines to change N.J.A.C. 13:29-6.5(a)2ii as the commenter suggested. The Board believes that a licensee who attends a college or university course that was not used to satisfy the individual's professional licensure requirements should be able to receive CPE for such a course.

6. COMMENT: The commenter recommended deleting "hour" in the last sentence of proposed new N.J.A.C. 13:29-6.5(a)7 because throughout the rule the term "credit hour" had been replaced with "credit."

RESPONSE: The Board agrees with the commenter and, upon adoption, will make the correction to "credit."

7. COMMENT: The commenter recommended that the Board include additional language at N.J.A.C. 13:29-6.7(a) to prohibit partial credit being awarded for the law and ethics CPE. The commenter stated that this is perhaps the most important CPE course that CPAs are required to take and those taking it should be required to sit for the course in one sitting. The commenter contended that if CPAs take it in sections, they will not properly comprehend the material as each part of the course is so closely related to what preceded it.

RESPONSE: The Board does not believe it is necessary to change N.J.A.C. 13:29-6.7(a) as the commenter suggested because N.J.A.C. 13:29-6.3A and 6.6(c) set forth that the New Jersey law and ethics course must be a single four credit course.

Summary of Agency-Initiated Change:

The Board is making an administrative correction to N.J.A.C. 13:29-1.8(a) to remove reference to "retired license" because the Board does not have such a status. It is clear from the notice of proposal Summary

that proposed new N.J.A.C. 13:29-1.8 pertains to reactivation of an inactive license.

Federal Standards Statement

A Federal standards analysis is not required because the adopted amendments and new rules are governed by N.J.S.A. 45:2B-42 et seq., and are not subject to any Federal laws or standards.

Regulations

Full text of the adoption follows (additions to proposal indicated in boldface with asterisks ***thus***; deletions from proposal indicated in brackets with asterisks ***[thus]***):

SUBCHAPTER 1. GENERAL RULES

13:29-1.5 Fees

(a) (No change.)

(b) Fees for applicants seeking licensure by waiver of examination based upon licensure in another jurisdiction are as follows:

1. Application fee: \$ 75.00.

[page=1425] (c)-(e) (No change.)

13:29-1.7 License renewal

(a) The Board shall send a notice of renewal to each licensee, at least 60 days prior to the expiration of the license. The notice of renewal shall explain inactive renewal and advise the licensee of the option to renew as inactive. If the notice to renew is not sent 60 days prior to the expiration date, no monetary penalties or fines shall apply to the holder for failure to renew, provided that the license is renewed within 60 days from the date the notice is sent or within 30 days following the date of license expiration, whichever is later.

(b) A licensee shall renew his or her license for a period of three years from the last expiration date. The licensee shall submit a renewal application to the Board, along with the renewal fee set forth in N.J.A.C. 13:29-1.5, prior to the date of license expiration.

(c) A licensee may renew his or her license by choosing inactive status. A licensee electing to renew his or her license as inactive shall not engage in the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, or hold himself or herself out as eligible to engage in the practice of accountancy,

registered municipal accounting, or public school accounting, as applicable, in New Jersey, until such time as the license is returned to active status.

1. A licensee choosing inactive status shall be provided with the option of choosing either inactive paid or inactive unpaid status. A licensee electing inactive paid status shall pay the applicable inactive renewal fee set forth in N.J.A.C. 13:29-1.5, which shall entitle the licensee to obtain all printed information disseminated by the Board to all active licensees. A licensee choosing inactive unpaid status shall not be required to pay the inactive renewal fee and shall not receive printed information disseminated by the Board to active licensees. A licensee choosing inactive paid or unpaid status shall not engage in the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, in New Jersey, until such time as the license is returned to active status.

2. A licensee who has elected inactive status shall not use, in any form, the title or designation of certified public accountant, public accountant, accountant, auditor, or registered municipal accountant, as applicable, or any other title or designation that implies that the person holds a valid, active license from the Board. Inactive licensees may use such titles or designations provided the titles or designations contain the word inactive.

3. A holder of a license as a Public School Accountant or Registered Municipal Accountant who elects to place the qualifying license (for example, Certified Public Accountant or Public Accountant license) in inactive status, shall also elect inactive status for his or her Public School Accountant and/or Registered Municipal Accountant license, as applicable.

(d) If a licensee does not renew the license prior to its expiration date, the licensee may renew the license within 30 days of its expiration by submitting a renewal application, a renewal fee, and a late fee as set forth in N.J.A.C. 13:29-1.5. During this 30-day period, the license shall be valid and the licensee shall not be deemed practicing without a license.

(e) A licensee who fails to submit a renewal application within 30 days of license expiration shall have his or her license suspended without a hearing.

(f) A licensee who continues to engage in the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, with a suspended license shall be deemed to be engaging in the unauthorized practice of accountancy, registered municipal accounting, or public school accounting, as applicable, and shall be

subject to action consistent with N.J.S.A. 45:1-14 et seq., even if no notice of suspension has been provided to the individual.

13:29-1.8 License reactivation

(a) A licensee who holds an inactive license, pursuant to N.J.A.C. 13:29-1.7(c), may apply to the Board for reactivation of the inactive * [or retired] * license. A licensee seeking reactivation of an inactive * [or retired] * license shall submit:

1. A renewal application;
2. A certification of employment listing each job held during the period the license was inactive, which includes the name, address, and telephone number of each employer;
3. The renewal fee for the triennial period for which reactivation is sought as set forth in N.J.A.C. 13:29-1.5.
 - i. If the renewal application is sent during the first year of the triennial period, the applicant shall submit the renewal fee as set forth in N.J.A.C. 13:29-1.5.
 - ii. If the renewal application is sent during the second year of the triennial period, the applicant shall submit two-thirds of the renewal fee as set forth in N.J.A.C. 13:29-1.5.
 - iii. If the renewal application is sent during the third year of the triennial period, the applicant shall submit one-third of the renewal fee as set forth in N.J.A.C. 13:29-1.5; and
4. Evidence of having completed all continuing professional education credits that were required to be completed during the triennial period immediately prior to the renewal period for which reactivation is sought, consistent with the requirements set forth in N.J.A.C. 13:29-6.2.
 - i. An applicant who holds a valid, current license in good standing issued by another state to engage in the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, and submits proof of having satisfied that state's continuing professional education requirements for that license, shall be deemed to have satisfied the requirements of this paragraph. If the other state does not have any continuing professional education requirements, the requirements of this paragraph shall apply.
 - ii. To the extent that specific courses are required to satisfy the continuing professional education requirement for, or are required to have been satisfied prior to, the triennial period for which

reactivation is sought, the Board will allow applicants to take the courses within 12 months following reactivation.

(b) If a Board review of an application establishes a basis for concluding that there may be practice deficiencies in need of remediation prior to reactivation, the Board may require the applicant to submit to and successfully pass an examination or an assessment of skills, a refresher course, or other requirements as determined by the Board prior to reactivation of the license. If that examination or assessment identifies deficiencies or educational needs, the Board may require the applicant, as a condition of reactivation of licensure, to take and successfully complete any education or training or to submit to any supervision, monitoring, or limitations as the Board determines is necessary to assure that the applicant practices with reasonable skill and safety. The Board, in its discretion, may restore the license subject to the applicant's completion of the training within a period of time prescribed by the Board following the restoration of the license. In making its determination whether there are practice deficiencies requiring remediation, the Board shall consider the following factors including, but not limited to:

1. Length of time license was inactive;
2. Employment history;
3. Professional history;
4. Disciplinary history and any action taken against the applicant's license by any licensing board;
5. Actions affecting the applicant's privileges taken by any institution, organization, or employer related to the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, or other professional or occupational practice in New Jersey, any other state, the District of Columbia, or in any other jurisdiction;
6. Pending proceedings against a professional or occupational license issued to the licensee by a professional board in New Jersey, any other state, the District of Columbia, or in any other jurisdiction; and
7. Civil litigation related to the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, or other professional or occupational practice in New Jersey, any other state, the District of Columbia, or in any other jurisdiction.

(a) A licensee who has had his or her license suspended pursuant to N.J.A.C. 13:29-1.7(e) may apply to the Board for reinstatement. A licensee applying for reinstatement shall submit:

1. A reinstatement application;
2. A certification of employment listing each job held during the period of suspended license, which includes the names, addresses, and telephone numbers of each employer;
- [page=1426] 3. The renewal fee for the triennial period for which reinstatement is sought;
4. The past due renewal fee for the triennial period immediately preceding the renewal period for which reinstatement is sought;
5. The reinstatement fee set forth in N.J.A.C. 13:29-1.5; and
6. Evidence of having completed all continuing professional education credits that were required to be completed during the triennial period immediately prior to the renewal period for which reinstatement is sought, consistent with the requirements set forth in N.J.A.C. 13:29-6.2.

i. An applicant who holds a valid, current license in good standing issued by another state to engage in the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, and submits proof of having satisfied that state's continuing professional education requirements for that license, shall be deemed to have satisfied the requirements of (a)6 above. If the other state does not have any continuing professional education requirements, the requirements of (a)6 above shall apply.

ii. To the extent that specific courses are required to satisfy the continuing professional education requirement for, or are required to have been satisfied prior to, the triennial period for which reinstatement is sought, the Board will allow applicants to take the courses within 12 months following reinstatement.

(b) If a Board review of an application establishes a basis for concluding that there may be practice deficiencies in need of remediation prior to reinstatement, the Board may require the applicant to submit to, and successfully pass, an examination or an assessment of skills, a refresher course, or other requirements as determined by the Board prior to reinstatement of the license. If that examination or assessment identifies deficiencies or educational needs, the Board may require the applicant as a condition of reinstatement of licensure to take and successfully complete any education or training or to submit to any supervision, monitoring, or limitations as the Board determines.

is necessary to assure that the applicant practices with reasonable skill and safety. The Board, in its discretion, may restore the license subject to the applicant's completion of the training within a period of time prescribed by the Board following the restoration of the license. In making its determination whether there are practice deficiencies requiring remediation, the Board shall consider the following factors including, but not limited to:

1. Length of time license was suspended;
2. Employment history;
3. Professional history;
4. Disciplinary history and any action taken against the applicant's license by any licensing board;
5. Actions affecting the applicant's privileges taken by any institution, organization, or employer related to the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, or other professional or occupational practice in New Jersey, any other state, the District of Columbia, or in any other jurisdiction;
6. Pending proceedings against a professional or occupational license issued to the licensee by a professional board in New Jersey, any other state, the District of Columbia, or in any other jurisdiction; and
7. Civil litigation related to the practice of accountancy, registered municipal accounting, or public school accounting, as applicable, or other professional or occupational practice in New Jersey, any other state, the District of Columbia, or in any other jurisdiction.

SUBCHAPTER 1A. EXAMINATION AND LICENSURE; FIRM REGISTRATION

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

(a)-(c) (No change.)

(d) Applicants shall *[not]* retake a failed test section(s) *[in the same testing window. For purposes of this section, "testing window" means a three-month calendar quarter during which applicants have an opportunity to take the Certified Public Accountant Examination]*, as *[determined]* ***permitted*** by the American Institute of Certified Public Accountants (AICPA) ***in partnership with the National Association of State Boards of Accountancy (NASBA)***.

(e)-(g) (No change.)

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

(a) (No change.)

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

1. The initial license and application fees for Certified Public Accountants as set forth in N.J.A.C. 13:29-1.5;

2. (No change.)

(c) Applications for licensure by waiver of examination based upon a credential from a foreign jurisdiction shall be made on a form supplied by the Board and shall be accompanied by the following items:

1. The initial license and application fees for Certified Public Accountants as set forth in N.J.A.C. 13:29-1.5;

2. Proof of successful completion of the International Qualification Exam (IQEX) administered by the National Association of State Boards of Accountancy; and

3. Written verification from the issuing authority in all foreign 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.

(d) (No change in text.)

13:29-1A.9 Public School Accountant's license

The holder of a license as a Certified Public Accountant, Public Accountant, or Registered Municipal Accountant shall be granted a Public School Accountant's license upon application to the Board, and the payment of the initial license fee set forth in N.J.A.C. 13:29-1.5.

13:29-1A.10 Licensee requirements

(a)-(b) (No change.)

13:29-1A.11 Triennial firm registration

(a) In accordance with N.J.S.A. 45:2B-54 or 55, an entity that is required to register as a firm engaged in the practice of attest services or public accountancy shall submit an application for registration, which shall be accompanied by the application and

licensing fees as set forth in N.J.A.C. 13:29-1.5. Applications shall also be accompanied by:

1. A copy of the firm's letterhead;
2. The forms regarding Peer Review compliance that are available on the Board's website at <http://www.njconsumeraffairs.gov/acc/Pages/default.aspx>; and
3. If the business is a legal entity, such as a corporation, limited partnership, or limited liability company, a copy of the Business Registration Certificate as proof of having registered with the New Jersey Division of Revenue (see <http://www.nj.gov/njbusiness/registration>).

(b) Each registered firm shall triennially register with and pay to the Board the triennial registration fee as set forth in N.J.A.C. 13:29-1.5.

13:29-1A.12 Orientation course

Within six months of initial licensure in New Jersey, a licensee shall complete an orientation course, which at a minimum, shall include a four-credit course in New Jersey law and ethics approved by the Board pursuant to N.J.A.C. 13:29-6.3A and 6.6(c). Within 30 days of completing the New Jersey law and ethics course, a new licensee shall send a copy of the course completion certificate to the Board. This orientation course shall satisfy the four credits in the New Jersey law and ethics course required at N.J.A.C. 13:29-6.2(d). A list of Board-approved New Jersey Law & Ethics Course Providers is available on the Board website at <http://www.njconsumeraffairs.gov/acc/Pages/default.aspx>. Pursuant to N.J.S.A. 45:2B-68, applicants may elect to take this course within six months prior to initial licensure to satisfy this requirement.

SUBCHAPTER 2. REGISTERED MUNICIPAL ACCOUNTANTS

13:29-2.3 Licensee requirements

(a) - (b) (No change.)

[page=1427] SUBCHAPTER 3. RULES OF PROFESSIONAL CONDUCT

13:29-3.5 Auditing standards

(a) A licensee or the licensee's firm shall not permit the licensee's name to be associated with financial statements in such a manner as to imply that the licensee is acting as an independent public accountant with respect to such financial statements unless the licensee has complied with applicable generally accepted auditing standards (GAAS) and, if applicable, generally accepted governmental auditing standards (GAGAS). Statements on Auditing Standards (SAS) issued by the American

Institute of Certified Public Accountants (AICPA), and issued by the Public Company Accounting Oversight Board (PCAOB), and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures therefrom shall be justified by those licensees or firms who do not follow them.

1. For purposes of this section, "other pronouncements having similar generally recognized authority" encompass both domestic and international pronouncements.

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 the licensee's professional services, which contains a false, fraudulent, misleading, deceptive, or unfair statement or claim. Solicitation by the use of coercion, or over-reaching or harassing conduct is prohibited. A false, fraudulent, misleading, deceptive, or unfair statement or claim includes a statement or claim that:

1. Contains a misrepresentation of fact;
2. Is likely to mislead or deceive because it fails to make full disclosure of relevant facts;
3. Is intended or likely to create false or unjustified expectations of favorable results;
4. Implies educational or professional attainments or licensing recognition not supported in fact;
5. 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;
6. 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;
7. Implies the ability to influence any court, tribunal, regulatory agency, or similar body or official; or
8. (No change.)

13:29-3.16 Records

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

1.-3. (No change.)

4. Licensee-prepared client records that would ordinarily constitute part of the client's books and records, are contained in the licensee's or his or her firm's working papers, and are not otherwise available to the client. Copies of such records shall be produced to the client in the same manner, media, and format as the record was created by the licensee.

(b) (No change.)

SUBCHAPTER 5. PEER REVIEW PROGRAM

13:29-5.3 Standards for peer reviews and sponsoring organizations

(a) (No change.)

(b) A complete list of qualified sponsoring organizations that are approved by the Board pursuant to N.J.A.C. 13:29-5.8 shall be posted on the Board's website at <http://www.njconsumeraffairs.gov/acc/Pages/default.aspx>.

13:29-5.4 Enrollment and participation; exemptions

(a) (No change.)

(b) A firm that does not perform services as set forth in (a) above shall, no later than June 30 of the first year the exemption is sought and for each subsequent triennial renewal period, submit a request for an exemption from the Program in writing to the Board with an explanation of the services offered by the firm. A firm with an exemption that begins providing services set forth in (a) above shall notify the Board of the change in status within 30 days and provide the Board with enrollment information within 12 months of the date the services were first provided. The firm shall have a review within 18 months of the date the services were first provided.

(c)-(h) (No change.)

SUBCHAPTER 6. CONTINUING PROFESSIONAL EDUCATION

13:29-6.2 Credit requirements

(a) Each applicant for a triennial license renewal is required to complete, during the preceding triennial period, 120 credits of continuing professional education, except as provided in (c) through

(f) below. All applicants shall complete a minimum of 20 credits of continuing professional education in each year of the triennial period. The types of continuing professional education programs and other sources of continuing professional education for which credits may be obtained are set forth in N.J.A.C. 13:29-6.5. The 120 credits of continuing professional education shall include at least 24 credits in the areas of accounting or auditing, which may include review and compilation, for licensees who are engaged in the practice of public accountancy. All applicants shall complete at least 60 credits of the required 120 credits in the technical subjects set forth in N.J.A.C. 13:29-6.3. All applicants shall complete four credits of the required 120 credits in the New Jersey law and ethics course set forth in N.J.A.C. 13:29-6.3A. The remaining 56 credits of the required 120 credits 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, 6.3A, or 6.4.

(b)-(c) (No change.)

(d) A licensee shall not be required to satisfy the requirements of (a) above for the initial renewal of his or her license, but shall be required to satisfy the requirements of (a) above as a condition for triennial license renewal for all subsequent triennial renewal periods.

(e) Inactive licensees shall be exempt from continuing professional education requirements. Inactive licensees are those who do not practice accounting (public or private), or hold themselves out to the public as practicing accountants in any professional capacity, or use the title or designation of certified public accountant, public accountant, accountant, or auditor without the word "inactive," pursuant to N.J.A.C. 13:29-1.7(c).

13:29-6.3 Qualifying technical subjects

(a) The following subjects are acceptable for satisfaction of the required 60 credits of continuing professional education in technical subjects over the triennial period:

1.-3. (No change.)

4. Information Technology;

5.-11. (No change.)

(b)-(d) (No change.)

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 or 6.6A.

1. (No change.)

2. Accredited university or college courses in qualifying technical subjects set forth in N.J.A.C. 13:29-6.3 only.

i. Continuing professional education credit shall be granted for university or college courses in accordance with the following:

(1) Applicants shall receive: 15 credits of continuing professional education credit for each semester or trimester credit earned; 10 credits of continuing professional education credit for each credit earned in a quarter; and

(2) Applicants attending noncredit courses shall be granted continuing professional education credit at the rate of one credit for every 50 minutes of in-class participation.

[page=1428] ii. Continuing professional education shall not be granted for attending college or university courses that were used to satisfy the individual's initial professional licensure requirements or CPA examination preparation/review courses.

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

4. Correspondence programs, other individual study programs, and blended learning programs: Continuing professional education credit shall be granted for correspondence programs, other individual study programs, and blended learning programs offered by sponsors who have been registered with the National Association of State Boards of Accountancy (NASBA). Credit shall be granted in accordance with Standard No. 16 of the American Institute of Certified Public Accountants/National Association of State Boards of Accountancy's (AICPA/NASBA's) Statement on Standards for Continuing Professional Education (CPE) Programs, effective September 1, 2016, incorporated herein by reference, as amended and supplemented. The Statement on Standards for Continuing Professional Education (CPE) Programs is located on NASBA's National Registry of CPE Sponsors website, <http://www.nasbaregistry.org/>. Credit for correspondence, other individual study programs, and blended learning programs shall only be given in the renewal period in which the course is completed with a successful final examination.

5. Group Internet-based programs: Continuing professional education credit for group Internet-based programs shall be awarded as follows:

i. Group Internet-based programs must employ learning methodologies that clearly define learning objectives, guide the participant through the learning process, and provide evidence of a participant's satisfactory completion of the program.

ii. Group Internet-based programs must have a live instructor while the program is being presented. Program participants must be able to interact with the live instructor while the course is in progress and have the opportunity to ask questions and receive answers during the presentation.

iii. Once a group Internet-based program is recorded or archived for future presentation, it will continue to be considered a group Internet-based program only where a live subject matter expert facilitates the recorded presentation, and credit is given by the original sponsor of the program. Any future presentations that do not include a live subject matter expert will be considered a correspondence or individual study program which must meet all of the correspondence or individual study program requirements set forth in (a)4 above.

iv. Credit for a group Internet-based program will be granted at the rate of one credit for every 50 minutes of the licensee's participation.

6. Nano learning programs: Continuing professional education credit shall be granted for nano learning programs that meet the requirements of Standard No. 10 of the American Institute of Certified Public Accountants/National Association of State Boards of Accountancy's (AICPA/NASBA's) Statement on Standards for Continuing Professional Education (CPE) Programs, effective August 1, 2016, which is incorporated herein by reference, as amended and supplemented. Credit for nano learning programs shall be granted as one-fifth credit (0.2 credit) in accordance with Standard No. 16 of the AICPA/NASBA's Statement on Standards for Continuing Professional Education (CPE) Programs, effective August 1, 2016, which is incorporated herein by reference, as amended and supplemented. The Statement on Standards for Continuing Professional Education (CPE) Programs is located on NASBA's National Registry of CPE Sponsors website, <http://www.nasbaregistry.org/>.

7. Continuing professional education programs from continuing professional education sponsors approved by the Board in accordance with N.J.A.C. 13:29-6.6. Continuing professional education credit shall

be granted at the rate of one credit *[hour]* for every 50 minutes of in-class participation.

(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 or 6.6A.

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 that is structured as a continuing professional education program. Continuing professional education credit shall be granted at the rate of one credit 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 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 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.

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

(1) One credit shall be given for each 50-minute period of service provided the discussion is one that meets the continuing professional education subject requirements of N.J.A.C. 13:29-6.3 or 6.4. For the lecturer's, instructor's, discussion leader's, or speaker's preparation

time, there shall be awarded two additional credits of continuing professional education for each 50-minute period of instruction. Requests for credit shall be accompanied by an outline of the instruction, discussion, or presentation;

(2) 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 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;

(3) The maximum credit given for service as an instructor, lecturer, discussion leader, or speaker shall not exceed 60 credits for the triennial period;

(4) (No change in text.)

ii. Continuing professional education credit shall not be awarded for instructing college or university courses that satisfy initial professional licensure requirements or CPA examination preparation/review courses.

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

i. (No change.)

ii. Credit shall be given for each 50-minute period of preparation time on a self-declaration basis, not to exceed 30 credits 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 that he or she believes justify an award of greater credit. When licensees request more than 30 credits during the triennial period, credits 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 credits for the triennial period; and

v. Credit shall be given for each 50-minute period of technical review participation, not to exceed 60 credits for the triennial period.

13:29-6.6 Criteria for continuing professional education sponsors

(a) In order to qualify as a continuing professional education sponsor in the subject matters set forth in N.J.A.C. 13:29-6.3 and 6.4, the sponsor shall submit an application form prescribed by the Board and obtain a [page=1429] sponsor number, except as provided in N.J.A.C. 13:29-6.6A. Qualified sponsors shall offer courses that meet the following requirements:

1. (No change.)

Recodify existing 3.-4. as 2.-3. (No change in text.)

(b) (No change.)

(c) A continuing professional education sponsor who wishes to offer a course on New Jersey law and ethics, as set forth in N.J.A.C. 13:29-6.3A, shall apply to the Board in writing for prior approval of the course in each triennial renewal period in which the course will be offered. As part of the application, the program sponsor shall submit the continuing professional education sponsor fee set forth at N.J.A.C. 13:29-1.5, and the following:

1. (No change.)

2. Information documenting that the course shall be:

i. (No change.)

ii. A total of four credits; and

iii. (No change.)

3. (No change.)

(d) (No change.)

13:29-6.7 Continuing professional education credit calculations

(a) Except for those sources of continuing professional education for which another system of credit calculation is set forth in this subchapter, a continuing professional education credit shall be equivalent to 50 minutes. The Board will accept partial credits of continuing professional education.

(b) (No change.)

13:29-6.8 Retention of continuing professional education records

(a) A licensee shall be primarily responsible for documenting satisfaction of continuing professional education requirements. Evidence to support fulfillment of continuing professional education requirements shall be maintained for a period of five years after the

completion of educational courses. Such evidence 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. (No change.)

2. For courses offered by national or state professional organizations, Federal and state government agencies, and sponsors registered with the National Association of State Boards of Accountancy (NASBA), and for correspondence and individual self study courses, written evidence of completion shall be submitted by the licensee. Acceptable evidence of the completion of such courses shall be a certificate of completion or other comparable documentation acquired by the licensee from the program sponsor. The certificate or other documentation shall include the following information:

i. (No change.)

ii. Credits earned;

iii.-vi. (No change.)

13:29-6.11 Responsibilities of program sponsors

(a) In addition to the requirements of N.J.A.C. 13:29-6.6, continuing professional education program sponsors shall comply with the following requirements:

1.-4. (No change.)

5. Issuance of certificates: The program sponsor shall be responsible for issuing certificates of satisfactory completion or other comparable documentation to program participants. Such certificates or documentation shall be printed with the following information:

i. (No change.)

ii. Credits earned;

iii.-vi. (No change.)